



Edison Conference Book 2018



Company profiles

A very warm welcome to the Edison conference book for the Deutsches Eigenkapitalforum 2018.

Performance in the equity markets this October has been one of the weakest in recent history. While risk factors such as ongoing trade disputes, slow-moving BREXIT negotiations and concerns about the Italian budget, to name just a few, are numerous, they are also well known and not new. As this downturn did not have a clear trigger, there is arguably also no clear path to recovery. Our strategist, Alastair George, views these equity declines as a continuation of an ongoing derating of equities. Accordingly, he retains a cautious position on developed market equities.

On the positive side, European and UK stocks no longer appear to be overvalued on a price-to-book basis. A valuation close to the long-term average is, however, not a strong buying signal either. Most value is to be found in specific situations.

Despite all headwinds from macro factors, 2018 has been a record year for IPOs, with 18 companies going public so far and further transactions in process at the time of writing this article. These IPOs spanned all market caps, sectors and segments. The breadth and variety of the companies going public is a strong sign of the health of the ecosystem. You will have the chance to see a good portion of these newly listed companies here at the Eigenkapitalforum.

It is also noteworthy that Deutsche Börse's support for companies looking for growth funding starts before they go public. The Deutsche Börse Venture Network offers unlisted companies a platform to support their development. As in the previous year, you will have the chance to attend the presentation and meet a selection of these interesting start-ups.

We hope you find this conference book a useful guide to the companies participating in this forum and that it helps you to identify attractive investment opportunities. Our analysts have prepared profiles of c 50 issuers presenting at the conference. Please do not hesitate to get in touch if you would like to chat about any of these stocks.

Our research remains free to access post-MiFID II.

We are pleased to be a partner to Deutsche Börse for the Eigenkapitalforum and congratulate the team for organising another great investor conference. The number of participating issuers is significantly up from last year. 20–30% of the participating investors and analysts, as well as c 15% of the presenting companies are from outside Germany, demonstrating that the Deutsches Eigenkapitalforum has an attraction beyond German borders. We hope that all of you have interesting discussions and successful meetings over the coming three days.

Klaus Schinkel

Director of Edison Germany

Edison is an investment research and advisory company, with offices in North America, Europe, the Middle East and AsiaPac. The heart of Edison is our world-renowned equity research platform and deep multi-sector expertise. At Edison Investment Research, our research is widely read by international investors, advisors and stakeholders. Edison Advisors leverages our core research platform to provide differentiated services including investor relations and strategic consulting.

Edison is authorised and regulated by the [Financial Conduct Authority](#). Edison is a registered investment adviser regulated by the state of New York.

We welcome any [comments/suggestions](#) our readers may have.

Neil Shah

Director of Research

For more information please contact



**Director of Edison Germany
Klaus Schinkel**

+49 (0)69 78 8076 960

kschinkel@edisongroup.com

Contents

Prices, information and consensus estimates as at 2 November 2018

Edison research clients*

Note: Edison client PBT and EPS are normalised

Published 9 November 2018

Global perspectives	4
Floor plans and programme	9
Consumer	16
bet-at-home	17
Borussia Dortmund*	18
Lotto24	19
Financials	20
creditsheff	21
Deutsche Beteiligungs*	22
Deutsche Börse	23
Ferratum	24
FinLab*	25
German Startups Group*	26
Heliad Equity Partners*	27
Noratis*	28
Industrials	29
2G Energy*	30
ABO Wind	31
CFT	32
EDAG Engineering Group	33
Encavis	34
FACC	35
Francotyp-Postalia	36
Max Automation	37
Nanogate*	38
NFON	39
paragon*	40
Voltabox	41
Investment companies	42
Mutares*	43
Mining	44
Rock Tech Lithium*	45
Pharmaceutical & healthcare	46
CO.DON	47
Expedeon	48
Heidelberg Pharma*	49
MagForce*	50
Medigene*	51
Mologen*	52
Newron Pharmaceuticals*	53
Paion*	54
PBKM	55
Probiobdrug*	56
Transgene*	57
Technology	58
All for One Steeb	59
Cliq Digital*	60
CREALOGIX Group*	61
EQS Group*	62
First Sensor	63
IT Competence Group	64
Max 21*	65
Mensch und Maschine Software*	66
Mobotix	67
mVISE*	68
Reply	69
SNP Schneider-Neureither & Partner*	70
STEMMER IMAGING*	71
Fact sheets	72

Fact sheet profiles

11880 Solutions
 3 U Holding
 7C SOLARPARKEN
 aap Implantate
 Abivax
 Accentro Real Estate
 ad pepper media
 adesso
 Adler Modemärkte
 ADVA Optical Networking
 Advanced Blockchain
 Affimed
 AKASOL
 Allgeier
 AlzChem Group
 artec technologies
 ASMALLWORLD
 ATOSS Software
 Aumann
 AURELIUS Equity Opportunities
 Aves One
 Basler
 Bastei Lübbe
 Berentzen-Gruppe
 Biofrontera
 Blockchain Intelligence Group
 blockscience
 B.R.A.I.N.
 CANCOM
 capsensixx
 CENIT
 CENTROTEC Sustainable
 CEWE Stiftung & Co.
 Consus Real Estate
 Coreo
 Corestate Capital Holding
 Cropenergies
 CYAN
 Daldrup & Söhne
 DATAGROUP
 DEAG Deutsche Entertainment
 Delignit
 Delticom
 DEMIRE
 Dermapharm Holding
 Deutsche Konsum REIT
 Deutsche Lufthansa
 DEUTZ
 Do & Co
 Dürr
 Eckert & Ziegler
 Einhell Germany
 Elmos Semiconductor
 elumeo
 Energiekontor
 Ergomed
 Erlebnis Akademie
 ERWE Immobilien
 euromicron
 Evotec
 exceet Group
 EYEMAXX Real Estate
 Fabasoft
 FinTech Group
 Formycon
 Fraport
 Fyber
 GESCO
 GFT Technologies
 GK Software
 Godewind Immobilien
 GRAMMER
 GRENKE

Hanse Yachts
 Hapag-Lloyd
 Hawesko Holding
 HELMA Eigenheimbau
 Highlight Communications
 HolidayCheck Group
 Hypoport
 IBU-tec
 INDUS Holding
 InflaRx
 init innovation in traffic systems
 Intershop Communications
 InVision
 ISRA VISION
 IVU Traffic Technologies
 JDC Group
 K+S
 KAP
 Koenig & Bauer
 Krypto
 LANXESS
 Leifheit
 Lloyd Fonds
 LPKF Laser & Electronics
 Lumaland
 M1 Kliniken
 Manz
 Masterflex
 MBB
 Medios
 Merck KGaA
 MLP
 MorphoSys
 Mountain Alliance
 MPC Capital
 MyBucks
 Mynaric
 Nemetschek
 Neodecortech
 Netfonds
 NEXUS
 Northern Bitcoin
 OHB
 Peach Property Group
 Philion
 PNE
 Pro Kapital Grupp
 ProCredit Holding
 Progress-Werk Oberkirch
 PSI Software
 Publiity
 PVA TePla
 Ringmetall
 R. STAHL
 S&T
 Serviceware
 SFC Energy
 Siltronic
 SINGULUS Technologies
 Sixt Leasing
 Sleepz
 SLM Solutions Group
 SMT Scharf
 Softing
 Softline
 Solutions 30
 Staramba
 STRATEC Biomedical
 STS Group
 SURTECO GROUP
 SÜSS MicroTec
 SYZYGY
 TAKKT
 technotrans

TOM TAILOR Holding
 Tyros
 USU Software
 va-Q-tec
 VARTA
 Vectron Systems
 VERBIO Vereinigte BioEnergie
 Verona Pharma
 Viscom
 Vita 34
 Wacker Chemie
 wallstreet:online
 Washtec
 windeln.de
 Wüstenrot & Württembergische
 ZEAL Network
 zooplus

Global perspectives: Halfway house

- **The global equity declines seen in recent weeks have had no clear trigger and therefore there is no clear path for a rapid recovery, in our view.** Having considered the modest moves in other asset classes and the absence of credit stress we view the global equity declines as a continuation of an ongoing de-rating process, as US monetary policy is normalised. We can understand that value investors might remain frustrated as there has been no sense of capitulation, nor obvious bargains at the market level.
- **Fundamental risks remain in place.** The US administration shows no sign of backing away from its trade confrontation with China. Furthermore, press reports suggest that the trade truce with the EU remains uneasy. The UK's Brexit negotiations remain unresolved while the EU has in recent days rejected Italy's proposed budget. Finally, US Fed policymakers remain on the hawkish side of prior market and our expectations. For these reasons we do not expect a rapid rebound in equities, even if earnings estimates for 2019 call for another year of 10% global profits growth and recent economic data has been in line with consensus forecasts.
- **We retain a cautious position on developed market equities.** While valuation risks have certainly diminished in continental Europe and the UK, US markets still appear very highly valued in a historical context. Investors looking to take advantage of recent market volatility may find opportunities in specific situations where poor liquidity has led to disproportionate price falls. However, for the broader market, we believe with the US Fed on a more hawkish path than we anticipated, the most likely scenario is that the de-rating process will continue, with profits growing while equities underperform traditional hurdles of 7-8% annual return.

Analyst

Alastair George
+44 (0)20 3077 5700

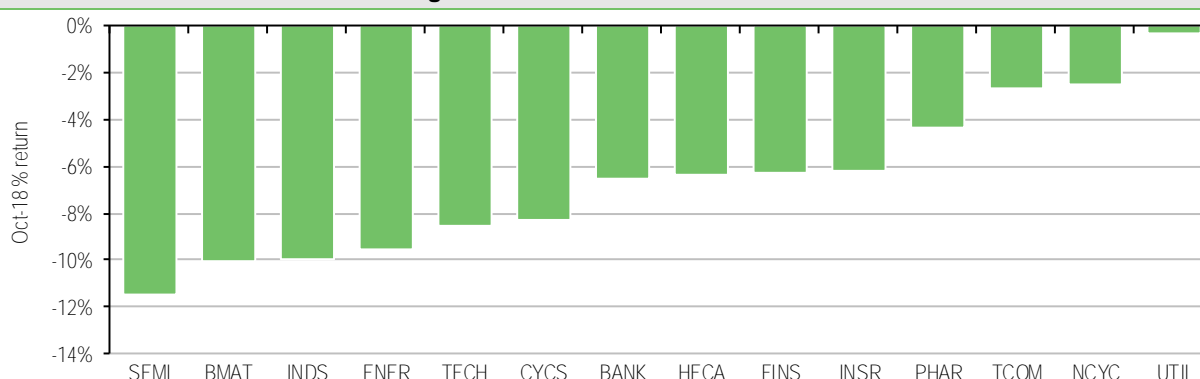
institutional@edisongroup.com

Halfway house: An unsatisfactory position

Rolling global equity declines offer few directional signals

October's equity market performance to date may be amongst the weakest on record for this decade but is likely to be frustrating investors rather than enabling a new direction to be charted for portfolios. On reflection, we do not believe there was a proximate trigger for the recent declines. A hawkish interpretation of the most recent commentary emanating from Fed policymakers may have been unhelpful however, pushing two-year and 10-year US government yields higher in early October.

Exhibit 1: Global sector declines during October*



Source: Thomson Reuters. Note: *To 23 October 2018.

However, the prospect of higher US interest rates and bond yields could not have been more clearly flagged by policymakers and was well known by the market. Investor surveys suggested that concerns in respect of slowing growth were similarly widespread, thus overly bullish investor positioning is also unlikely to be the culprit. The widely reported issues in respect of Brexit or the Italian budget negotiations have been a long-running theme during the summer and could hardly have caught investors off guard.

We have also not been able to discern, despite the recent warning from the Bank of England's financial policy committee, any meaningful widening of corporate credit spreads in recent weeks that might have spooked equity investors. Similarly, credit spreads in wholesale funding markets have barely moved during October. Gold has risen, but only modestly and the dollar and yen have strengthened only a little as global equity markets have fallen. We also note that during October emerging equity markets have fallen only in tandem with developed peers.

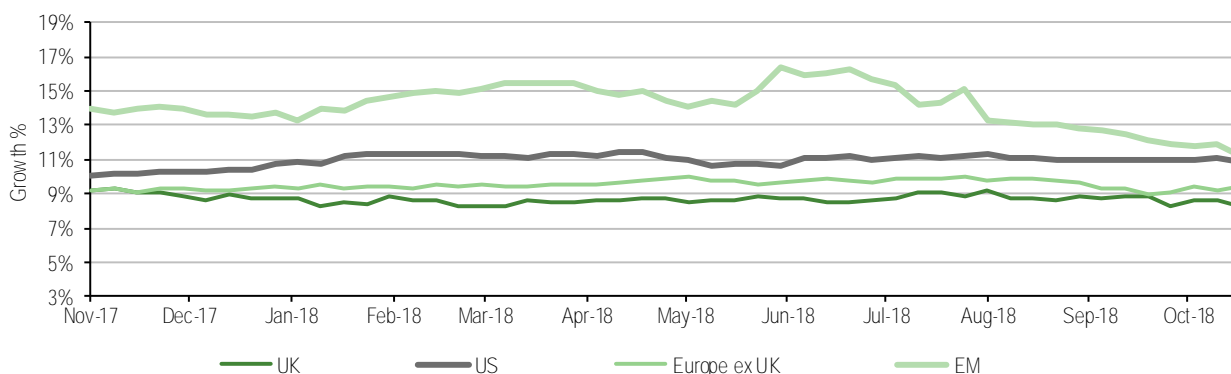
If there was a single hidden factor that triggered the recent market declines, we believe it would have been identified by market participants at this stage. A more likely scenario in our view is that equity market declines, in the absence of credit stress or falling bond yields, point to a re-appraisal of either valuations or the likely direction of corporate profits during 2019. Our cautious view on equity markets – which has been in place for some time – has been based primarily on valuation concerns.

The long period of ultra-loose monetary policy following the financial crisis of 2009 in effect brought forward gains in markets by increasing market valuations. The actuality of normalising monetary policy in the US and the end of quantitative easing and the prospect of higher interest rates in Europe in H219 is now pressuring markets, even as corporate profits grow strongly.

In terms of earnings estimates for 2019, Exhibit 2, median growth profits forecasts for the US remain at 11%, with the UK and Europe at 9%. After downgrades during September, emerging

markets forecasts also now call for 11% profits growth. In developed markets at least, there has not been the magnitude of reductions in earnings forecasts that would justify the recent market volatility, in our view. However, we acknowledge that the downgrades in emerging markets do justify some of the market declines seen in the year to date, despite our earlier positive views.

Exhibit 2: 2019 median earnings forecasts remain stable in developed markets



Source: Thomson Reuters, Edison Investment Research calculations

Recent market declines have equally frustrated value investors and those with high exposure to highly valued technology or growth stocks. The global hedge fund index has suffered sharp declines, as share prices of companies with activist shareholders on the register have underperformed, suggesting a degree of de-risking among this investor base.

The frustration felt by value investors is likely to be compounded by the sense that the data suggests this correction was long overdue, and does not of itself provide compelling investment opportunities for the future. Price/book valuations outside the US are now close to historical averages, but merely average valuations are hardly a strong buy signal or reason to make a large shift in portfolio asset allocations.

Furthermore, we see no sign of capitulation among investors. For US investors, the recent declines are barely visible on a long-term chart showing a doubling of the S&P500 over the past six years. In Europe and the UK, overall market performance may have been muted over the same period but there is still no sense of panic.

From a fundamental perspective the ongoing tensions within the EU in respect of the Italian budget and Brexit show few signs of resolution. Globally, the US continues to engage in confrontational and unpredictable policies in respect of trade. While the objective of levelling the playing field for US corporations competing with Chinese peers is understandable, the means by which the current US administration pursues it is less so.

Investors looking to take advantage of recent market volatility may find opportunities in specific situations where poor liquidity has led to disproportionate price falls. However, for the broader market, we believe with the US Fed on a more hawkish path than we and the market anticipated, the most likely scenario is that the de-rating process will continue, with profits growing while global equities underperform traditional hurdles of 7-8% annual return.

Market valuations improving in UK and Europe

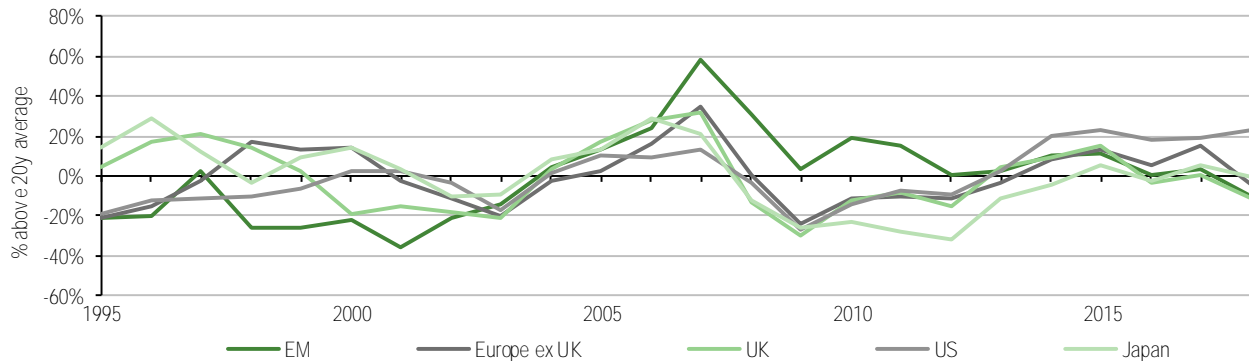
Risks remain in place but at valuations that are now closer to long-term averages

Following the recent market declines, but following solid earnings growth and return on equity in 2018 to date, median non-financial price/book levels are now close to long-term averages in continental Europe, the UK and emerging markets. However, US equities remain the notable exception to this trend. While there may be concerns over the sustainability of current profit

margins, rising bond yields or geopolitical events, valuations can now move down from the top of investors' lists of risks in our view.

This is not to say that lower valuations provide an excuse to become significantly more positive towards equity markets at the present point in time. For continental Europe and the UK there are meaningful challenges ahead, which may explain why equities have de-rated faster than in the US.

Exhibit 3: Median price/book valuations outside US now in line with long-term averages



Source: Thomson Reuters, Edison Investment Research calculations

The challenges of reaching a Brexit accord that provides for no hard border in Ireland while at the same time allowing the UK as a whole to withdraw from the EU's customs union have thus far proved insurmountable. There appears to be a meaningful prospect that any withdrawal agreement that is acceptable to the EU will be unacceptable to the UK's parliament and vice-versa.

While this would be unlikely to lead to a no-deal Brexit directly by Q219 (as it would be logical to expect an extension to the Article 50 process in the circumstances), the probability of a change of UK government or a general election remains elevated. A future UK government might even find a way of derailing the entire Brexit project but, should it be left-leaning, investors would have to discount a number of potential tax and regulatory changes unfriendly to the corporate sector. Therefore, while valuations have moved lower, a risk premium for UK equities remains warranted, in our view. We have seen little in recent developments to suggest that substantive progress is being made in resolving the divisions within the current UK government in terms of Brexit policy.

Exhibit 4: Italy/Germany 10-year government bond spread continues to widen



Source: Thomson Reuters

In the eurozone, the elevated spread between Italian and German 10-year bond yields shows that the structural imperfections of the eurozone continue to simmer under the surface. Yet unlike the unpredictable dynamics of Brexit, there is a relatively predictable market mechanism for bringing populist politicians to heel within the eurozone, namely to threaten to withhold market support and allow sovereign financial pressures to build until fiscal policies are brought into line.

The recently proposed Italian budget deficit of 2.4% of GDP may be above the EU's target of under 1%, but the difference following negotiations is likely to be modest, and similar in magnitude to the additional interest expense faced by the Italian state due to higher bond yields. Despite the unprecedented rejection of Italy's budget proposals by the EU, it is not necessarily the case that a market crisis is unavoidable, at least in the near term. Over the longer term however, the challenges of refinancing Italy's debt burden as eurozone bond yields rise will require deft policymaking.

Conclusion

We do not see a proximate cause for the recent increase in equity market volatility which has been indiscriminate across developed and emerging markets but focused on more cyclical sectors. In the absence of a meaningful rise in credit stress, the declines still fit the theme of a de-rating as US monetary policy is normalised. Perhaps investors have in recent weeks belatedly woken up to the prospect of positive real yields on US bonds in 2019, at a time when US GDP growth is slowing from the fast pace of 2018. Yet a slowing rate of GDP growth is not necessarily a reason to fear a recession.

With investors still having to contend with a number of other fundamental risks such as US trade policy uncertainty, Brexit and Italian budget negotiations, we believe the de-rating is rational and that markets are likely to remain volatile.

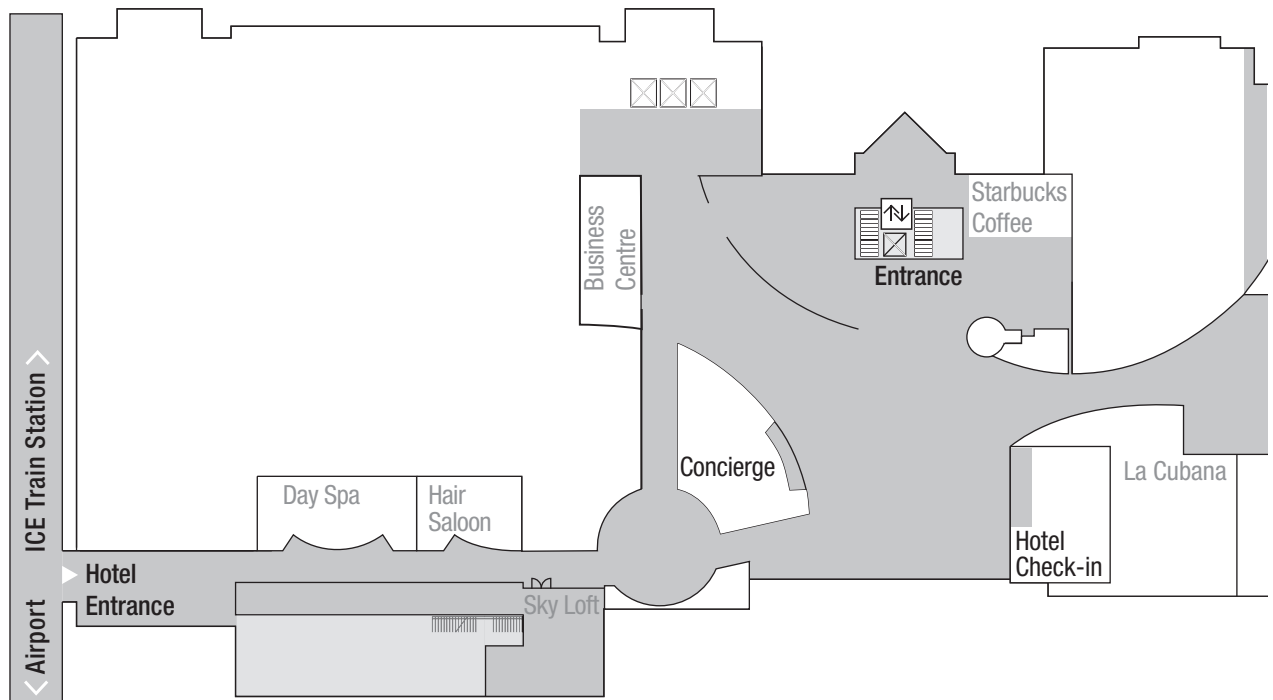
Helpfully, the lack of progress in European and UK markets over the last two years has allowed market valuations to catch up with growing profits and these markets no longer appear overvalued on a price/book basis. US equities remain well above historical multiples however and therefore remain at risk from rising US bond yields.

We therefore retain a cautious position on developed market equities for now due, in our view, to the likelihood of a continuation of the benign derating regime as profits grow while global markets underperform traditional hurdle rates for equity investment of around 7-8% pa.

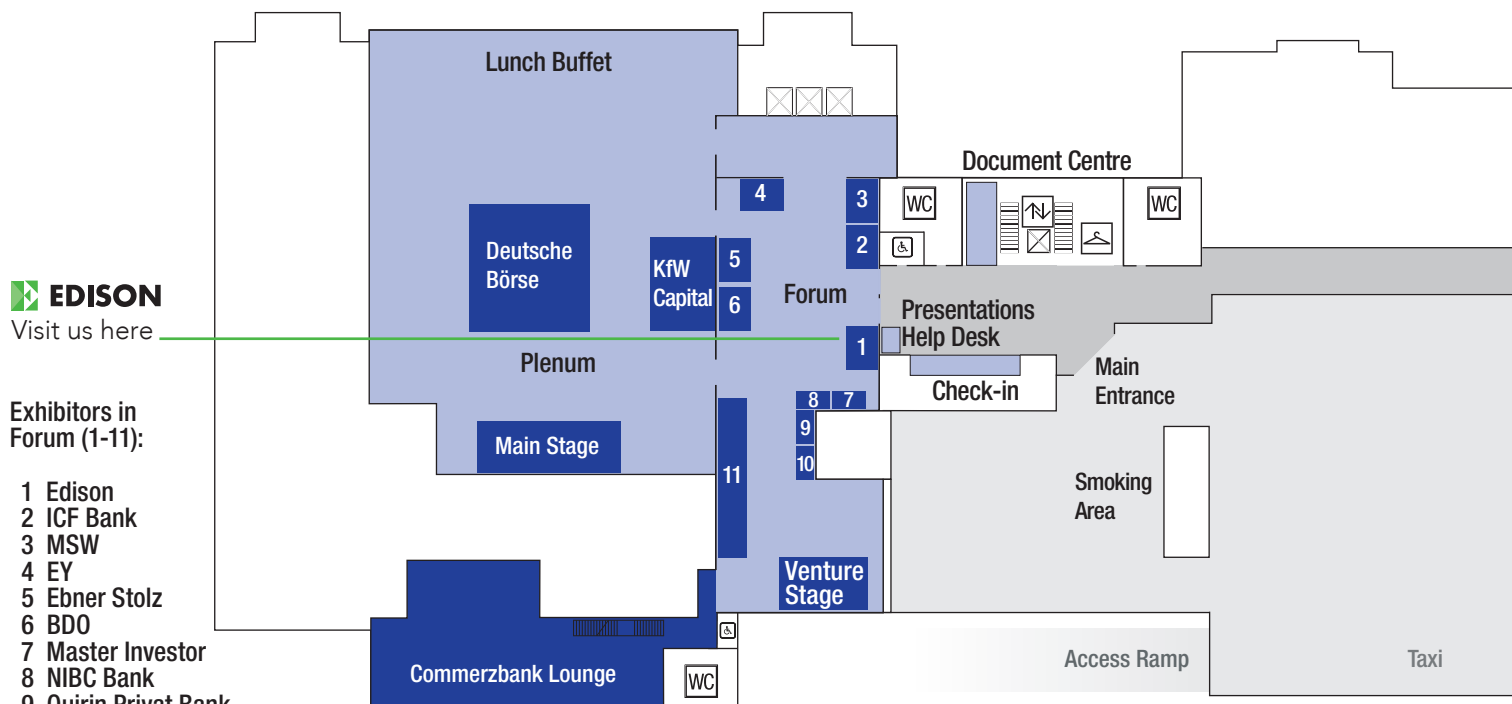
Floor plans and programme

Floorplans

Level E2, Sheraton Frankfurt Airport Hotel & Conference Center



Level E1, Conference Center



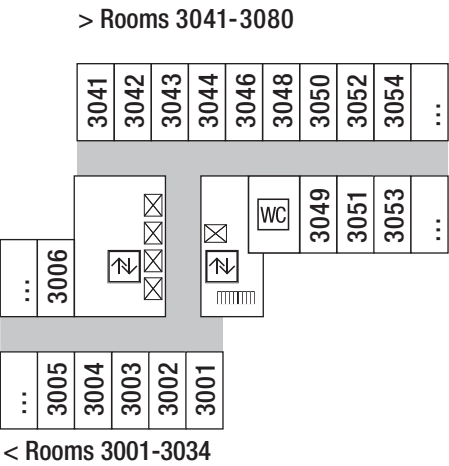
 **EDISON**
Visit us here

Exhibitors in
Forum (1-11):

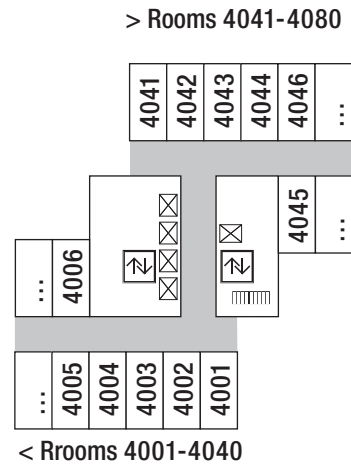
- 1 Edison
- 2 ICF Bank
- 3 MSW
- 4 EY
- 5 Ebner Stolz
- 6 BDO
- 7 Master Investor
- 8 NIBC Bank
- 9 Quirin Privat Bank
- 10 CARL – Uni Konstanz
- 11 Capital Market Partner

1-on-1 floors

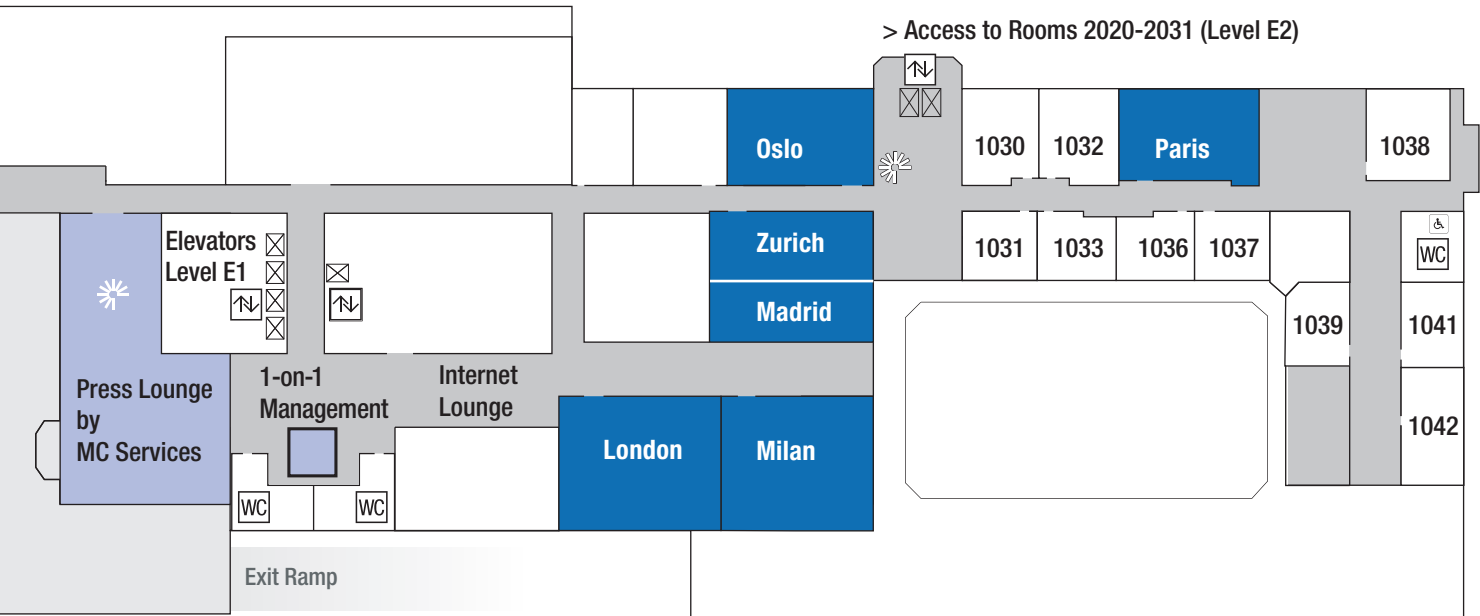
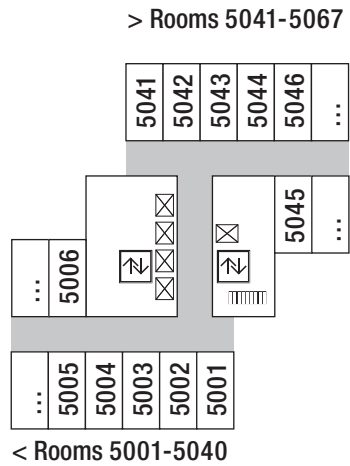
3rd floor,
3001 - 3080



4th floor,
4001 - 4080



5th floor,
5001 - 5067





Deutsches Eigenkapitalforum

26 – 28 November 2018

Frankfurt / Main

Programme Overview and Floorplans

Main Sponsors



Sponsors



Partners



Media Partners



Further Partners and Supporters

Baader Bank, BankM, CMS Hasche Sigle, Computerized Accounting Research Lab, GBC, Heuking Kühn Lüer Wojtek, Kirchhoff, Mediaplanet, Pinsent Masons, viaprinto

Monday, 26 November 2018

09:00 Morning Coffee Networking and opportunity to visit the exhibition

Plenary session I – Main Stage

09:30 Welcome Address and Opening Remarks * Hauke Stars, Executive Board Deutsche Börse AG Dr. Ingrid Hengster, Executive Board KfW Bankengruppe

10:00 Keynote Speech: "De-Globalisation and its implications for the economy and financial markets" *

Protectionism is rising, globalisation is on the retreat. What does this mean for the global growth outlook and inflation? How do central banks and financial markets react? These are the key topics which Dr. Krämer will highlight in his presentation.

Speaker: Dr. Jörg Krämer
Chief Economist
Commerzbank AG

Analysts' conferences I

Room	London	Madrid	Milan	Oslo	Paris	Zurich
Sector	Bioeconomy/Chemicals	Technology	Real Estate	Biotech/Medtech	Consumer Retail	Utilities
10:30	B.R.A.I.N. AG	EQS Group AG	ADLER Real Estate AG	Merck KGaA	German Startup Group GmbH & Co. KGaA*	PNE AG*
11:00	K+S AG	Siltronic AG	Peach Property Group AG*	Biofrontera AG	Hapag-Lloyd AG	SFC Energy AG*
11:30	BIG Blockchain Intelligence Group (Software/IT)	Singulus Technologies AG	EYEMAXX Real Estate AG*	InflaRx N.V.	ZEAL Network SE	Cropenergies AG

12:00 Lunch Time for networking and opportunity to visit the exhibition

Plenary session II – Main Stage

13:00 Panel Discussion – tbd.

Chair:
Patrick Kalbhenn
Spokesperson
Deutsche Börse AG

Speakers:
tbd.

Analysts' conferences II

Room	London	Madrid	Milan	Oslo	Paris	Zurich
Sector	Software/IT	Technology	Real Estate	Biotech/Medtech	Consumer Retail	Utilities
13:30	GFT Technologies SE	Nemetschek SE	Noratis AG*	MorphoSys AG	TOM TAILOR Holding SE	VERBIO Vereinigte BioEnergie AG
14:00	adesso AG	R. Stahl AG	Deutsche Konsum REIT-AG	Heidelberg Pharma AG*	M1 Kliniken AG	ABO Wind AG*
14:30	Intershop Communications AG	Nanogate SE	Godewind Immobilien AG	PAION AG	VARTA AG	Energiekontor AG*
15:00	Fyber N.V.	Akasol AG*	publity AG*	Transgene S.A.	DO & CO AG	2G Energy AG* (Industrials)

15:30 Coffee Break Time for networking and opportunity to visit the exhibition

Analysts' conferences III

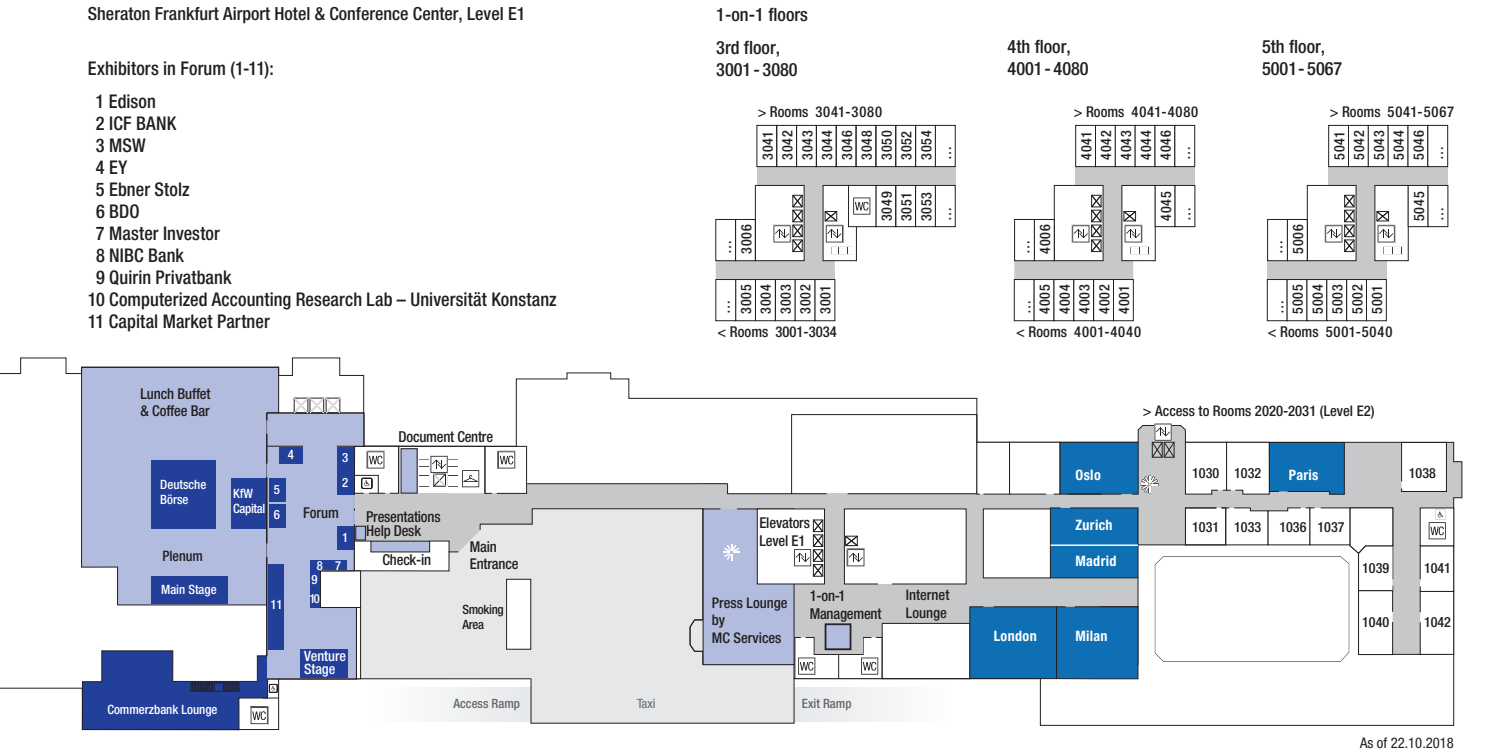
Room	London	Madrid	Milan	Oslo	Paris	Zurich
Sector	Software/IT	Technology	Real Estate	Biotech/Medtech	Travel/Logistics	Bonds
16:00	Staramba SE*	euromicron AG*	AS Pro Kapital Grupp	Evotec AG	Fraport AG	Eterna Mode GmbH*
16:30	INIT SE	artec technologies AG*	FCR Immobilien AG	Ergomed plc	HolidayCheck Group AG	Neue ZWL Zahnradwerk Leipzig GmbH*
17:00	Serviceware SE*	SLM Solutions Group AG	DEMIRE Deutsche Mittelstands Real Estate AG	Medigene AG	Sixt Leasing SE	VST Building Technologies AG*
17:30	Softline AG*	IVU Traffic Technologies AG*	Consus Real Estate AG*	MOLOGEN AG	Aves One AG*	FC Gelsenkirchen-Schalke 04 e.V.*
18:00	creditshef AG	va-Q-tec AG	Coreo AG*	Dermapharm Holding SE	FAAC AG	WashTec AG (Industrials)

18:30 Closing Snacks and Drinks at the Sponsors' Stands – Forum

Annotation: The following companies are available for 1-on-1s only: Accentro Real Estate AG, ad pepper media international N.V., Adler Modemärkte AG, Berentzen-Gruppe AG, Corestate Capital, Delignit AG, Delticom AG, Deutsche Lufthansa AG, DEUTZ AG, Encavis AG, GRENKE AG, LANXESS AG, Ringmetall AG, SLEEPZ AG, SNP SE, Solutions 30 SE, Vita 34 AG, Wüstenrot & Württembergische AG

* Presentation in German language

Floorplans



Tuesday, 27 November 2018

08:30 **Morning Coffee** Time for networking and opportunity to visit the exhibition

Plenary session I – Main Stage

09:00 **Keynote Speech: "2019: Capital markets facing growing challenges" ***

Dr. Bernd Meyer provides an outlook on the economics and the capital markets. How long will the global growth cycle keep going? How does the expected monetary policy turnaround of the ECB affect the markets? Why have markets become more susceptible to flash crashes and which asset classes appear attractive with respect to 2019?

Speaker:
Dr. Bernd Meyer,
Chief Strategist & Head of Multi Asset,
Berenberg

Analysts' conferences I

Room	London	Madrid	Milan	Oslo	Paris	Zurich
Sector	Financial Services	Technology	Telecommunications	Biotech/Medtech	Media	Industrials
09:30	Hypoport AG*	SYZGY AG	Mynaric	CO.DON AG*	Bastei Lübbe AG*	Masterflex SE*
10:00	INDUS Holding AG	SÜSS MicroTec SE	NFON AG	Medios AG	Highlight Communica-tions AG*	STEMMER IMAGING AG
10:30	FinLab AG	Viscom AG*	11880 Solutions AG*	STRATEC Biomedical AG	wallstreet:online AG	SURTECO GROUP SE
11:00		CENTROTEC Sustain-able AG	Mensch & Maschine Soft-ware SE* (Software/IT)	aap Implantate AG	DEAG Deutsche Enter-tainment AG*	PVA TePla AG
11:30	HELMA Eigenheimbau AG* (Real Estate)	technotrans AG	ISRA VISION AG (Software/IT)	Eckert & Ziegler AG*	CLIQ Digital AG*	First Sensor AG

12:00 **Lunch** Time for networking and opportunity to visit the exhibition

Plenary session II – Main Stage

13:00 **From the later stage to the IPO - where does Germany stand? ***

Last year, more than EUR 11 billion of venture capital and private equity were invested in German companies – a record result. However, in global terms, many promising tech start-ups are still not managing to become world leaders. Young, technology-focussed companies also need sufficient financing during the capital-intensive growth phase (later stage) in order to be successful on the (capital) markets in the long term. What are the challenges facing the German tech ecosystem when it comes to international competition, especially with the boom regions of the US and Asia? Which measures could help fast-growing and innovative start-ups in Germany to become medium-sized champions or even the global trailblazers of tomorrow?

Speaker: Dr. Klaus Stöckemann n.n. n.n.
Member of the Board, BVK n.n. n.n.
and Managing Partner,
Peppermint VenturePartners

Analysts' conferences II (continued) & Pitches of non listed Companies

Room	London	Madrid	Milan	Oslo	Paris	Zurich	Venture Stage
Sector	Financial Services	Technology	Software/IT	Biotech/Medtech	Consumer Retail	Industrials	Non listed Companies
13:30	MLP SE	Crealogix Holding AG	CANCOM SE	MagForce AG	SLEEPZ AG*	MBB SE*	eCommerce/Tech (13:30-14:45) Alphapet Ventures GmbH* Mister Spex GmbH clever food concepts SPACE Innovation Lab GmbH FashionCloud
14:00	Aurelius Equity Opportunities	S&T AG	GK Software SE*	Expedeon AG	windeln.de SE	Aumann AG*	
14:30	Heliad Equity Partners	Manz AG	CYAN AG	Newron Pharma-ceuticals SpA	Lotto24 AG	Elmos Semicon-ductor AG	
15:00	capsensixx AG*	Advanced Block-chain AG	NEXUS AG	Probiobdrug AG*	bet-at-home.com AG*	IBU-tec advanced materials AG*	Tech/Cybersecurity (14:45-15:00) QuoScient GmbH

15:30 **Coffee Break** Time for networking and opportunity to visit the exhibition

Analysts' conferences III & Pitches of non listed Companies (continued)

Room	London	Madrid	Milan	Oslo	Paris	Zurich	
Sector	Financial Services	Technology	Software/IT	Biotech/Medtech	Consumer Retail	Chemicals	
16:00	Deutsche Börse AG	LPKF Laser & Electronics AG	mVISE*	Verona Pharma plc	CEWE Stiftung & Co. KGaA	AlzChem Group AG	Pharma/Biotech (16:00-18:00) MetrioPharm AG* APEIRON Biologics AG sterna biologicals GmbH & Co. KG Secarna Pharmaceuticals GmbH & Co. KG
16:30	FinTech Group AG*	Basler AG	zooplus AG	ABIVAX S.A.	Borussia Dort-mund [...]*	Wacker Chemie AG	
17:00	Lloyd Fonds AG*	Reply SpA	DATAGROUP SE	Affirmed N.V.	TAKKT AG*		

Analysts' conferences III & Pitches of non listed Companies (continued)

Room	London	Madrid	Milan	Oslo	Paris
Sector	Financial Services	Technology	Software/IT	Biotech/Medtech	Consumer Retail
17:30	JDC Group AG	ATOSS Software AG	Allgeier SE	PBKM S.A.	HanseYachts AG
18:00	Ferratum Oyj	CENIT AG*	MAX 21 AG	Formycon AG*	Hawesko Holding AG

Get-Together – Main Stage and Plenum

19:00 Our traditional get-together offers you another opportunity to meet representatives of the entire financial services industry and to further develop your newly acquired contacts following the conclusion of the conference programme. Use this opportunity and add new, quality business relationships to your network! The event offers musical entertainment, lavish catering and an open bar.

Wednesday, 28 November 2018

08:30 Morning Coffee Time for networking and opportunity to visit the exhibition

Plenary session I – Main Stage

09:00 Motivation for Going-Public *

Whether for small or medium-sized companies, young or established ones - an IPO can be the right solution for the realisation of the future corporate strategy. Capital market experts discuss the various motives and procedures for raising capital via the stock exchange.

Chair:

Patrick Kalbhenn
Spokesperson
Deutsche Börse AG

Speakers:

Martin Schmeißer
Head of Equity & Debt Capital Markets
ICF BANK AG

Dr. Martin Steinbach
Head of IPO and Listing Services
Germany, Switzerland, Austria
Partner, EY

n.n.

n.n.

Analysts' conferences I & Pitches of non listed Companies

Room	London	Madrid	Milan	Oslo	Zurich	Venture Stage
Sector	Financial Services	Technology	Industrials	Software/IT	Automobile & Parts	Non listed Companies
09:30	ERWE Immobilien AG* (Real Estate)	ASMALLWORLD AG	SMT Scharf AG*	3U Holding AG*	OHB SE (Technology)	Automobile & Parts (09:30-09:45) Aures Holdings a.s. – AAA Auto
10:00	Netfonds AG*	USU Software AG	Rock Tech Lithium (Basic Resources)	exceet Group SE*	EDAG Engineering Group AG	Energy/GreenTech (09:45-10:15) einhundert Energie GmbH SUMTEQ GmbH
10:30	ProCredit Holding AG & Co. KGaA	Fabasoft AG	KAP AG	ADVA Optical Net-working SE*	paragon GmbH & Co. KGaA*	Fintech (10:15-12:00) Integration Alpha GmbH smarttra.de GmbH Elbe Finanzgruppe AG SieVaTek GmbH*
11:00	Deutsche Beteiligungs AG	PSI Software AG	NEODECORTECH S.P.A.	IT Competence Group SE*	Progress-Werk Oberkirch AG*	BCC Group International GmbH SpeedLab AG
11:30	Northern Bitcoin AG*	Vectron Systems AG*	Daldrup & Söhne AG*	MOBOTIX AG	STS Group AG*	n.n.

12:00 Lunch Time for networking and opportunity to visit the exhibition

Analysts' conferences II & Pitches of non listed Companies (continued)

Room	London	Madrid	Milan	Oslo	Zurich	Venture Stage
Sector	Financial Services	Technology	Industrials	Personal&Househ. Goods	Industrials	Non listed Companies
13:00	Tyros AG	Francotyp Postalia Holding AG	MAX Automation SE	Erlebnis Akademie AG* (Travel & Leisure)	Grammer AG (Automobile & Parts)	Fintech (13:00-15:00) n.n.
13:30	Mutares AG*	InVision AG	Softing AG	Einhell Germany AG	Voltabox AG (Automobile & Parts)	
14:00	MyBucks*	Mountain Alliance AG*	7C Solarparken AG	Leifheit AG	Koenig & Bauer AG	
14:30	MPC Capital AG	All for One Steeb AG	CFT S.p.A.	elumeo SE	GESCO AG	
15:00	Krypto AG	Philion SE		Lumaland	Dürr AG	

15:00 Closing Coffee Time for networking and opportunity to visit the exhibition

Plenary session II – Main Stage

15:30 Closing Remarks *

Patrick Kalbhenn
Spokesperson
Deutsche Börse AG

* Presentation in German language/As of 22.10.2018

Consumer

bet-at-home

Guidance maintained with strong Q318

bet-at-home is a long-established sports betting brand, successfully cross-selling into gaming. On the back of the FIFA World Cup, the company has produced a strong Q318, with gross gaming revenues (GGR) of €37.6m and a record EBITDA of €13.0m. Regulatory risks remain high, as witnessed by last year's IP blocking in Poland, but we are encouraged that FY18 guidance has been maintained. Largely due to regulatory concerns, the stock is down c 40% ytd, trading at 9.4x EV/EBITDA and 12.5x P/E for 2018e. This is at the top end of the peer group, but the company's strong cash position and ability to pay special dividends is very attractive.

Regulatory risks are high...

At H118, bet-at-home's main markets were Germany (36% of gross win), Austria (31%) and Eastern Europe (18%). The mix of GGR between sports and e-gaming (casino, poker) was 43/57%, demonstrating successful cross-selling into gaming. Some of its markets are fully regulated (eg UK), but formal licensing has not yet been introduced in many of its main markets, where it pays taxes and VAT as applicable and operates under its EU licence. Regulatory risks are high, as shown by last year's IP blocking in Poland, with similar proposals (subsequently withdrawn) in Austria. In addition, Switzerland recently voted against foreign providers of online casinos (c 3% revenues).

...but guidance has been maintained

On the back of the FIFA World Cup, bet-at-home has produced a strong Q318, with €37.6m GGR and an EBITDA of €13.0m. This compares to €1.6m EBITDA in Q218, which was affected by the majority of World Cup marketing costs. For the nine months, this equates to a €104.2m GGR (vs €108.7m in 2017) and €23.9m EBITDA (vs €25.4m in 2017). Despite the increased regulatory challenges and higher levels of gaming taxes across its markets, we are very encouraged that management has reiterated FY18 guidance of €150m GGR and €36–40m EBITDA. This is slightly higher than recently lowered consensus and assumes an unchanged regulatory environment.

Valuation: 12.5x P/E, 10.7% dividend yield for FY18e

bet-at-home's shares have fallen c 40% ytd, largely due to regulatory concerns across many of its key markets. On consensus figures, the stock now trades at 9.4x EV/EBITDA and 12.5x P/E for 2018e, which is at the top end of the peer group. However, its healthy cash position and ability to pay special dividends is very attractive and the dividend yield for FY18e is 10.7%.

Consensus estimates

Year end	Revenue GGR (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	138.7	33.0	4.42	7.50	13.2	12.8
12/17	145.4	35.5	4.68	7.50	12.5	12.8
12/18e	147.8	36.6	4.67	6.25	12.5	10.7
12/19e	146.0	35.5	4.55	5.56	12.8	9.5

Source: Bloomberg, Edison Investment Research

Travel & leisure

Price €58.4
Market cap €409m

Share price graph



Share details

Code ACX
Shares in issue 7.0m
Net cash as at 30 September 2018 €67m

Business description

Founded in 1999, bet-at-home is an online sports betting and gaming company with 300 employees. It is licensed in Malta and headquartered in Dusseldorf, Germany. Since 2009 bet-at-home has been part of Betclix Everest, a privately owned French online gaming and sports betting group.

Bull

- Strong brand name, five million customers.
- Online gambling is a growing market, with a CAGR of 7% to 2021 (source: H2 Gambling Capital 2017).
- Cash and cash equivalents of €67.0m underpin high dividend yield.

Bear

- Regulatory uncertainty is high in major markets, with recent proposals causing concern in Switzerland, Austria and Germany.
- 2017 legislation in Poland included punitive taxes for sports betting, as well as imposing a monopoly on e-gaming.
- Competitive markets and profits affected by high marketing spend.

Analysts

Victoria Pease +44 (0)20 3077 5740
Katherine Thompson +44 (0)20 3077 5730

gaming@edisongroup.com

**bet-at-home is a client of
Edison Investment Research
Limited**

Borussia Dortmund

Quick off the mark

Bundesliga leaders and unbeaten in their last 14 matches in all competitions, Borussia Dortmund could not have wished for a stronger start under new head coach, Lucien Favre. Indeed an impressive home win over Atlético Madrid already all but assures qualification for the knockout stages of the Champions League, which is in marked contrast to last season's disappointment. This reinforces our current-year forecast of robust pre-transfer revenue growth (c 12%), driven by international TV marketing, even if the bumper transfers of Dembélé and Aubameyang make FY18 a hard act to follow. Progress may be more measured in FY20 but subject as ever to surprise from Dortmund's ability to generate substantial hidden reserves from player transfers.

Q418: Tough comparative

The quarter to June was predictably subdued as a lack of involvement in UEFA and DFB Cup competition, fewer Bundesliga home games (3 vs 5) and a halving of transfer activity drove revenue down by a third. However, domestic TV marketing was a rare bright spot owing to the new broadcasting deal and new Champion Partners buoyed advertising. The impact on profit was at least mitigated by a 12% reduction in bonus-led labour costs and a halving of material costs in line with revenue. Finances remained typically disciplined with net cash €50m at year end.

Shaping up

Despite current elation, epitomised by Atlético Madrid's record Champions League defeat, we are not changing our assumption of Champions League Round of 16. It is early days and we are mindful that last year Dortmund's Bundesliga season also began well only to fall apart with a 29-point deficit to winners, Bayern. Ahead of Q1 results on 14 November, our maintained forecast of 12% higher pre-transfer revenue largely reflects a doubling from the revamped Champions League, while our EBITDA forecast (also held) now assumes a further €15m rise in transfers. Our new FY20 forecast sees continued progress and scope for transfer gain surprise.

Valuation: So far, so good

An EV/EBITDA of 9.7x FY19e does not fully recognise the long-term potential of powerful brand development, valuable media rights and strong cash flow, backed by season ticket sales and hidden reserves from player investment (broadly, c €300m surplus of market value to net player assets, per www.transfermarkt.de).

Edison estimates						
Year end	Revenue* (€m)	EBITDA (€m)	PBT** (€m)	EPS** (€m)	DPS (€)	EV/EBITDA (x)
06/17	328.4	74.1	61.1	0.56	0.06	11.3
06/18	313.3	126.6	111.2	1.03	0.06	6.6
06/19e	350.0	87.0	76.0	0.70	0.06	9.7
06/20e	365.0	90.0	80.0	0.74	0.06	9.3

Note: *Before player transfer income. **PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Travel & leisure

Price €9.68
Market cap €891m

Share price graph



Share details

Code BVB
 Shares in issue 92.0m
 Net cash (€m) at end June 50.8
 2018 including finance leases

Business description

The group operates Borussia Dortmund, a leading German football club, DFB Cup winners in 2016/17 and competing in this season's UEFA Champions League (quarter-finalists in 2016/17).

Bull

- One of the best supported clubs in Europe with major brand and stadium assets.
- Successful squad of players with significant transfer value potential.
- Strong finances (net cash).

Bear

- Unpredictable business, although increasingly mitigated by long-term commercial contracts.
- Subject to external governing bodies.
- Pressures on consumer spending.

Analysts

Richard Finch +44 (0)20 3077 5700
 Paul Hickman +44 (0)20 3681 2501

consumer@edisongroup.com

[Edison profile page](#)

Borussia Dortmund is a client of Edison Investment Research Limited

Lotto24

Consumer

A leader in the online lottery market

Lotto24 extended its market leadership in 2017, with market share up from 31% to 32%. This demonstrates its core USPs: first-mover advantage in the German online lottery market, management experience and marketing know-how. As a result of an exceptionally strong jackpot trend, H118 revenues grew 50% to €19.4m and management increased its FY18 billings growth guidance to 25–30% (vs 15–20% previously). After investment in technology and marketing, the business reached EBIT break-even in FY17, with future profitability flexed according to jackpot opportunities. The stock is up 24% ytd and we believe there is further upside, as online lottery continues to take a bigger slice of the overall German lottery market.

Online lottery still only 10% of market

The overall German lottery market was estimated at €7.1bn in 2017, a 3.6% decline from the prior year (source: DLTB). The online segment was closed between 2009 and 2012, when new licences were awarded (advertising permitted from 2013). Online is growing rapidly, from €35m in 2012 to €700m in 2017 (source: Deutscher Lottverband). However, this was still only 10% penetration in 2017 (2016: 9%) and compares to c 51% in Slovakia, c 40% in Finland and c 18% in Norway and UK (source: GBGC), suggesting plenty of scope for continued strong market growth. Mobile is an important driver, allowing lottery ticket purchases anywhere, any time.

H118 boosted by exceptionally strong jackpot trend

H118 was boosted by an exceptionally strong jackpot trend (eight drawings at €90m in Eurojackpot vs only one in H117), with revenues up 50% to €19.4m and EBIT up 89% to €0.66m. Billings during H118 increased 43% to €161.2m with registered customers up 35% to 1.95m. The 16 federal state lotteries still account for c 65% of the regulated market, but Lotto24's 2017 market share gain (to 32%) suggests it is successfully capitalising on its first mover advantage. It is materially bigger than all the other private providers combined (important since customers are mostly loyal).

Recently upgraded guidance with positive EBIT

Lotto24 has an attractive, scalable business model with no bookmaking risk and long-term contracts with all 16 lottery operators. After a strong H118, billings growth guidance was raised from 15–20% to 25–30% for FY18. Marketing costs are flexed according to the prevailing jackpot trend and management continues to expect positive EBIT for FY18. EBIT break-even was achieved in 2017 and future profitability is likely to be affected by higher spend on jackpot opportunities.

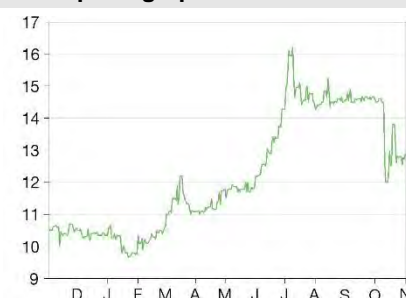
Consensus estimates

Year end	Revenue (€m)	EBIT (€m)	EPS (€)	DPS (c)	P/E (x)	Yield (%)
12/16	22.8	(3.9)	(0.10)	0.0	N/A	N/A
12/17	25.2	1.0	0.10	0.0	N/A	N/A
12/18e	35.6	2.2	0.08	0.0	N/A	N/A
12/19e	41.2	9.1	0.34	0.0	37.8	N/A

Source: Bloomberg

Price €12.86
Market cap €311m

Share price graph



Share details

Code LO24
Shares in issue 24.2m
Net cash (€m) as at June 18 7.9

Business description

Lotto24 is Germany's market leader in the online market of state-licensed lotteries. It receives commissions when customers enter lotteries such as Lotto 6aus49 and does not bear any bookmaking risk. It was founded by Tipp24 (now Zeal Network) in 2010 and spun off and listed in 2012.

Bull

- Strong organic growth, with 1.95 million registered customers at H118.
- Online lottery market is nascent compared to other digital markets, with scope for significant further penetration.
- Scalable technology for online and mobile, with no associated jackpot risk.

Bear

- The company is still in start-up phase, with EBIT break-even achieved in 2017. Future jackpot opportunities may lead to higher marketing spend, which would impact profitability.
- Competitive markets, with 16 federal state lotteries and secondary lotteries.
- Ongoing regulatory restrictions and uncertainties.

Analysts

Victoria Pease +44 (0)20 3077 5740
Katherine Thompson +44 (0)20 3077 5730

gaming@edisongroup.com

Financials

creditchelf

Emerging marketplace for SME loans

creditchelf (CSQ) is addressing the underserved SME credit market in Germany through the development of its fully integrated online platform, including product portfolio extension and acquisition of new investors. As is typical for an early-stage business, CSQ is currently loss-making, but is seeing dynamic sales growth. Future growth will be supported by the €16.5m gross proceeds raised during the IPO, completed last July.

Higher credit volumes and gross margin

CSQ reported a 287% y-o-y revenue increase to €765m in H118, largely driven by the growth in credit volume brokered (up by 86% vs H117). The company's gross margin improved on the back of higher ticket size (€530k vs H117 at €275k) and average duration (18.2 months vs 10.9 in H117). In Q217, CSQ introduced service fees in addition to the brokerage fees already charged, with the former contributing 32% to group revenues in H118 (vs 25% in H117). PBT was negative at €2.9m (H117: negative €0.7m) and was affected, among others, by the IPO-related retention bonus (€1.4m), increased marketing expenses (€376k vs H117: €80k) as well as share-based compensation costs (€577k vs H117: €23k).

IPO proceeds to assist growth strategy

CSQ successfully completed its IPO in July at an issue price of €80 per share, translating into €16.5m gross proceeds (vs initial target at €15–20m). This includes c €1.5m bought by the majority limited partner of the largest shareholder. The funds will be used to finance the further development of data-driven processes, algorithms and models used on the platform (which should consume c 20–35% of the net proceeds) and to invest in new products with the current focus on factoring and analysis-as-a-service (10-13%), as well as marketing, IT infrastructure and incentive programmes (39-61%). CSQ is in discussions with banks related to referrals of SME borrowers. All these actions are aimed at achieving CSQ's mid-term target of €500m loans brokered pa vs H118 last 12 months (LTM) at €41m.

Valuation: Reflects an early-stage growth profile

It is difficult to value CSQ's shares due to its early-stage, high-growth profile, still negative earnings and limited number of comparable listed peers operating similar platforms. We note that some of them, unlike CSQ, are balance sheet lenders and thus not directly comparable. The shares currently trade at an LTM Mcap/sales ratio of 53x, compared to Funding Circle (its closest peer) at 11x.

Consensus estimates

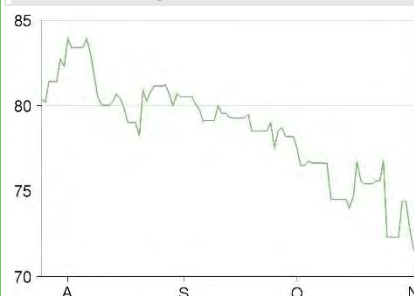
Year end	Revenue (€k)	PBT (€k)	EPS (c)	DPS (c)	Mcap/Sales (x)	Yield (%)
12/15	11	(354)	N/A	N/A	N/M	N/A
12/16	248	(1,238)	N/A	N/A	N/M	N/A
12/17	1,202	(1,114)	N/A	N/A	79	N/A
12/18e	3,900	(6,300)	(3.22)	N/A	24	N/A

Source: creditchelf accounts, Bloomberg consensus estimates as at 10 October 2018. Note: consensus based on estimates of a single analyst.

Financials

Price €71.13
Market cap €95m

Share price graph



Share details

Code	CSQ
Shares in issue	1.33m
Net debt as at 30 June 2018	€0.2m

Business description

creditchelf operates as a credit marketplace for small and medium-sized companies in Germany. Its online platform is designed to match SME borrowers with investors willing to invest in loan receivables. The company brokers the corresponding loans backed by a fronting bank.

Bull

- High potential of SME credit market in Germany.
- Competitive product features compared to other SME financing alternatives.
- Prospective extension of co-operation with banks could drive the number of SME borrowers.

Bear

- Early-stage business with no profits.
- Still relatively small number of investors.
- Full reliance on one fronting bank.

Analyst

Milosz Papst +44 (0) 20 3077 5700

financials@edisongroup.com

Deutsche Beteiligungs

Private equity investor and fund manager

Deutsche Beteiligungs (DBAG) is an experienced private equity investor focused on mid-sized German companies. It is distinguished from private equity peers by generating significant fee income from managing c €1.4bn in third-party funds. After an exceptional FY17, DBAG has delivered steady underlying NAV growth so far in FY18, but its shares have significantly de-rated. Portfolio company valuations were affected by the market decline in early 2018, and a change in accounting for carried interest provisions has had a smaller negative effect on FY18 performance. However, the majority of portfolio companies saw earnings expectations improve over the first nine months of FY18, and a brisk rate of new investment activity during the year is encouraging for DBAG's medium-term prospects.

Higher pace of investment activity continued in FY18

Investment activity was brisk in FY18 (year to end-September 2018), with the first half of the year characterised by a high level of transaction activity at the portfolio company level. Over the year, DBAG agreed five new MBO investments alongside DBAG ECF, and two new MBO investments alongside DBAG Fund VII, exceeding the six new MBO investments agreed in FY17. However, only one divestment was agreed in FY18, compared with seven in the prior year. DBAG ECF started its second new investment period (DBAG ECF II), scheduled to run to December 2020, and DBAG Fund VII has now committed over 50% of its investment capital.

FY18 earnings outlook affected by several factors

While improved portfolio company earnings expectations propelled NAV higher, the stock market decline in early 2018 led to lower earnings multiples being used to value DBAG's portfolio companies at end-H118 (31 March). As a result, DBAG lowered its FY18 earnings guidance. Subsequently, following a regulatory review, DBAG brought forward the recognition of carried interest provisions, in compliance with IFRS accounting standards. This led to management lowering FY18 guidance again, now expecting full-year net income of €29-34m, compared with the €43m average of the last five years. Medium-term guidance was unaffected.

Valuation: Premium to NAV has substantially declined

After an exceptionally strong FY17, DBAG's more modest NAV progress in FY18 appears to have materially affected market sentiment. This is reflected by its share price premium to NAV declining from over 70% to below 20%, providing scope for DBAG's shares to re-rate as successful realisations lead to improved returns.

12 months ending	Total share price return (%)	Total NAV* return (%)	LPX Europe (%)	LPX Europe NAV (%)	SDAX (%)
31/07/14	28.2	17.5	12.0	16.3	17.8
31/07/15	40.6	10.2	32.5	15.6	27.3
30/06/16**	(6.5)	8.5	(8.3)	(1.8)	(2.0)
30/06/17	51.3	27.1	29.9	17.0	23.5
30/06/18	(9.0)	10.2	9.3	10.8	10.2

Source: Thomson Datastream, Bloomberg. Note: *Reflects restated quarterly NAV figures from 31 Dec 2016 to 31 March 2018. **11-month period due to change in financial year end. Discrete rolling 12-month total return performance in euros up to last reported NAV.

Investment companies

Price €36.40
Market cap €548m
NAV* €444m

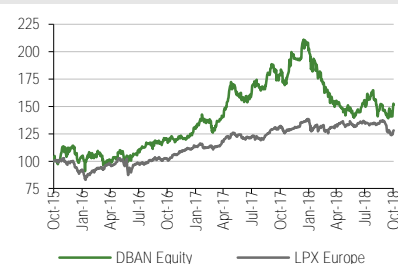
NAV per share* €29.50
 Premium to NAV 23.4%
 FY17 dividend yield 3.8%

*As at 30 June 2018.

Share price/premium performance



Three-year performance vs index



Share details

Code DBAN
 Listing Frankfurt
 Shares in issue 15.0m

Business description

DBAG is a Germany-based and listed private equity investment and fund management company that invests in mid-sized companies in Germany and neighbouring German-speaking countries via MBO transactions and growth capital financings. There is a focus on growth-driven profitable businesses valued between €50m and €250m. DBAG's core objective is to sustainably increase net asset value.

Analysts

Gavin Wood +44 (0)20 3681 2503
 Sarah Godfrey +44 (0)20 3681 2519

investmenttrusts@edisongroup.com

**Deutsche Beteiligungs is a
 client of Edison Investment
 Research Limited**

Deutsche Börse

Targeting diversified growth

Deutsche Börse is a broad financial market infrastructure business with a clear plan to realise structural growth opportunities across its pre-trade, trading and clearing, and post-trade activities. Selective acquisitions will be sought to augment this potential. The shares trade on a marked discount to global peers.

Roadmap 2020

In May this year, Deutsche Börse (DB1) presented its strategic plan, 'Roadmap 2020'. This set out the priorities of new CEO, Theodor Weimer (growth, technology leadership and discipline in execution) and the group's favourable starting point with good organic growth opportunities across the business. DB1 aims to accelerate both secular and cyclical organic growth, supporting this with a disciplined M&A programme focusing on fixed income, commodities, foreign exchange, investment fund services and data provision. Investments in technology are to be expanded to help realise growth and improve scalability: key technologies involved are blockchain, big data analysis, cloud computing, and robotics and artificial intelligence. Financial targets include: organic, secular, compound annual growth in net revenue of over 5% in the period to end 2020, with the potential for additional positive cyclical effects; net profit CAGR of 10-15%; dividends equivalent to c 40-60% of net profit; gross debt below 1.5x EBITDA; and a structural cost reduction of €100m by the end of the period (at a cost of c €200m).

Results for Q318

Q318 results, on an adjusted basis, showed net revenue up 13% y-o-y to €651.4m and operating costs up 5%, which allowed EBITDA to increase by 19% and net profit by 21% to \$245.5m. DB1 reported continued good progress on its Roadmap targets, including structural revenue growth running ahead of its target at c 7%, while cost efficiency measures are on track. Cyclical factors have also been positive with market volatility and higher US interest rates contributing to the result through trading volume and interest income. Acquisitions made a small contribution to growth in the quarter and DB1 indicates further opportunities in the pipeline. The group looks for FY18 net profit growth similar to the first nine months of 2018 (+16%, excluding exceptional items).

Valuation: Undemanding P/E versus major peers

DB1 trades on prospective P/E multiples more than 25% below its larger global exchange peers, a conservative rating given the group's diversification and structural growth plans.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	2,494	1,034	3.87	2.35	28.9	2.1
12/17	2,389	1,289	4.68	2.45	23.9	2.2
12/18e	2,751	1,345	5.29	2.54	21.2	2.3
12/19e	2,973	1,566	6.07	2.98	18.5	2.7

Source: Deutsche Börse, Thomson Reuters collected consensus estimates

Financial services

Price €112
Market cap €22bn

Share price graph



Share details

Code	DB1
Shares in issue	193m
Q318 interest-bearing gross debt/annualised, adjusted EBITDA	1.2x

Business description

Deutsche Börse is a major European financial markets infrastructure provider with ambitions for global growth. Its operations cover the full capital markets value chain and are managed in nine business segments, including: financial derivatives (Eurex), commodities (EEX), foreign exchange (360T), post-trade services (Clearstream), investment fund services (IFS), collateral management (GSF), indices (STOXX), data provision and cash equities (Xetra).

Bull

- Well-established leading position in European derivatives.
- A number of business areas with very high growth prospects.
- Diversification between trading, pre- and post-trading and clearing activities.

Bear

- Still subject to capital market cyclicality.
- Competition may dilute profitability in some areas.
- Some implementation risk associated with strategic plan.

Analyst

Andrew Mitchell +44 (0)20 3077 5700
financials@edisongroup.com

**Deutsche Börse is a client of
Edison Investment Research
Limited**

Ferratum

Growth driven by loans with longer maturities

Following the record-high results in FY17 (sales up 44% y-o-y), Ferratum's revenue growth decelerated in H118 to 20% y-o-y due to lower PlusLoan approval rates following prior credit scoring system adjustments. This triggered a downward revision of FY18 guidance in June. Remedial actions have already been introduced and this business line is showing first signs of a pick-up. Growth in the Credit Limit segment remains robust, while the company continues to develop the SME and Prime Loans products to increase their contribution to group results.

Guidance revised as revenue growth decelerates

The sequential increase in revenues, which exceeded 5% in each quarter in 2017, dropped to around 2% in H118. As a result, the original revenue guidance of €280–310m has been revised down to €260–280m as total revenue in H118 amounted to €124.2m. This still constitutes a c 20% y-o-y improvement but is below the 33% required to reach the mid-point of the original guidance. EBIT margin improved slightly y-o-y to reach 14.6% in H118 (FY17: 14.4%), comfortably within the guided range of 13–16%. As the company successfully placed €100m senior unsecured bonds in May 2018 (refinancing €45m of existing debt and raising an additional €55m for further growth), net profit (down 17% y-o-y to €8.3m) has been influenced by an increased interest burden.

Strategic shift towards longer-term lending

Ferratum continues to prioritise longer-term lending products, which is reflected in the company's portfolio as the share of microloans in total revenue was reduced from 28% to 16% over the last two years. Meanwhile, the company's flagship Credit Limit product is nearing 50% group share, as its quarterly sales broke the €30m mark in Q218. Management plans further actions aimed at enhancing business efficiency, including automation of lending processes and a review of all geographies with potential withdrawal from one or two countries.

Valuation: Trading at a discount to peers in FY19e

Following an over 50% decline YTD to €11.74, Ferratum's shares are trading at a P/E FY18e ratio of 11.9x (based on Bloomberg consensus), implying a 12.8% premium to peers, including MyBucks, Capitec Bank Holdings, Atlas Mara, On Deck Capital and Letshego Holdings. The premium changes to a 23.2% and 18.9% discount on FY19e and FY20e figures, respectively. On EV/sales FY18e ratios, the company's shares trade at 38.5% discount, which increases to 45.6% by FY20.

Consensus estimates

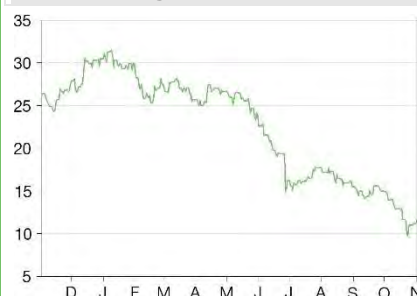
Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/17	221.6	34.6	0.92	0.18	12.8	1.5
12/18e	268.5	42.7	0.99	0.20	11.9	1.7
12/19e	332.5	55.1	1.55	0.31	7.6	2.6
12/20e	412.5	71.7	2.08	0.42	5.6	3.6

Source: Ferratum accounts and Bloomberg consensus (at 9 October 2018)

Financials

Price €11.74
Market cap €255m

Share price graph



Share details

Code	FRU
Shares in issue	21.7m
Net debt (€m) as at 30 June 2018	203.4

Business description

Ferratum Oyj provides mobile banking, digital consumer and small business loans. It operates in Finland, Europe, North America, South America, Africa and the Asia-Pacific region. The company was founded in 2005 and is headquartered in Helsinki, Finland. Ferratum has approximately two million active and former customers who have an account or have been granted one or more loans in the past.

Bull

- Rapid revenue growth supported by new products and geographic expansion.
- European banking licence enabling activity across EEA countries.
- Low entry barriers to new markets.

Bear

- Credit scoring model requiring adjustments.
- Highly competitive market.
- Geographic expansion beyond Europe more difficult.

Analyst

Milosz Papst +44 (0)20 3077 5700

financials@edisongroup.com

FinLab

Several holdings complete financing rounds

FinLab's H118 results were influenced by the fall in Heliad Equity Partners' share price and limited revaluation of non-listed holdings. However, after the balance sheet date FinLab announced several positive developments, including the partial profitable exit from Deposit Solutions and new financing rounds at several holdings. According to management, these should translate into NAV/share of around €23 at end-September 2018, ie c 18% higher than the figure as at end-June 2018. Based on this estimate, FinLab is currently trading at an 11% discount to end-September NAV.

H118 results: Net profit down amid lower write-ups

In H118, FinLab reported improved EBIT at €1.02m (vs €0.30m in H117) on the back of a higher dividend from Heliad Equity Partners and the performance fee from Heliad Management. However, net profit declined by 45.7% y-o-y to €1.6m as a result of lower write-ups (primarily related to the revised valuation in conjunction with the next funding round of nextmarkets). Amid a c 21% decline in Heliad Equity Partners' share price, the overall result (including change in revaluation reserves) was a negative €7.3m vs a positive €7.6m in H117.

New funding rounds fuel growth in NAV

Even though FinLab managed to finalise a new financing round for only one of its holdings in H118, it completed other transactions post-balance sheet date that will have a significant impact on its asset value in H218. The revaluation of Deposit Solutions, accompanied by a partial exit, should add €3 to company's NAV per share alone. FinLab has also completed a capital increase on its own behalf, issuing 250k new shares at €20.75 each in April 2018. The €5.2m in proceeds should enable further investments. With the acquisition of awamo, FinLab's fintech portfolio reached 10 holdings compared with management's target of 10-12 companies.

Valuation: Returning the shares' premium to NAV

FinLab's development is driven by its ability to grow NAV over time as earnings in any given year can be less informative due to their high volatility. In H118, it recorded a 6.3% decrease in NAV per share followed by a 17.7% drop in the share price, which saw the premium at which it trades reduced from 13.7% to null. If we remove the discount of 28.2% at end-June for Heliad Equity Partners and its stock trades in line with NAV, FinLab's NAV increases to €22.01 per share.

Historical financials

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/14	4.8	1.7	0.36	0.00	52.2	N/A
12/15	6.5	7.1	1.44	0.00	13.1	N/A
12/16	4.9	14.0	2.98	0.00	6.3	N/A
12/17	4.4	14.5	2.85	0.00	6.6	N/A

Source: FinLab accounts. Note: *Diluted figures.

Financials

Price €18.80
Market cap €98m

Share price graph



Share details

Code A7A
 Shares in issue 5.2m
 Net cash as at 30 June 2018 €8.2m

Business description

FinLab is an incubator and builder of fintech companies based in Germany. It also has holdings in two relatively mature asset management businesses, Heliad and Patriarch, which gives it stable cash flows and a strong balance sheet. It currently has 10 fintech investments.

Bull

- Good cash position may translate into NAV and earnings-enhancing acquisitions.
- Strong balance sheet and stable cash flows.
- Listed exposure to a growing portfolio of fintech companies in Germany.

Bear

- Small free float and low liquidity.
- Fintech investments are inherently high risk and the portfolio is concentrated.
- FinLab may raise capital to fund future investments.

Analyst

Milosz Papst +44 (0) 20 3077 5700
financials@edisongroup.com

German Startups Group

German Startups market goes live

German Startups Group (GSG) is transforming its business model to an asset manager and an online matchmaking platform for transactions in secondary shares in German start-ups and venture capital (VC) funds. This could potentially create value beyond its existing NAV. Meanwhile, we estimate that (after accounting for post-balance sheet events), GSG's shares trade at a discount to NAV of 42%. The company opened its trading platform on schedule, with the next steps including the launch of the G|S Tech50 Fund and planned co-operation with SharesPost to open the US market to German investors.

Valuation: Continues to trade at a discount to NAV

GSG's current share price of €1.46 represents a 39% discount to NAV at end-June 2018 (based on the book value of equity ex-minorities). Taking into account events after the reporting period, the share buyback and revaluation gains, we estimate that the discount increased to 42%. Importantly, the discount may be understated, as the valuation of minority holdings is mostly based on historical transaction prices. In June and July GSG bought back 230k shares and intends to conduct further share repurchases in the future.

Transition to an asset manager and marketplace

On 19 June, the secondary shares trading platform G|S Market was launched, with the first transactions already concluded. The platform could contribute to GSG's business development – as a source of stable cash flow derived from commissions, as well as a support to GSG's own portfolio management activities. GSG plans to reach a number of available offers in excess of 50 by the end of 2018. Next steps in the development of the platform include the launch of the G|S Tech50 Fund and potential co-operation with SharesPost to open the US market to German investors.

Follow-on funding rounds trigger revaluations

GSG reported basic EPS of €0.14 in H118, which is equal to the total EPS in FY17. Taking into account the recent €3m convertible bonds issue, diluted EPS came in at €0.12. Investors will be able to convert bonds into GSG shares in 2023 at c €2.50 per share, ie 58% above the current share price. GSG did not exit any positions during H118 and results were mostly driven by revaluations of the key holdings in its portfolio (€2.7m vs €0.9m in H117). In total, during H118 GSG invested €3m in follow-on funding rounds and made an initial investment in Chrono24.

Historical financials

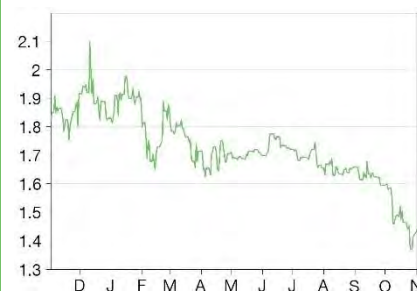
Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/14	0.1	1.5	0.32	0.0	4.6	N/A
12/15	5.6	3.8	0.49	0.0	3.0	N/A
12/16	10.9	(3.3)	(0.29)	0.0	N/A	N/A
12/17	9.6	1.7	0.14	0.0	10.4	N/A

Source: German Startups Group accounts

Financials

Price €1.46
Market cap €17m

Share price graph



Share details

Code	GSJ
Shares in issue	12.0m
Last reported net debt (€m) at 30 June 2018	7.5

Business description

German Startups Group is a Berlin-based venture capital company primarily focused on providing investment to tech businesses in German-speaking countries. With the launch of its secondary shares trading platform, the company started the transition to a wider business model, including market place.

Bull

- NAV likely understated.
- Success of new business model may result in narrowing/closing the valuation gap to NAV and realising additional shareholder value.
- Listed exposure to a diversified portfolio of technology start-ups in Germany.

Bear

- Low liquidity.
- VC investments are inherently high risk.
- Potentially constrained by capital.

Analyst

Milosz Papst +44 (0) 20 3077 5700

financials@edisongroup.com

Heliad Equity Partners

NAV decline driven by listed holdings

Heliad's results and NAV were influenced by the overall conditions in the equity markets, with all but one listed holding (DEAG Deutsche Entertainment) posting a share price decline in H118. Major portfolio developments during the period include the reduction of the FinTech Group stake, participation in the pre-IPO funding round of Cyan and acquisition of Cubitabo by Sleepz. Heliad's shares currently trade at a 29% discount to the last reported NAV of €10.38 (as at end-June 2018), with an even wider discount if we take into account FinTech's current share price.

Weaker equity markets affecting portfolio valuation

Heliad's H118 EPS came in at a negative €1.59 compared with a positive €1.13 in H117, with write-downs of listed holdings amounting to €12.9m (H117: €0.6m). This was primarily the result of share price declines of FinTech Group, Elumeo, Sleepz and MagForce in H118. Consequently, Heliad's NAV per share declined c 15% vs end-2017 to €10.38. However, FinTech shares rebounded in the months following end-June, reverting most of the losses from H118. The valuation of non-listed holdings remained broadly unchanged in the period.

Partial disposal of FinTech and Cyan's pre-IPO

In line with Heliad's intentions to limit the reliance on its key holding in FinTech Group, the company reduced its stake from 14.4% at end-2017 to 11.98%. Still, we estimate that the stake represented c 55% of Heliad's NAV at end-June 2018. FinTech has gained some traction recently, with the new joint venture with Austrian Post and H118 results in line with management expectations. In February 2018, Heliad participated in the pre-IPO financing round of Cyan, which subsequently debuted in March this year. Other major portfolio developments include the acquisition of Cubitabo by Sleepz.

Valuation: Low value attached to non-listed holdings

Based on the current share price, Heliad is trading at a c 29% discount to last reported NAV. We estimate that the rebound in FinTech Group's share price after end-June 2018 represents an incremental €0.65 contribution to Heliad's NAV, which translates into a discount to NAV at c 33%. This suggests that the market is currently attaching little value to Heliad's non-listed holdings (or believes that the company's listed holdings are overvalued). Based on the most recently paid dividend, the shares currently offer a dividend yield of around 2.9%.

Historical financials

Year end	Net revenue	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	NAV/share (€)	P/NAV (x)
12/14	23.8	18.5	1.9	0.15	3.5	8.5	0.8
12/15	29.2	23.0	2.4	0.20	2.8	10.9	0.6
12/16	(16.6)	(22.2)	(2.3)	0.15	N/A	8.4	0.8
12/17	43.1	39.6	4.0	0.20	1.7	12.2	0.5

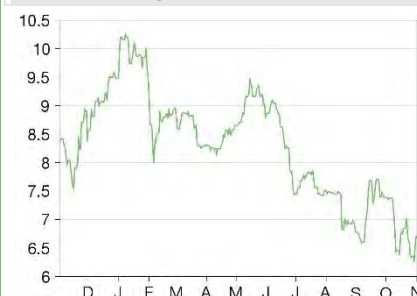
Source: Heliad Equity Partners accounts

Investment companies

Price €6.68

Market cap €66m

Share price graph



Share details

Code	HPBK
Shares in issue	9.87m
NAV/share (€m) as at 30 June 2018	10.38

Business description

Heliad Equity Partners is a Germany-based investment company focused on listed and unlisted smaller companies in German-speaking countries. Investments typically comprise growth and venture-stage technology companies operating disruptive business models or addressing structural issues.

Bull

- Invests in markets likely to experience strong growth in major economies
- Strong cash flows from realisations are allowing further portfolio diversification
- The shares trade at a substantial discount to the value of assets net of liabilities

Bear

- Portfolio concentration: the largest investment comprises more than half of the portfolio
- Early-stage investments are inherently higher-risk
- 2.5% management fee paid to a company owned by the main shareholder

Analyst

Milosz Papst +44 (0) 20 3077 5700

financials@edisongroup.com

Noratis

Growing rapidly

Noratis is stepping up its ambition to benefit from favourable macro factors and the clear opportunity in real estate with development potential in non-core German cities. The asset base (stock book value up 15% in H1 at €114m) has seen a sharp acceleration in growth with c 900 units acquired since May (under 1,200 units in total at the start of 2018). The shortfall in H1 results (revenue and adjusted EBIT down by a third) was, as expected, a matter of timing (likely high-margin asset sales will be H2 oriented), so guidance of a rise in full-year profit is maintained, albeit on lower revenue. Solid finances should allow a further generous dividend (6.9% yield 2018e).

Investment to the fore in H118

With lower financial returns in the period regarded by management as an accident of timing and to be remedied in H2, Noratis's focus remained firmly on growth. Consequently, even excluding a major 161-unit purchase in May but not completed until H2, the company was again clearly a net buyer in the first half, laying a strong base with +210 units and a stock book value of €114m vs €99m at December 2017. Rental income was duly up by a quarter following similarly aggressive expansion last year. However, sales of value-enhanced properties, Noratis's main profit centre, were, as budgeted, well down (notably only one block disposal), hence a sharp fall in overall profit.

Full-year on track

With the majority of planned 2018 disposals in H2 and sustained strong demand for residential real estate, management has affirmed guidance of higher profit. However, given its revised expectation of lower revenue, it does assume higher asset sales margin, as in H1 which saw gross profit 34% vs 28%. Assuming a two-to-three-year lead time for investment projects, recent step-up in expansion, topped by a mid-double-digit €m block purchase in Frankfurt promises longer-term growth.

Valuation: Attractive

Sitting between asset holder and developer makes for a difficult comparison with listed peers but Noratis is at a notable discount to RCM Beteiligungs, which has a similar model (trailing P/E ratio of c 30x). At 7.7x 2018e and P/BV (June 2018) of 1.8x, the company offers an attractive yield, backed by a positive outlook and dividend commitment (c 50% payout of annual net income).

Consensus estimates

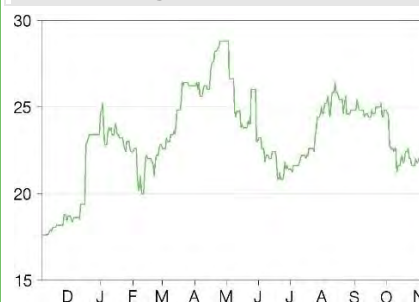
Year end	Revenue (€m)	PBT (€m)	EPS*** (€)	DPS (€)	P/E (x)	Yield (%)
12/16	44.6	9.9	N/A	N/A	N/A	N/A
12/17	68.0	15.2*	3.5	1.5	6.2	6.9
12/18e	65.0	16.0**	2.8	1.5	7.7	6.9
12/19e	85.0	19.4	3.0	1.6	7.2	7.4

Source: Noratis accounts, consensus estimates. Note: *After €1.5m IPO costs. **After €0.8m capital increase costs. ***Based on 2.5m shares in 2017 and 3.3m shares in 2018.

Real estate

Price €21.60
Market cap €78m

Share price graph



Share details

Code	NUVA
Shares in issue	3.6m
Net debt at end June 2018	€68m

Business description

Noratis is a specialised asset developer, acquiring residential rental income producing assets in secondary locations with optimisation potential. Investing in the asset base and improving the tenant mix creates value, which Noratis exploits during well-structured asset sales, either individual or block.

Bull

- Strong experience operating in Germany's non-core areas.
- Focused investment and asset management approach to boost yields and asset values.
- Established business concept and strong partner network across Germany.

Bear

- Smaller company in a very competitive market.
- Low interest rate environment may end.
- Dependence on attractive portfolio opportunities.

Analyst

Richard Finch +44 (0)20 3077 5700
financials@edisongroup.com

Xi gf]Ug

2G Energy

Next-generation, smart-energy solutions

2G Energy is the third-largest provider of gas-driven combined heat power (CHP) plants in Germany. It has diversified its activities so that it is less exposed to changes in the regulatory environment for renewables and CHP in Germany through expanding export markets and service revenues. Gas-powered systems are becoming increasingly important as sources of power for supplying the difference when output from solar and wind systems is low. The stock represents a low-risk play on the shift to decentralised, decarbonised modes of power generation.

Strong growth in service revenues de-risks business

Group sales increased by 16% y-o-y during H118 to €84.1m, although the headline number was distorted by €8.4m exceptionals. Stripping this out, sales grew by 5%. Growth was driven by a strong increase in sales of biogas modules in Germany and in service revenues. Despite the surge in domestic product sales, exports constituted 46% of all CHP sales and 24% of service sales, showing that the company is becoming more resilient to changes in the regulatory environment in individual markets. It was also pleasing to note that the drive to improve monetisation of services was successful, as the development of service revenues gives additional protection from potential downturns in demand for CHP equipment and a mechanism for removing some of the seasonality in sales. Service revenues grew by 21% year-on-year to 46% of the total. EBIT, which was not distorted by the exceptional item, moved from a loss of €0.5m in H117 to a €1.1m profit in H118.

Management reiterates FY18 guidance

The combination of the positive first-half performance and the strong order book position has encouraged management to confirm the guidance for FY18 that it gave in April. This is for net sales between €180m and €210m, and an EBIT margin of 3.5–5.5%. The FY17 EBIT margin was 3.9%, so management is confident that the efficiency measures introduced in FY17 and further margin increases in the service business will result in a further improvement in this metric.

Valuation: Trading at a discount to established peers

The share price has dropped from its peak of €24.00 in July. At current levels, it is trading at a discount to the means for our sample of established boiler manufacturers on all metrics, eg the year 1 P/E is 14.6x vs 14.4x for our sample mean. This suggests potential for an uplift in valuation if management is able to raise EBIT margins to the levels shown in the consensus estimates (5.1% FY18).

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	174.3	5.4	0.40	0.40	53.8	1.9
12/17	189.4	7.2	1.11	0.42	19.4	2.0
12/18e	196.7	9.6	1.47	0.43	14.6	2.0
12/19e	207.3	11.6	1.78	0.47	12.1	2.2

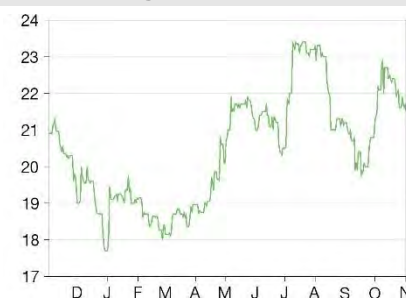
Source: 2G Energy data, Bloomberg

Alternative energy

Price €21.50

Market cap €95m

Share price graph



Share details

Code	2GB
Shares in issue	4.4m
Net cash (€m) as at end-June 2018	14.2

Business description

2G Energy is a leading international manufacturer of highly efficient combined heat and power plants (CHP). These are deployed in the housing industry, agriculture, commercial and industrial companies, public energy utilities, and municipal and local government authorities.

Bull

- Decentralised CHP solutions reduce CO₂ emissions by improving conversion efficiency.
- Remote control capability improves service margins.
- Remote control capability aids integration into virtual power plants.

Bear

- Uptake affected by green regulation, eg termination of waiver of EEG levy.
- Economics depends on spark spread.
- Low free float (46.7%).

Analyst

Anne Margaret Crow +44 (0)20 3077 5700
industrials@edisongroup.com

ABO Wind

Consistent levels of profitability

ABO Wind (ABO) has achieved consistent levels of profitability in recent years and looks set to meet FY18 guidance. The company has over 20 years' experience in developing renewable projects, both in Germany and abroad, and is well positioned to capitalise on the continuing growth expected in the market for renewable energy. The current rating of the shares appears undemanding in comparison to its renewable energy peer group and the wider market.

H118 results show on track to meet FY18 guidance

Recent H118 results from ABO revealed a net profit of c €5.5m and revenue of €56.4m (mainly from wind farms in Germany and Finland). In addition, the company announced that it had grown its pipeline of wind and solar projects in the period and secured new projects with total capacity of 1,600MW. Post the publication of the results ABO also sold a project (up to 50MW not yet built) to Finnish wind farm operator Suomen Hyötytuuli.

Outlook remains strong

According to management the sales planned for the remainder of the year are on schedule and the company remains on track to meet its FY18 guidance of net profit of at least €10m. While profits will not reach the level achieved in FY17, they should amount to the average of the last four years. The macro outlook appears favourable, with strong energy growth anticipated and an increasing renewable energy share, so that by 2040 almost a quarter of all energy is expected to be generated from renewable sources. ABO remains confident and expects that, for the period 2018-20, it will complete projects of c 250MW on an annual basis from the existing pipeline.

Consensus forecasts and valuation

Bloomberg shows consensus forecasts based on the contribution of one analyst. Total output (revenue plus change in WIP) is estimated to be €134m in FY18 (H1 €61.7m) and net profit for the year is forecast to be €11.3m, broadly in line with management's guidance. ABO's valuation appears modest based on consensus-based market multiples with an FY18e P/E of c 8.7x and an EV/EBITDA multiple of 2.7x. Both of these multiples are at a significant discount to both wider market multiples (DJ Stoxx 600) of c 14.0x P/E and 9.0x EV/EBITDA and peer group averages of c 20.x and 8.0x, respectively.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/17	146.8	17.0	2.23	0.30	5.8	2.3
12/18e	134.0	15.7	1.48	0.30	8.7	2.3
12/19e	155.0	17.3	1.55	0.30	8.3	2.3
12/19e	173.0	19.5	1.58	0.30	8.2	2.3

Source: Bloomberg at 10 October 2018

Renewable energy

Price €12.90

Market cap €98m

Share price graph



Share details

Code	AB9 GR
Shares in issue	7.6m
Net (debt) (€m) as at 31 December 2017	6,300

Business description

ABO Wind is a developer of renewable energy projects. Over the last 22 years ABO has developed and installed wind turbines, solar plants and biogas plants with a total capacity of more than 1,400MW. ABO is currently developing wind and solar projects in 16 countries across five continents.

Bull

- Portfolio diversification by technology and geography
- Strong secular growth in the market for renewable energy
- Development of service revenue independent of project development

Bear

- Unexpected adjustments to subsidy regimes
- Currency fluctuations outside the eurozone
- Rising interest rates

Analyst

Graeme Moyse +44 (0)20 3077 57 00
industrials@edisongroup.com

CFT

Food for thought

The recently completed merger between Glenalta and CFT creates a business with significant funding to support the group's ambition to be a leading consolidator of processing, packaging and sorting technologies in the food and beverage sector. Benefiting from the global population megatrends of urbanisation and growing middle classes demanding higher-quality food and drink products, CFT should also augment growth by entering new product segments with high growth dynamics.

Creation of a new platform for growth

CFT was formed on 30 July 2018, through the merger of special acquisition company Glenalta with CFT, a company with more than 70 years of experience in the food packaging and processing market. The merger provided a substantial €88m capital injection for CFT and the opportunity for its shareholders to cash out for €10m. Glenalta shareholders represented 8.9% of its capital and opted to withdraw before the merger, receiving almost €9m. The pro forma net cash of the merged entity on 30 June 2018 stood at c €8m. Sales are split between processing machinery and systems (62% of sales), packaging and bottling equipment (28%) and higher-margin optical selection and inspection equipment for quality control (10%). The company has a broad and varied geographic customer base and 86% of sales going to markets outside Italy.

Consolidating from strong segment positions

The strong balance sheet will be used to promote the group's growth strategy, primarily through M&A. The focus will be on expanding the product offering by acquiring new technologies through organic investment and M&A. In addition the company, with a revised and relatively youthful management team, will seek to consolidate some parts of the value chain to increase competitiveness. The organic growth strategy is to be supported by investment in robotics and automation. The recent purchase of a majority stake in Co.Mac, a producer of kegging, bottling and canning plants, is an example of the intention to consolidate CFT's strong presence in core activities, in this case the beer segment.

Valuation: Reflects lack of track record

Using December 2017 pro-forma net cash €45m, the current enterprise value (EV) for the group stands at c €68m. The historic pro-forma FY17e EV/EBITDA of 3.5x appears undemanding relative to food processing machinery peers in Europe. The rating could offer potential if the deal-driven strategy is executed successfully.

Historical financials

Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/15	167.2	11.4	-	-	N/A	N/A
12/16	183.5	17.3	-	-	N/A	N/A
12/17PFe*	200.7	19.7	0.39	-	18.9	N/A

Source: Company reports. Note: *Pro forma as if merger structure had been in place.

Food processing & packaging

Price €6.22

Market cap €113m

Share price graph



Share details

Code	CFT
Listing	AIM Italia
Shares in issue	18.2m

Business description

CFT designs and manufactures processing, packaging and sorting machinery for the food industry. It offers complete turnkey solutions along the whole manufacturing cycle from requests for proposal through to design and machine production, assembly and testing, and after-sales support.

Bull

- Strong market positions in some segments provide a foundation for growth.
- Relatively fragmented machinery market by product lines provides opportunities for niche consolidation.
- A global presence and customer base is supported by consistent engineering investment and innovation to meet customer needs.

Bear

- Food machinery market is mature and competitive.
- Refreshed management team needs to establish track record following merger.
- As with all M&A-driven strategies, acquisitions carry an execution risk that must be overcome.

Analyst

Andy Chambers +44 (0)20 3077 5700
industrials@edisongroup.com

EDAG Engineering Group

Engineering the 'e-motive' future

EDAG is one of the world's leading independent engineering service providers to the global automotive manufacturing industry. With a reputation built over decades in the core German market, the company appears well positioned to benefit from the surge in new vehicle projects being driven by the megatrend towards electromobility. Its existing customer base, composed of many of the leading car manufacturers, needs to transition entire product ranges, and new independent vehicle projects are emerging around the world, requiring specialist engineering resources.

Leading independent automotive engineer

With 8,400 employees and a global network of around 60 sites in 19 countries, EDAG provides engineering services to the global vehicle OEMs and sophisticated automotive suppliers. It offers complementary solutions across its Vehicle Engineering (62% of FY17 sales), Electrics/Electronics (20%) and Production Solutions (18%) activities. It can support customers across the entire value chain from the original concept, through product development and prototype construction to delivery of turnkey production systems. It also has established centres of excellence that design innovative technologies for future automotive applications, with expertise in both established and emerging trends, such as vehicle lightweighting, e-mobility, autonomous driving, safety and connectivity.

Growth focused on mobility of the future

The focus on e-mobility is driving a surge in engineering resource requirements at the major OEMs, but competitive propositions are also emerging from potential new entrants. The electrification of model ranges not only requires innovative drive systems, but also accelerates trends such as new production systems, weight reduction and digital contents. All of this is encouraging EDAG to selectively shift towards a more global perspective where there is even less competition. Managing contract profitability will remain key in this dynamic environment.

Valuation: Attractive income as growth resumes

In an update on 16 October 2018, the company raised FY18 revenue guidance to at least 8% growth, with an adjusted operating margin of 5–7%. Consensus estimates appear slightly below that. Q3 results are due on 8 November 2018. Achievement of these forecasts with a return to growth leave the 12.5x FY19e reported PE looking undemanding, and supported by an attractive historical dividend yield of 4.3%.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	715.0	28.8	72.2	75.0	24.3	4.3
12/17	716.7	22.1	57.3	75.0	30.6	4.3
12/18e	771.0	38.3	105.0	77.0	16.7	4.4
12/19e	811.8	49.6	140.6	78.4	12.5	4.5

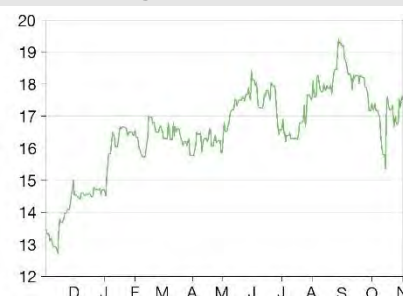
Source: EDAG Engineering Group reports, Bloomberg consensus estimates

Automobiles and parts

Price €17.52

Market cap €438m

Share price graph



Share details

Code	ED4
Shares in issue	25.0m
Net debt (€m) as at 30 June 2018	116.1

Business description

Founded in 1969, EDAG has grown into one of the world's leading independent automobile design and engineering specialists. The group's expertise is in the integrated design and optimisation of vehicles, production facilities, derivatives and modules. It listed on the Frankfurt Stock Exchange in December 2015.

Bull

- The trend to e-mobility is an encouraging surge in new, often independent vehicle projects.
- Megatrends in digitalisation and connectivity are providing new areas of collaborative focus.
- Dividend yield provides significant support.

Bear

- Automotive plans can often change rapidly with OEMs, which can be extremely fickle.
- Increased competition in e-mobility engineering services requires robust contract risk controls.
- Dividend was paid from reserves in the past two financial years but should be covered in FY18.

Analysts

Andy Chambers	+44 (0)20 3077 5700
Annabel Hewson	+44 (0)20 3077 5700

industrials@edisongroup.com

Encavis

Profits set for continuing growth

Encavis has established a strong track record, and consensus forecasts indicate the potential for further growth in FY18 and beyond. The macro environment for renewable energy remains favourable and Encavis is well placed, geographically and technologically, to exploit this trend.

H118 results continue the growth trend

Revenue of €122.8m (+8% vs H117) benefited from the expansion of the wind and solar portfolio. The increase was achieved against a strong meteorological H117. Operating EBITDA rose 7% to €94.0m versus €88.0m in H117 and was limited by an increase in costs for solar parks under construction, but will contribute to revenues in FY19. H118 built on a trend of growth established by Encavis, which has seen 2012–17 CAGR of >40% in revenue, >46% in EBITDA and >21% in DPS.

Confirmation of FY18 targets

As a result of the strong performance in H1, Encavis's management confirmed guidance for FY18 (first published in March and based on the portfolio as it then existed). Revenue is expected to exceed €240m (FY17: €222.4m), operating EBITDA to be more than €175m (FY17: €166.8m), operating EBIT above €105m (FY17: €100.4m) and operating earnings per share of €0.30. Encavis also confirmed its dividend policy of a 50% increase in the DPS by 2021, versus 2016, implying a DPS of €0.30 in 2021. Consensus estimates for FY18 appear broadly in line with guidance (revenue €243.8m and EBIT of €105.2m), while for 2017–20 as a whole they assume CAGR in revenue of c 8% and c 7% for EBIT, which are conservative by the standards of historic growth rates.

Outlook appears positive

Renewable generation continues to grow and Encavis has a strong track record of delivery. Risks are minimised by portfolio diversification and by acquiring only operational assets, assets under construction or assets ready to build (9 October acquisition of a 300MW Spanish solar park). Power purchase agreements or feed-in tariffs offer predictable and non-cyclical earnings and a solid platform for growth.

Valuation: Value and growth

On a P/E basis, Encavis trades at a discount to its peer group but a small premium to the wider market. However, it trades on a modest two-year PEG ratio of 0.7x versus the market multiple of 1.1x. It also offers a prospective yield above the market and its renewable peers.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/17	222.4	40.8	0.20	0.20	30.4	3.3
12/18e	243.8	52.1	0.36	0.25	16.9	4.1
12/19e	263.9	61.4	0.41	0.27	14.8	4.4
12/20e	279.6	56.8	0.39	0.30	15.6	4.9

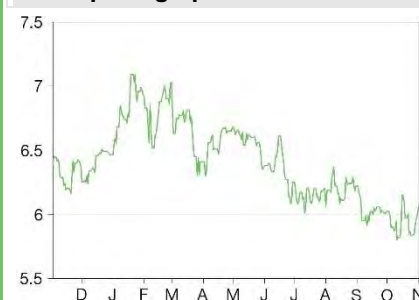
Source: Bloomberg at 10 October 2018

Renewable energy

Price €6.08

Market cap €787m

Share price graph



Share details

Code	CAP
Shares in issue	129.4m
Net debt (€m) as at 30 June 2018	1,428

Business description

Encavis is a leading European independent power producer in the renewable sector. The group's core business is the acquisition and operation of solar parks and wind farms. Encavis is active in 10 European countries and has generating capacity of 1.9GW.

Bull

- Strong growth market for renewable energy.
- Renewable energy projects offer stable long-term returns.
- Falling costs make renewable generation increasingly competitive with fossil-fuelled generation.

Bear

- Retroactive adjustments to tariffs.
- Policy changes to current focus on reducing greenhouse gases.
- Specific project risk.

Analyst

Graeme Moyse +44 (0)20 3077 5700
industrials@edisongroup.com

FACC

Shaping future mobility

Fischer Advanced Composite Components (FACC) is positioned to leverage the ramp up in civil aircraft production volumes. It is a pure play, Tier 1 supplier of composite structures and components to the civil aerospace and aeroengine segments. The company is focused on delivering market share growth across its product segments, supported by a healthy order backlog and a clear technological edge. The executive team is building confidence and executing the production plan, with recovered margins and improved cashflow.

Lightness and efficiency

FACC was established in Austria and has operated as a niche specialist in the supply of carbon composite structures to the aircraft industry for nearly 30 years. It was taken over by the Chinese aerospace group AVIC in 2009 and was the subject of an IPO in 2014. Through rebuilding brand image and credibility, the business has gained market share. The company has invested in technology and automation of its production capacity.

Commercial programme ramp up

FACC technology is installed on almost all modern aircraft platforms, as the proportion of composite materials has increased on aircraft to reduce weight. With 50% of structural components on the newest generation of widebody aircraft (A350, B787) made from composites, compared to 28% on the A380 and just 3% in 1970, shipset values have increased. The shipset value for an A350 is €1.5m, for example. As production rates continue to increase, revenue growth for FACC should remain above 10%, with potential for margin expansion through improved pricing, operational leverage and cost reductions. In addition, FACC is seeing a shift towards the new growth markets, including China where it benefits from the involvement of its largest shareholder.

Valuation: Attractive growth trends

FACC is looking to deliver single-digit percentage revenue growth in FY19, with an ongoing goal to drive market share up in all segments. Its Vision 2020 strategy is working towards a FY21 revenue target of €1bn. In addition, we believe that civil aerospace market dynamics support the expectation of higher earnings and cashflow, indicating the potential for investors.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
02/17	705.7	19.5	0.33	0.0	50.7	N/A
02/18	750.7	52.4	0.87	0.11	19.2	0.7
02/19e	772.0	44.1	0.72	0.21	23.2	1.3
02/20e	849.7	58.7	0.97	0.31	17.2	1.9

Source: FACC, Bloomberg

Aerospace and defence

Price €16.72

Market cap €766m

Share price graph



Share details

Code	FACC
Shares in issue	45.8m
Net debt (€m) as at 31 August 2018	177.8

Business description

FACC is a Tier 1 supplier to the aerospace industry, 55.5% owned by AVIC of China. Composite structural components for Aerostructures (47% of FY18 sales), Cabin Interiors (33%) and Engines & Nacelles (20%). It employs 3,400 people across 13 sites internationally.

Bull

- Civil aerospace programmes continue to ramp up, especially the Airbus A350 programme.
- Margins expected to improve to 7–10% due to operating leverage as volumes rise.
- A multi year investment programme in capacity and technology to deliver the \$6.5bn order backlog and sustain profitable growth.

Bear

- Executive management team needs to continue to build track record and restore credibility.
- Chinese majority shareholding unlikely to decline, with a possible conflict of interest between AVIC and minority shareholders.
- Company incurs costs as new programme are developed and transition to production.

Analysts

Andy Chambers	+44 (0)20 3077 5700
Annabel Hewson	+44 (0)20 3077 5700

industrials@edisongroup.com

Francotyp-Postalia

From analogue to digital

Francotyp-Postalia (FP) looks back on a more than 90-year history as a producer of franking machines. In the past it expanded its product offering into mail services (eg pre-sorting mail). Future growth is expected to come from digital and IoT solutions, assisting current customers in their digitalisation process and finding new applications for the IoT know-how already present in FP's secure high-tech franking machines.

Growing with share gains and digital solutions

About 25% of FP's revenues come from hardware sales, with 40% from equipment rental income, services and the sale of consumables, which are relatively high-margin businesses. Mail services, like the pre-sorting of outbound mail, contribute about 30% of revenues, with a rather low margin. FP still sees growth in its traditional business, but a bigger growth push is expected from digital solutions like FP Sign (a digital transaction and secure e-signature process) and IoT applications like FP Secure, providing a secure data gateway. IoT know-how is already present in FP's secure franking machines, which require secure communication between FP's customers, its servers and the postal services. The development of these new business areas is a key point of the company's 'ACT' strategy, announced in 2016. With almost no revenue contribution from these new product developments at present, they are targeted to contribute more than €30m by 2020. In total, the company targets revenues of €250m, and an EBITDA margin $\geq 17\%$ by 2020, and €400m in revenues with an EBITDA margin of 20% by 2023.

2017-18: Transformation puts pressure on margins

In 2017, FP reported revenues of €206.3m (+1.7%). On the back of higher costs associated with the ACT programme, EBITDA fell by 3.3% to €26.3m. For 2018, the company targets a small revenue improvement vs 2017 and a small improvement in company adjusted EBITDA. FP was clear in its outlook that 2018 will be significantly affected by restructuring costs. H118 revenues reached €104.8m (flat y-o-y, €107.9m currency adjusted, +3.3% y-o-y), and EBITDA came in at €12.8m, virtually unchanged from H117. Adjusted for currency effects and restructuring costs, EBITDA would have reached €15.5m, +21% y-o-y, according to FP. However, the company expects significant restructuring charges in H218.

Valuation: Business re-engineering and new products

The company is trading at relatively undemanding FY18e consensus EV/Sales of 0.4x and EV/EBITDA of 3.5x, with a further reduction in multiples expected in FY19 on the back of the ongoing cost-cutting and growth in digital services.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
2016	203.0	9.6	0.36	0.16	10.7	4.2
2017	206.3	7.0	0.28	0.12	13.8	3.1
2018e	212.3	2.1	0.13	0.10	29.6	2.6
2019e	222.3	10.3	0.49	0.19	7.9	4.9

Source: Bloomberg

Industrials

Price €3.85

Market cap €63m

Share price graph



Share details

Code	FPH
Shares in issue	16.3m
Net debt (€m) at end 2017	19.5

Business description

Francotyp-Postalia (FP) produces and sells franking machines as well as inserters, and offers mail services and software. In franking machines, the company has a global market share of 11%, in a highly oligopolistic market. Future significant growth is expected to come from digital services and IoT solutions.

Bull

- Showing consistent market share gains in a mature market.
- Restructuring and efficiency measures in place.
- Promising new digital products (e-signature, IoT), with key know-how coming from IoT features in its own franking machines.

Bear

- Paper-linked communication is a structurally stagnant or shrinking market.
- Business re-engineering measures still have to show sustainable impact.
- New products still have to prove successful in the market, FP is a rather small player in each of the new markets.

Analyst

Christian Breitsprecher +44 (0)20 3077 5700
industrials@edisongroup.com

MAX Automation

De-risking the company portfolio

MAX Automation is a decentralised group of specialised high-tech mechanical engineering companies. The company recently announced it will dispose of the mobility automation business, which produces special purpose mechanical engineering/assembly lines for automotive industry customers. However, auto industry-related activities will continue.

Disposal of mobility automation reduces risks

Earlier in the year, MAX had to issue a profit warning due to a revaluation of projects of its subsidiary IWM, a manufacturer of automated assembly lines for transmissions, clutches and steering. In September 2018, the company decided to dispose of these businesses and it expects the sales process to be concluded next year. In 2018 the companies up for disposal together expect sales of €120m to €130m out of originally expected total group sales of about €400m. The decision is driven by the expectation that these businesses will be structurally unable to reach the medium-term EBIT return target of 8% of total operating revenue.

H118 IWM impact overshadows the positives

The company's H118 EBIT before PPA depreciation swung to a loss of €0.4m (H117 profit €9.7m). According to MAX, the decline resulted from the cost related to the revaluation of IWM Group projects. Order intake rose strongly in the first six months of 2018 by 21.1% to €213.6m (H117 €176.4m). Order backlog increased by 42.6% to €269.7m after €189.1m end of H117. The book-to-bill ratio stood at 1.05x. MAX consolidated sales grew by 13% to €203.6m. The company has indicated that order intake for continuing operations alone was even stronger.

2018 outlook cut back

With the announcement of the disposal plans in September, MAX reduced the outlook for EBIT before PPA from the ongoing business to €16–18m, which compares to an outlook at the beginning of the year of 'at least €26m'. This implies the operations up for disposal had originally been expected to produce an EBIT before PPA of around €10m and are now creating a burden of €20m (plus write-down and measures to improve the feasibility of the business). Revenues from ongoing operations for 2018 are targeted by the company at €270–280m, implying an EBIT margin before PPA of 5.7% (medium-term target 8%).

Valuation: Reflecting hope for recovery

Valuation appraisal is distorted by the planned structural changes and one-off items. At this stage the stock is trading at c 2.5x book value (excluding goodwill).

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	337	9.5	0.30	0.15	16.7	3.0
12/17	376	17.0	0.50	0.15	10.0	3.0
12/18e	275	13.2	0.31	0.15	16.1	3.0
12/19e	303	14.6	0.35	0.15	14.3	3.0

Source: Bloomberg as at 19 October 2018

Capital goods

Price €5.0
Market cap €148m

Share price graph



Share details

Code: MXHN
Listing: Prime Standard, German Stock Exchange
Shares in issue: 29.5m

Business description

MAX Automation is a decentralised group of specialized high-tech mechanical engineering companies. After the disposal of the mobility automation business, it will concentrate on life science automation, process technology, new automation technologies, and environmental technology.

Bull

- Active in several interesting technology fields, providing growth opportunities and diversification.
- Exiting mobility automation reduces risk.
- Long-term financing in place.

Bear

- U-turn on automotive related industries raises questions.
- Apparently, deficiencies in centralised controlling, implementation of unified SAP4 system still to come.
- End June net debt €89m, significant amount of goodwill on the balance sheet. Net debt should fall significantly with the planned disposals.

Analyst

Christian Breitsprecher +44 (0)20 3077 5700
industrials@edisongroup.com

Nanogate

A world of new surfaces

Nanogate's management has created a vertically integrated platform that designs and manufactures components with the optical qualities of glass or the durability and shine of chrome-plated parts. These are increasingly in demand as global automotive OEMs seek to lightweight, conventional and electric powered vehicles and OEMs offering domestic appliances or electronic devices aim to differentiate product through deployment of high-performance surfaces that combine both aesthetics and functionality.

Continuing with expansion strategy

Nanogate continues to deliver on its expansion strategy, which has more than doubled revenues since 2014. During H118, both revenues and EBITDA showed double-digit growth. During H118 group revenues rose by 26% year-on-year to €119.4m, benefiting from the operations in Austria and Slovakia that were acquired in January 2018 from HTI, and sustained demand in the strategically important advanced metals and advanced polymers segments. Despite the costs associated with integration of the new sites and the technology investment programme, towards which management has allocated €20m+ investment this year, EBITDA rose by 16% to €12.7m. At the same time, the group enlarged its geographic footprint by completing the acquisition of sites in Austria and Slovakia, extended its vertical integration by purchasing a design studio and broadened its technology portfolio, winning the largest order in its history (<US\$100m) for its new stainless steel replacement platform.

Preliminary FY18 results at top end of guidance

Management has reiterated the guidance it provided in January of an increase in revenues during FY18 to over €220m and EBITDA of over €24m. However, increased depreciation, finance costs and the dilutive effect of shares issued as consideration for HTI are expected to have an adverse effect on EPS.

Valuation: High rating for strong revenue growth

Nanogate trade at a significant discount to our sample's mean with respect to prospective consensus EV/Sales multiples and a modest discount on prospective EV/EBITDA multiples. However, its prospective P/E multiples are significantly higher than the rest of the sample because of the impact the investment programme is expected to have on EPS. We note that the investment programme is expected to result in revenue growth that is substantially faster than peers.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	112.5	3.4	0.70	0.11	45.0	0.3
12/17	186.2	3.9	0.64	0.11	49.2	0.3
12/18e	220.8	3.5	0.47	0.11	67.0	0.3
12/19e	245.2	5.3	0.71	0.11	44.4	0.3

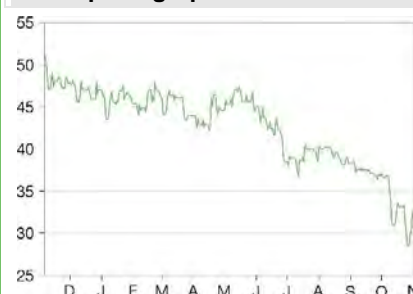
Source: Nanogate data, Bloomberg

Advanced materials technology

Price €31.50

Market cap €151m

Share price graph



Share details

Code	N7G
Shares in issue	4.8m
Last reported net debt (€m) at and June 2018	78.0

Business description

Nanogate is a leading global specialist for design-oriented, high-tech surfaces and components of very high optical quality. Nanogate develops and produces design-oriented surfaces and components and enhances them with additional properties, eg non-stick, scratch-proof, anti-corrosive.

Bull

- Diversity of applications gives access to emerging growth applications.
- Acquisition of design capability extends breadth of vertical integration.
- Increasingly global footprint.

Bear

- Capital cost of succession of acquisitions.
- Cost of investment in technology and capacity.
- High concentration of customers in automotive industry.

Analyst

Anne Margaret Crow +44 (0)20 3077 5700

industrials@edisongroup.com

NFON

Pan-European Cloud PBX

NFON is leader of the German multi-tenant PBX market, with a more than 25% market share as well as being the only European Cloud PBX player with a pan-European presence. European demand for cloud-based hosted PBX/IPCentrix systems should grow strongly to 2025 as the telecom sector switches to All IP systems. NFON's advantages of scale, in-house IP, high recurring revenues and €50m new IPO funding provide the group with the tools to pursue its ambition to dominate the European market. On a FY19e EV/sales of 1.8x, the stock trades at a 43% multiple discount to its peers.

Strategy to lead Europe: Improve, build and acquire

NFON has a clear strategy to gain European market leadership. It plans to increase its marketing and sales activities to achieve greater market penetration of existing and new markets. R&D and new product development is a key focus of the group, occupying 59 staff. The group recently launched Cloudya, a new version of NFON Client, an easy-to-use call and phone management interface. NFON also plans to develop open APIs further to allow broad access for third-party solutions. It will also expand into new European markets including France and Italy.

European market: Strong catch-up growth expected

According to MZA consultants, Cloud PBX penetration in Continental Europe (CE) and the UK was 9% and 13% at end 2017, substantially lagging North America at 19%. It also forecasts Cloud PBX markets in CE and the UK to double by 2022, growing at a CAGR of 16% boosted by the switch-off of ISDN and the emerging dominance of All IP systems. Multi-tenant systems are expected gain market share in this period as they continue to gain customer confidence. GDPR rules should also work in favour of EU companies as US competitors find compliance difficult as they are unable to prevent EU customer data flowing into their US infrastructure.

Valuation: Trading below peers on EV/revenue

NFON reported €20.6m in H118 revenues, up 22%. This was driven by a 29% increase in recurring revenues (a high 80% of total, up from 76% in H117) and flat, one-off revenues. For FY18 management guides for a c 30% increase in customer seats, recurring revenue of 75-80% of the total and revenue growth clearly ahead of the 17% reported in 2017. NFON currently looks to be relatively attractively priced on a 2019e EV/revenue multiple of 1.8x. This is a 43% discount to its peer group averaging 3.7x. NFON's closest European peer Gamma Telecom trades at a 2.3x multiple.

Consensus estimates

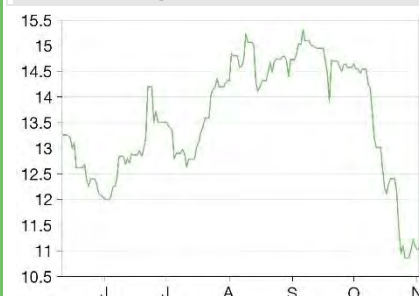
Year end	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (€)	EV/EBITDA (x)	P/E (x)	Yield (%)
12/16	30.4	(0.4)	(1.4)	12.5	N/A	0.9	N/A
12/17	35.7	0.2	(1.8)	10.7	540.0	1.0	N/A
12/18e	44.8	(7.5)	(10.2)	(0.65)	N/A	N/A	N/A
12/19e	61.4	(7.5)	(9.5)	(0.69)	N/A	N/A	N/A

Source: NFON, Bloomberg

Telecommunications

Price €11
Market cap €152

Share price graph



Share details

Code	NFN
Shares in issue	13.8m
Net cash (€m) as at 30 June 2018	44.0

Business description

Founded in 2007 NFON is the only pan-European Cloud PBX operator. It provides telephony services via the internet to 288k seats at more than 15,000 businesses in 13 European countries, including Germany, Austria, the UK and Spain. Listed in H118 NFON has 216 staff and 1,100 sales partners.

Bull

- Potential to become dominant European player from pan-European strategy, economies of scale and advantage of using its own PBX system IP.
- High 80% recurring revenues and high operating leverage set to boost margins as revenues grow.
- European cloud PBX market forecast to double over next five years. GDPR favours EU over US providers.

Bear

- Consensus is forecasting EBITDA losses to 2020.
- Highly competitive market.
- Ongoing R&D spend required to maintain cutting edge in products.

Analyst

Anna Bossong +44 (0)20 3077 57 37
tmt@edisongroup.com

paragon

Dynamic driving

Despite rapid growth, paragon's shares have performed poorly since the positive reaction to half year results in August, in part due to value attribution from Voltabox which has also slipped back. Recent acquisitions of SemVox by paragon and Navitas and ACCURATE by Voltabox do not warrant the reaction, and we expect Q318 results in November to underpin market expectations. On our forecasts, paragon is now trading on an undemanding FY19 P/E of just 9.4x and our DCF remains at €95 a share.

Technology innovator

paragon continues to identify trends ahead of its automotive OEM customers and leverages its strong engineering capabilities to provide customers with innovative solutions that address those factors. Since the IPO of 40% of Voltabox in October 2017, the organic growth strategy has continued to be supplemented by acquisitions, increasing the ability to supply system solutions and to extend market reach. Voltabox's rapid market development provides verification of the strategy and paragon continues to pursue other technology growth opportunities such as body kinematics, air quality and voice control. As these mature into full supply paragon should see strong growth in both its Mechanics (body kinematics) and Electronics (Interiors and Sensors) activities, as well as Electromobility (Voltabox).

Digital Assistance division created

paragon recently completed the €16.4m purchase of 82% of SemVox GmbH, a leading technology supplier of proactive assistants based on Artificial Intelligence and Machine Learning. It has mid single digit annual sales and is profitable. The business will be integrated with paragon's existing Interiors division (Cockpit and Acoustics) in a new facility in Limbach-Kirkel by the year end. Combined they will form paragon semvox GmbH, the new Digital Assistance division. It should enable paragon's automotive OEM customers to acquire complete solutions for speech assistance systems from a single source.

Valuation: potential warrants higher rating

While Voltabox is directly valued in the market, we feel the rest of paragon is receiving little recognition despite strong growth prospects. Rating paragon's (ex Voltabox) FY18e EBITDA in line with peers and adding back Voltabox at market value indicates a group value of €54 per share even after the recent share price declines. Our revenue and earnings forecasts remain broadly in line with guidance and consensus, and our capped DCF returns a value of €95 per share.

Edison estimates

Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	102.8	6.9	1.02	0.25	28.2	0.8
12/17	124.8	8.2	0.67	0.25	43.0	0.8
12/18e	178.5	13.3	1.88	0.25	15.3	0.8
12/19e	251.2	23.8	3.05	0.25	9.4	0.8

Source: Company reports, Edison Investment Research estimates

Automobiles and parts

Price €28.80

Market cap €130m

Share price graph



Share details

Code	PGN
Shares in issue	4.5m
Net cash (€m) at 30 June 2018	34.1

Business description

paragon designs and manufactures automotive electronics and solutions, selling directly to OEMs. Products include sensors, acoustics, cockpits and body kinematics. Production facilities are in Germany, the US and China. Following the IPO of Voltabox in October 2017, paragon owns 60%.

Bull

- Voltabox expanding rapidly with potential to grow its addressable market as the world electrifies.
- Increasing systems capability as acquisitions fill gaps in markets and technologies.
- Electronics expected to return to growth in 2019 as adoption of newer sensors outweighs run offs.

Bear

- Voltabox's growth and IPO has made it a major driver in perception of the parent, with other potentials possibly lacking recognition.
- Lifecycle transition period in Electronics constrains growth as sensors migrate to newer generations.
- Legal structure change to KGaA eliminates potential for unsolicited approaches.

Analysts

Andy Chambers	+44 (0)20 3077 5700
Annabel Hewson	+44 (0)20 3077 5700

industrials@edisongroup.com

**paragon is a client of Edison
Investment Research Limited**

Voltabox

Powering ahead

Voltabox is a pure play on the anticipated growth of e-mobility, supplying high performance battery systems, drivetrain components and, following the acquisition of Navitas Systems, battery cells. As motive markets continue to transition from traditional lead acid batteries to newer Li-ion cell technologies, Voltabox appears well positioned to gain considerable shares in its addressable markets. In turn, this should augment already impressive growth expectations, with attractive margin prospects.

Rapid penetration of a growing market

Since winning its first order in February 2014 from Kiepe Electric to supply Li-ion battery systems for trolley buses in the US, Voltabox has developed rapidly. It has three operating segments. Voltapower is the core, supplying high performance battery systems for trolleybuses, intralogistics (forklifts and automated guided vehicles), mining equipment, and agricultural/construction vehicles. Voltaforce supplies lower voltage, smaller and lighter battery packs such as starter batteries for motorcycles, motor sports and 48V battery packs for mild-hybrid vehicle applications. Voltamotion has developed a range of drivetrain components and power electronics that enable full electrification of vehicles.

Building presence and expanding backlog

Having extended its US presence in system engineering and design through the €2.6m acquisition of Concurrent Design in April 2018, Voltabox acquired the US battery cell developer and manufacturer Navitas Systems for €36m in October 2018, vertically integrating into battery cell design and manufacture for the first time. In August it bought ACCURATE Smart Battery Solutions for €5m, the leading German supplier of battery systems for electric pedal cycles, significantly extending its consumer facing offerings. Voltabox is also building its first operations in China, a 3,400m² facility in Kunshan. At the end of June 2018 the company had a 100% weighted €740m order backlog for the next 60 months. Voltabox expects the global intralogistics battery market alone to almost treble to c \$11bn by 2023, with Li-ion penetration rising from 5% in 2018 to 50% in 2023.

Valuation: rating undemanding given growth

The Voltabox share price has come under pressure recently, which may be due to scepticism surrounding growth. Successful execution of the strategy should deliver consensus expectations, at least warranting the current FY19e P/E of 24.0x.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	14.5	(4.2)	N/A	N/A	N/A	N/A
12/17	27.3	(0.1)	(2.1)	0.0	N/A	N/A
12/18e	65.7	4.1	17.5	0.0	98.7	0.0
12/19e	141.0	16.7	72.0	0.0	24.0	0.0

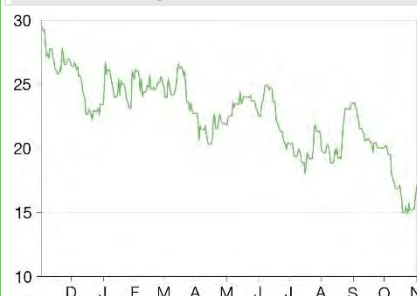
Source: Company reports, Bloomberg consensus estimates

Battery technologies

Price €17.27

Market cap €273m

Share price graph



Share details

Code	VBX
Shares in issue	15.82m
Net cash (€m) at 30 June 2018	70.4

Business description

Voltabox is an electric power systems provider for e-mobility in industrial and selected consumer applications. It supplies high performance Li-ion battery packs for intralogistics, buses, mining and pedelecs from locations in Germany, the US and China. Following its IPO in 2017, paragon now owns 60%.

Bull

- A leader in high performance battery packs for specialised industrial use
- 60 month **order backlog of €740m** with 100% weighting at 30 June 2018, 11% global growth in current end markets forecast in FY18
- Ability to expand addressable market as further applications adopt newer battery technologies

Bear

- Maintaining specialist and niche mass market positions to avoid commoditisation
- Battery technologies are expected to develop rapidly over the next decade
- Execution risk of M&A strategy needs to be robustly managed

Analysts

Andy Chambers	+44 (0)20 3077 5700
Annabel Hewson	+44 (0)20 3077 5700

industrials@edisongroup.com

Investment companies

Mutares

New platform investments on board

After reporting c €9m of adjusted EBITDA in H118, Mutares expects FY18 earnings to reach €20–30m. This should be assisted by successful turnarounds and organic growth of portfolio entities, as well as beneficial M&A activity. Management expects one or two additional transactions (either acquisitions or divestments) to be initiated and completed in the remainder of 2018, on top of the Knorr-Bremse deal which is already in progress. At the current share price of €9.30, Mutares is trading at a 40.5% discount to last reported NAV.

H118 results confirm organic growth

Mutares reported H1 EBITDA of €21.6m, down 31% y-o-y, primarily as a result of the income from bargain purchase booked in H117 (at €54.7m). Adjusted EBITDA for the period reached €9m on the back of a 14% y-o-y revenue increase, driven by organic growth in the automotive segment, along with a number of acquisitions completed throughout FY17. Mutares improved its net cash position to €41.4m as at end-June 2018, assisted by €28m proceeds from the STS Group IPO.

Extending portfolio of platform investments

Mutares remained focused on broadening its portfolio of platform investments, which now contains five entities. In addition to STS Group and Balcke-Dürr, the company has purchased La Meusienne in FY17 and is now finalising the acquisition of Knorr-Bremse RailServices. Recently, Donges SteelTec, originally acquired as an add-on investment, was reclassified as an independent platform. Mutares continues to reduce its exposure to the wood & paper and consumer goods & logistics segments through exits and deconsolidation of liquidated entities to focus on the core sectors.

Valuation: Trading at discount to NAV

NAV at end-June 2018 amounted to €16 per share and declined by 22.4% compared to end-2017 on the back of the STS Group revaluation as a result of the lower than expected IPO price. At the current share price of €9.30, Mutares is trading at a 40.5% discount to NAV. The recently paid FY17 dividend at €1.00 per share represents an attractive yield of 10.8%.

Historical financials and consensus estimates*

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	650.1	50.5	1.73	0.35	5.4	3.8
12/17	899.7	67.1	2.85	1.00	3.3	10.8
12/18e	1,043.0	73.7	1.53	0.92	6.1	9.9
12/19e	1,321.0	72.5	1.03	0.90	9.0	9.7

Source: Bloomberg consensus estimates as at 3 October 2018. Note: *Consensus figures based on the estimates of three brokers.

Financials

Price €9.30
Market cap €144m

Share price graph



Share details

Code MUX
Shares in issue 15.5m
Last reported net cash (€m) at 30 June 2018 41.4

Business description

Founded and listed in 2008, Mutares acquires special situation companies that are underperforming and can be turned around through restructuring by its own investment/consulting teams, as well as value-increasing, add-on transactions. It currently owns multiple companies across five focus industries.

Bull

- Exposure to a diversified portfolio of potentially high-growth recovery companies actively managed by experienced industry professionals
- Prospect of high dividends following exits
- Attractive discount to NAV

Bear

- Narrowing sector focus increases the risk due to decreasing diversification.
- Turnaround investments are inherently risky.
- Insolvency risk at BSL Pipes and Fittings.

Analyst

Milosz Papst +44 (0) 20 3077 5700

financials@edisongroup.com

Mining

Rock Tech Lithium

Georgia Lake PEA

On 2 October 2018, Rock Tech Lithium (RCK) announced the results of a preliminary economic assessment (PEA) at its flagship 100%-owned Georgia Lake lithium property in the Thunder Bay mining district of northwest Ontario. Compiled by international mining consultants, DMT, the highlights of the PEA were pre-production capex of C\$65.3m, annual steady state EBITDA of C\$64.2m, an 11-year mine life, a pre-tax IRR of 62.2%, a 3.5-year payback period and a post-tax NPV₈ of C\$210m.

Small but high grade

Earlier this year, the company announced an upgraded mineral resource estimate of 13.29Mt at a grade of 1.09% lithium oxide (at a relatively conservative 0.65% cut-off grade), of which 49% is in the Measured and Indicated categories. RCK also believes that there is at least another 2.5–3.0Mt of lithium-bearing pegmatite mineralisation in the prospect, representing material defined in historical resource estimates, but yet to be drilled to NI 43-101 standards, plus new discoveries.

Future blue-sky upside potential

RCK took a conservative approach to the PEA, focusing on only a portion of the project, centred around the Nama Creek Main Zone, representing just 73% of the total mineral resource estimate. The production scenario envisaged producing 1.1Mt of 6.2% Li₂O chemical grade spodumene concentrate over 11 years at a rate of 96,000tpa. However, it excluded additional Inferred resources on other areas of the property and, with new discoveries made seemingly every exploration season, there is therefore ample potential for future mine-life extension.

Premium infrastructure provides fast-track potential

The project is accessible year-round with highway access directly to an extensive network of logging roads on the property. Situated between the towns of Beardmore and Nipigon, and less than two hours from Thunder Bay International Airport, access to plentiful housing, amenities, equipment, supplies and skilled labour means no costly airstrips or camps need to be constructed. Power sources and grid access are also located in the immediate vicinity with a transcontinental rail station and deep-sea port less than 200km away, providing options for product delivery to end-users.

Valuation

Rock Tech Lithium's enterprise value equates to just c 13.9% of its NPV₈ (note that the NPV at our customary 10% discount rate is not yet available), while its resource multiple of c US\$62.74/t LCE is at a discount to the mean of its peers.

Historical financials

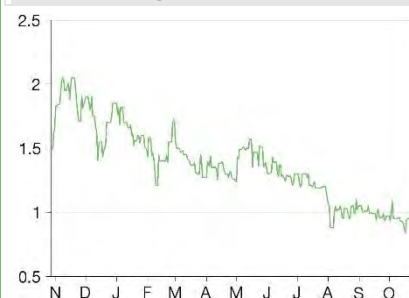
Year end	Revenue (C\$m)	PBT (C\$m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	0.0	(1.2)	(5.7)	0.0	N/A	N/A
12/17	0.0	(3.3)	(11.8)	0.0	N/A	N/A

Source: Company sources

Metals & mining

Price C\$0.96
Market cap C\$31m

Share price graph



Share details

Code	RCK
Shares in issue	34m
Net cash (C\$m) at June 2018	2.1

Business description

Rock Tech Lithium (RCK) is a lithium exploration and development company. Its flagship asset is the 100%-owned Georgia Lake hard-rock lithium pegmatite project in Ontario, Canada, which is currently at the PEA stage. RCK has also recently acquired the El Nogalito brine project in Mexico.

Bull

- Flagship asset located in Ontario.
- Shallow deposit amenable to open pit mining.
- Potential to produce lithium carbonate product.
- Good relations with First Nations.

Bear

- Relatively early stage.
- Share price down 40% since October 2017.
- Recent lithium carbonate price weakness.

Analysts

Charles Gibson	+44 (0)20 3077 5724
Phil Swinfen	+44 (0)20 3077 5700

mining@edisongroup.com

Rock Tech Lithium is a client of Edison Investment Research Limited

Pharmaceutical & healthcare

CO.DON

Building roll-out momentum in Europe

CO.DON is a manufacturer of autologous cell therapies for the treatment of cartilage defects. The main product, Spherox, is based on the core spheroid technology and can repair cartilage defects of the knee via a minimally invasive procedure. After accumulating supportive data from the [Phase III](#) (ongoing) and the [Phase II](#) 'co.dis' (successfully [completed](#) this year) trials, CO.DON obtained marketing authorisation from the EMA in July 2017 and is now rolling out Spherox in several European markets. This has been slower than initially expected due to the transition period from the older product and reimbursement issues, but the company expects progress by the end of Q318 and guides break-even by 2021.

EMA's approval opens multiple European markets

CO.DON specialises in the regenerative treatment of articular cartilage defects. During a biopsy procedure, healthy cartilage cells are taken from the patient's own cartilage as well as a blood sample. This is cultivated in a laboratory outside the body using CO.DON's innovative biological techniques to create cartilage, which is then transplanted back into the defect area. Although CO.DON's products have been sold in Germany since 1997 and some 14,000 patients have already been treated, the EMA authorisation was required for EU-wide distribution and was received in July 2017 based on accumulated data from the clinical trials.

Expansion beyond Germany home market is ongoing

Another milestone for Spherox was the Final Appraisal Determination published by the UK's NICE in January 2018, which recommended the use of autologous chondrocyte implantation for adult patients with knee cartilage defects larger than 2cm², as a cost-effective therapy. The first UK-based patient was treated in May 2018 and CO.DON is working to roll out Spherox in other European markets, at the same time investing in capacity expansion with planned capex of €10m to build a state-of-the-art human cell therapy production site in Leipzig. Leveraging its experience in cell therapies, CO.DON plans to establish a [JV with Xintela](#), a listed Swedish biotech, to co-develop a stem cell product for osteoarthritis, which was supported by CO.DON's [largest investor](#), which acquired a 26% stake in Xintela.

Break-even guided in 2021; EV of €80m

H118 revenue of €3.0m was flat y-o-y, while operating loss was €3.8m vs -€2.4m, due to product roll-out and associated costs. Lack of sales growth was explained by CO.DON as a transition phase from its older product (co.don chondrosphere) to Spherox after the EMA approval, and reimbursement issues. This should be resolved by end-Q318. The company guides break-even in 2021. CO.DON reported H118 cash of €20.3m (net cash: €5.3m), resulting in an EV of €80m.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	5.6	(3.7)	(0.23)	0.0	N/A	N/A
12/17	6.0	(7.1)	(0.36)	0.0	N/A	N/A
12/18e	6.7	(7.6)	(0.33)	0.0	N/A	N/A
12/19e	8.4	(5.3)	(0.27)	0.0	N/A	N/A

Source: CO.DON data, Thomson Reuters

Pharma & biotech

Price €4.21
Market cap €83m

Share price graph



Share details

Code CNWK
Shares in issue 19.7m
Net cash (€m) at end-H118 5.3

Business description

CO.DON is a biopharmaceutical company focused on commercialising regenerative treatments for cartilage repair. Its main product, Spherox, is based on the core spheroid technology and can repair cartilage defects of the knee using patients' own cells via a minimally invasive procedure. Spherox has received EMA marketing authorisation for knee cartilage repair and is being launched in multiple European countries.

Bull

- Established market base and distribution in Germany.
- Substantial expansion possible after the EU-wide marketing authorisation.
- Positive findings from clinical trials support efficacy and safety.

Bear

- Visibility increased after EMA authorisation, which could invite competition (although product development can be lengthy).
- Although well financed now, any unexpected operational setbacks could lead to the need for additional capital.
- Dependent on positive reimbursement decisions in EU countries.

Analysts

Jonas Peculis +44 (0) 20 3077 5728
healthcare@edisongroup.com

Expedeon

Organic growth boosted by acquisitions

Expedeon (formerly Sygnis) is a rapidly growing life science reagents business: H1 sales grew 89% to €5.6m. Growth was boosted by several recent acquisitions. It operates across Europe, the US and Australia largely selling consumable laboratory products. Expedeon also aims to build group sales by better promotion and distribution. Financially, the business is gaining strength with an H118 €23k positive EBITDA, although depreciation gave an overall EBT H1 loss of €1.1m, reduced from a €2.2m loss in H117. Operating H1 cash flow improved from €1.6m to €0.7m.

Acquisitions drive headline growth

The company changed name from Sygnis to Expedeon in August 2018. In mid-2016, Sygnis, a Germany-listed, Madrid-based genomic enzyme company acquired Expedeon, a larger UK proteomics business. In mid-2017, Innova (a UK supplier of antibody and protein labelling products) was acquired for €11.5m. CBS Scientific (US) with \$1.5m of instrument sales was acquired for \$0.9m in Dec 2017. In May 2018, TGR, a profitable Australian protein capture company with €3.6m of sales was acquired for €10.4m. Most deals involve cash, shares and loans. Risk is controlled by partly funding acquisitions with deferred contingent share payments.

Underlying organic growth

Company guidance for 2018 is of €13–14m sales. We expect EBITDA to rise in H2 and 2019 as the full benefit of the TGR acquisition is gained. Like-for-like sales growth over 2017 was 19% (annual report). The laboratory consumables and equipment market is dominated by large companies, both sophisticated instrument suppliers and large online catalogue companies. However, the market is driven by innovations, like Expedeon's 2view range (launched in May 2018), so nimble innovative business like Expedeon can continue to grow strongly in niches.

Valuation: Growth expectations

The market cap of c €50m reflects market growth expectations of further strong growth as it is c 4x guided 2018 sales and an H1 EBITDA multiple of 1,000-fold. The company had €1m cash and €10.7m debt in June 2018. Expedeon, with its high organic growth rate, can probably continue to acquire more, smaller, specialist life science consumable producers. As a growth business, Expedeon may need more cash as working capital to fund growth and make acquisitions.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	1.79	(4.01)	(0.2)	0.0	N/A	N/A
12/17	7.80	(4.73)	(0.8)	0.0	N/A	N/A
12/18e	13.4	(0.87)	(0.02)	0.0	N/A	N/A
12/19e	18.1	0.75	0.01	0.0	N/A	N/A

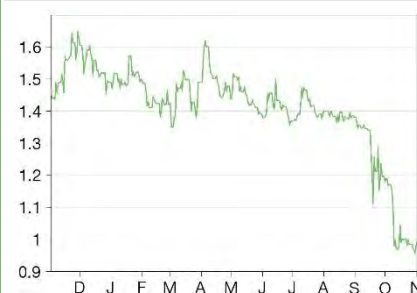
Source: Company reports, Bloomberg estimates

Healthcare equipment and supplies

Price €0.99

Market cap €51m

Share price graph



Share details

Code	EXN:GR
Shares in issue	51.3m
Net debt (€m) as at 30 June 2018	9.7

Business description

Expedeon aims to become a market leader in molecular biology through its grow, buy and build strategy. It operates across Europe and in the US and Australia.

Bull

- Can make small acquisitions globally using mix of cash, shares and earn outs.
- Able to quickly develop and sell innovative new products as science evolves.
- Positive EBITDA with about 25% organic revenue growth.

Bear

- Market dominated by very large competitors.
- Small niche markets limit growth and need constant innovation.
- Multiple sites with different specialities across widespread countries limit cost control potential.

Analyst

Dr John Savin +44 (0)20 3077 5700

healthcare@edisongroup.com

Heidelberg Pharma

Close to ATAC

Heidelberg Pharma's strategy is twofold: to develop a proprietary pipeline of Antibody Targeted Amanitin Conjugates and sign early research and option deals with pharmaceutical companies to develop targets using the ATAC platform. Heidelberg should file an IND for its proprietary product, HDP-101, for multiple myeloma in Q219. The company has signed a deal with Magenta Pharmaceuticals potentially worth up to \$334m and has a deal with Takeda that could yield up to \$83.5m per target. Cash at Q318 was €22.7m, which Heidelberg expects to last into 2020.

Alliances provide early validation of ATAC technology

Within its alliance strategy, Heidelberg seeks to sign early-stage deals that maximise the potential of the ATAC platform. In March 2018, it signed an exclusive multi-target R&D option and milestone deal with Magenta worth up to \$334m if all milestones are met. The first option has already been licensed. This adds to its deal with Takeda to generate ATACs using Takeda's proprietary antibody portfolio for up to three targets, which could yield up to \$83.5m per target. These deals are early stage and therefore back end-loaded. Total value in early-stage deals is infrequently realised but we see them as indicative of the interest in the ATAC technology among pharma companies. Distinct from the ATAC deals, partner Telix has submitted an application to start a Phase III clinical trial in kidney cancer imaging in Europe using Heidelberg's imaging agent, Redectane.

Building a proprietary pipeline on validated targets

The B-cell maturation antigen (BCMA) is a validated target in relapsed, refractory multiple myeloma (MM) where CAR-T products from bluebird and Novartis have generated encouraging but early data. CAR-Ts are however autologous, have high CoGS and are for smaller indications than MM. GSK's ADC BCMA-MMAE has also produced good data in a Phase II study. HDP-101 comprises a BCMA antibody and Amanitin, and has shown promising efficacy and tolerability in animal models. Heidelberg aims to file an IND in Q219 (vs end-2018 previously). HDP-101 will need to show outstanding safety and efficacy in this highly competitive field to gain market share. In addition, Heidelberg has ATAC candidates against CD19, PSMA and other targets with potentially competitive preclinical profiles in its pipeline.

Valuation: Current enterprise value (EV) of €42m

Heidelberg's EV is €42.3m based on a market cap of €65m and cash of €22.7m at the end of Q318. Heidelberg expects its cash runway to extend until 2020. Despite good operational progress, we believe Heidelberg's valuation still reflects the early stage of its pipeline and alliances.

Consensus estimates

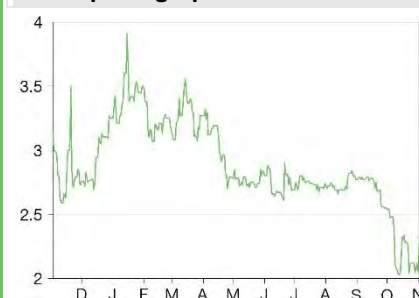
Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	1.4	(6.4)	(0.5)	0.0	N/A	N/A
12/17	1.9	(11.0)	(0.8)	0.0	N/A	N/A
12/18e	4.0*	(11.0)	(0.5)	0.0	N/A	N/A
12/19e	4.8	(12.5)	(0.5)	0.0	N/A	N/A

Source: Company (historics), Bloomberg consensus estimates. Note: *Mid-point of guidance.

Pharma & biotech

Price €2.31
Market cap €65m

Share price graph



Share details

Code WL6
 Shares in issue 28.13m
 Net cash (€m) at end Q318 22.7

Business description

Heidelberg Pharma develops a proprietary pipeline of products based on the novel Antibody Targeted Amanitin Conjugates (the ATAC platform). The ATAC lead product is HDP-101 in IND-enabling studies. The company has collaboration agreements with Takeda and Magenta potentially worth up to \$113m per product and deals for other assets.

Bull

- Novel proprietary linker-toxin technology with a wide range of applications.
- Early-stage deals provide initial validation.
- Potential upside from pipeline progression and additional partnerships.

Bear

- No clinical data in ATAC yet.
- Early-stage pipeline and partnerships.
- Competition in multiple myeloma.

Analyst

Andy Smith +44 (0)20 3077 5738
healthcare@edisongroup.com

MagForce

2019 a pivotal year

MagForce continues to implement its two-pillar strategy. A gross \$9.0m capital raise secured by subsidiary MagForce USA in August will enable financing of the pivotal US prostate cancer trial to completion. In Europe, expansion outside Germany has started and a NanoActivator will be installed in Poland by the end of the year. Of the €9.2m reported revenue and other operating income in H118, €24k relates to EU glioblastoma multiforme (GBM) treatments, while the remainder (€8.9m) was one-off, non-cash income relating to hidden reserves as a result of the MagForce USA shares transfer. Revenues are likely to pick up in 2019, following the roll-out of devices across Europe and a launch in the US (in late 2019).

NanoTherm US prostate cancer trial funding secured

In August 2018, a gross capital increase of \$9.0m from the issue of 866,666 new shares in MagForce USA (to a US investor) has secured funding for the pivotal US prostate cancer trial. MagForce expects the first 10 patients in the trial to be treated by year-end 2018 and thus preliminary data to be available early in 2019. Prostate cancer in the US presents a significant market opportunity. The company forecasts that NanoTherm could be launched for the commercial treatment of prostate cancer patients in the US by the end of 2019 (subject to FDA approval).

EU expansion and reimbursement required in GBM

Reported revenues of €24k for H118 reflect a drop-off in remunerated GBM treatments. This reflects both the change in revenue recognition and lower number of patients treated in Germany, stemming from a transition of foreign private to reimbursed treatments, and expansion progressing slower than anticipated. With the installation of NanoActivators in Poland and other European countries outside Germany we expect a sharp increase in treatment sales. Once reimbursement discussions in Germany are concluded, we expect a recovery in sales to follow.

Financials: H118 results

MagForce reported cash and cash equivalents at 30 June 2018 of €5.3m and net debt of €10.0m (H117: €0.4m); in January, the first €10.0m tranche of a €35.0m loan facility (with the EIB) was disbursed and will enable the continued expansion into territories beyond Germany. MagForce reported net profit of €4.1m in H118 (H117: €3.0m loss), largely attributed to the one-off, non-cash gain associated with the recognition of hidden reserves in MagForce USA.

Historical financials

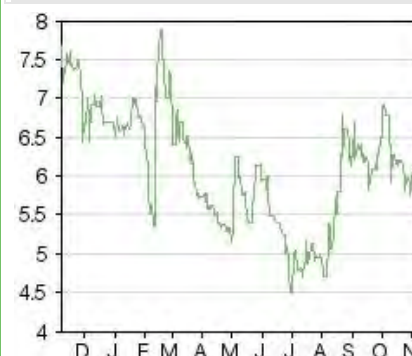
Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	0.5	(7.2)	(0.28)	0.0	N/A	N/A
12/17	0.7	(7.5)	(0.28)	0.0	N/A	N/A

Source: Edison Investment Research

Healthcare equipment & services

Price €6.09
Market cap €160m

Share price graph



Share details

Code	MF6
Shares in issue	26.3m
Net debt (€m) at 30 June 2018	10.0

Business description

MagForce is a German firm with the first European-approved, nanotechnology-based therapy to treat brain tumours. NanoTherm therapy consists of nanoparticle injection into the tumour, activated by an external magnetic field, producing heat and thermally destroying or sensitising the tumour.

Bull

- US prostate cancer market presents a huge commercial opportunity.
- Technology is clinically validated.
- CEO track record.

Bear

- Cross-border reimbursement is difficult in the EU.
- Approval in the US is needed before launch.
- Uptake of GBM treatments in the EU has been slow to date.

Analysts

Dr Susie Jana	+44 (0)20 3077 5700
Dr Daniel Wilkinson	+44 (0)20 3077 5734
Dr Sean Conroy	+44 (0)20 3681 2534

healthcare@edisongroup.com

**MagForce is a client of
Edison Investment Research
Limited**

Medigene

Financial strength through trial readouts

In H118, Medigene announced several key developments including the start of its MDG1011 Phase I/II TCR clinical trial, a gross capital raise of €32.3m (which expands cash reach past 2019) and the expansion of its bluebird partnership to cover a total of six targets (worth potentially US\$1.5bn in milestones plus royalties). The MDG1011 Phase I/II clinical trial is enrolling patients and we forecast that the Phase I part of the TCR trial and the now fully enrolled Phase I/II DC vaccine trial will read out in 2019. We value Medigene at €453m (€18.47/share).

TCR trial: Aiming to increase enrolment speed

Medigene has begun enrolment for its first clinical trial (Phase I/II) with its T-cell receptor (TCR) modified T-cell (MDG1011) product candidate in patients with r/r multiple myeloma (MM), acute myeloid leukaemia (AML) or myelodysplastic syndrome (MDS). Medigene has noted that it is in discussion with the German regulatory authority with the aim of speeding up enrolment by changing the inclusion criteria from one patient per disease in each dose cohort to require at least one MM patient and at least one patient of either AML or MDS.

bluebird expansion aids immunotherapy growth

Medigene's expansion of the bluebird's partnership (see our update note, [bluebird bio back for more](#)) to include an additional two TCRs takes the total to six ongoing programmes. The expansion includes a one-off payment of €8m to Medigene and up to €250m in potential milestone payments per candidate, which resulted in core immunotherapy revenues growing to €3.4m from €2.3m in H117.

H118 financials: €32.3m gross raise boosts capital

At the H1 results the company issued new guidance, which is reflected in our current forecasts and valuation. Our revenue forecasts include the deferred revenue from the recent expansion of the bluebird collaboration. Our FY18 R&D forecasts (€21.6m vs), reflect lower than expected H118 clinical trial costs due to slower patient enrolment. The net €30.1m capital raise has strengthened Medigene's cash to €80.8m at end June 2018 (including time deposits).

Valuation: €453m (€18.47/share)

We maintain our rNPV-based valuation at €453m (€18.47/share). This is based on an rNPV of its TCR, DC and legacy assets in addition to deal metrics for the bluebird bio partnership and legacy asset, Veregen. We have also incorporated the company's financial guidance and the recent €30.1m net capital raise.

Edison estimates

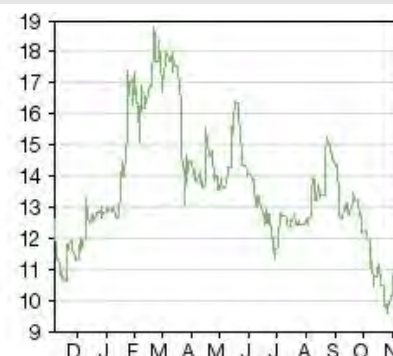
Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	9.7	(13.4)	(0.66)	0.0	N/A	N/A
12/17	11.4	(12.4)	(0.60)	0.0	N/A	N/A
12/18e	10.4	(17.8)	(0.76)	0.0	N/A	N/A
12/19e	11.0	(17.2)	(0.70)	0.0	N/A	N/A

Source: <Insert>

Pharma & biotech

Price €11
Market cap €271m

Share price graph



Share details

Code MDG1
Shares in issue 24.6m
Net cash (€m) as at 30 June 2018 (including time deposits) 80.8

Business description

Medigene is a German biotech company with complementary technology platforms in cancer immunotherapy. Dendritic cell vaccines are in Phase I/II clinical studies, while a T-cell receptor candidate (MDG1011) has begun enrolment for its Phase I/II trial.

Bull

- Funded through to key milestones.
- Partnership with Bluebird could deliver over \$1bn in milestones (plus royalties on net sales).
- Medigene's dendritic cell vaccines are designed to improve on previous weakness with the class of drugs.

Bear

- Substantial competition in a fast-moving sector.
- Medigene's TCR technology has yet to be clinically validated.
- Dendritic cell vaccines as class of drugs have historically not been successful.

Analyst

Dr Daniel Wilkinson +44 (0)20 3077 5734
healthcare@edisongroup.com

**Medigene is a client of
Edison Investment Research
Limited**

Molgen

Lefitolimod partnership close to completion

Molgen has signed term sheets for a global partnership with Oncologie for its lead asset, lefitolimod. The deal is expected to complete in Q119, and in the near term Molgen expects to receive €23m from the agreement in a combination of R&D funding, cash payment and bond issues. Sensitivity remains around Oncologie, which is an early-stage biotech with \$16m in seed funding. Molgen completed a capital raise in which it received gross proceeds of €8.2m. Focus remains on data from the Phase III IMPALA trial in metastatic colorectal cancer (mCRC), expected in 2019. We value Molgen at €179m (€19.3/share).

Oncologie: Challenges remain with early partner

Oncologie will lead the global development of lefitolimod (TLR9 agonist). Near-term financing is split such that Molgen has received €3m in cash and €2m in interest-free convertible bonds, with a further €2m bond expected once the final contract is signed. It also expects €7m in budgeted expenses (for IMPALA) and €9m in funding for additional combination studies in the short term. Longer-term considerations involve over €1bn and a tiered royalty rate on net sales (peak 16%). Oncologie must finish a mid-double digit million funding round to enable the deal to be closed.

IMPALA: Phase III readout in 2019

Molgen now forecasts that IMPALA, a 549-patient (enrolled), two-arm, randomised pivotal Phase III trial for the maintenance treatment of mCRC patients, will read out in 2019. Near-term catalysts could be provided by initial (safety) data from the ICI combination trial and the initiation of a new study with lefitolimod in HIV (TITAN).

Financials: Cash reach until mid-2019

Net loss in H118 was reduced to €4.8m (H117: €10.7m) as a result of a reduction in R&D costs and the initial payment of €3m from Oncologie. Estimated current net cash of c €12m (includes Oncologie financing paid to date and €8.2m gross capital raise) should fund Molgen into mid-2019. Molgen has received potential termination notices for its 2016/24 and 2017/25 convertible bonds, an agreement with the principal bond holder has been reached that will avert immediate payment of both convertible bonds at a total amount of €6.6m. The terms and conditions of both bonds have been amended and will be submitted to the creditors for approval.

Valuation: €179m (€19.3/share)

We value Molgen at €179m (€19.3/share). We have rolled forward our model, which is based on a risk-adjusted rNPV of lefitolimod across a range of indications and regions. Additionally, we have updated it for the €8.2m gross capital raise.

Edison estimates

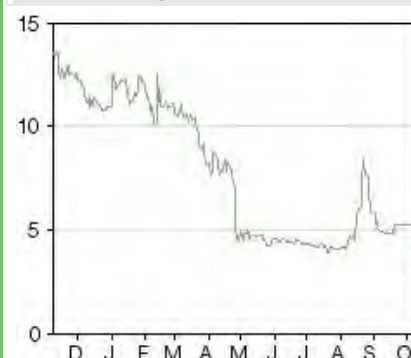
Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	0.0	(20.8)	(4.22)	0.0	N/A	N/A
12/17	0.0	(19.3)	(2.81)	0.0	N/A	N/A
12/18e	6.0	(11.1)	(1.19)	0.0	N/A	N/A
12/19e	7.0	(9.7)	(1.05)	0.0	N/A	N/A

Source: Edison Investment Research

Pharma & biotech

Price €3.0
Market cap €28m

Share price graph



Share details

Code	MGN
Shares in issue	9.27m
Net cash (€) as at 30 June 2018	0.7m

Business description

Molgen is a German biopharmaceutical company developing novel biopharmaceuticals. Lead product lefitolimod (TLR9 agonist) is being evaluated in metastatic colorectal cancer maintenance, small cell lung cancer maintenance, HIV and a combination trial in advanced solid malignancies.

Bull

- Positive safety profile of lefitolimod.
- iPharma collaboration could bring in significant revenue.
- Phase III IMPALA mCRC trial holds long-term potential.

Bear

- Limited current cash reach into mid-2019.
- Pipeline currently focused on one asset (lefitolimod).
- Company currently reliant on success of Phase III IMPALA readout.

Analysts

Dr Daniel Wilkinson	+44 (0)20 3077 5734
Dr Susie Jana	+44 (0)20 3077 5700
Dr Sean Conroy	+44 (0) 20 3681 2534

healthcare@edisongroup.com

**Molgen is a client of Edison
Investment Research Limited**

Newron Pharmaceuticals

Next up, R&D day

Newron continued to make steady progress in H118. A fuller debrief of pipeline assets including sarizotan (Rett syndrome) and evenamide (schizophrenia) is expected at the R&D day in NYC on 31 October. Royalty income from sales of Xadago (Parkinson's disease, PD) rose 54% to €2m, driven mainly by increased sales in the EU and Switzerland. However, the US sales contribution remained small (launched by partner US WorldMeds in H217). In H118 Newron reported an operating loss of €7.6m (vs a profit of €2.3m in H117 due to a €10.3m one-time milestone payment in the period), and revised cash and financial investments of €50.6m at July 2018 should enable funding to key value inflection points in 2020.

Xadago sales uplift needed

Newron has reported €2.0m in Xadago (safinamide) royalties in H118 (vs €2.8m in FY17 and €1.3m in H117). Xadago is now available in 14 European countries as an add-on therapy to levodopa in mid- to late-stage PD. The drug was also launched in H217 into the US market for PD patients (as add-on therapy), and regional partner US WorldMeds expects an uplift in sales in 2019 once its Medicare negotiations come to fruition. Xadago is making slow and steady progress, but a ramp-up in sales is required if it is to reach our global peak sales of €653m (in PD alone). Partner Meiji Seika plans to file for marketing approval in Japan in H218 (following positive Phase II/III data in Japanese patients).

Pipeline progressing; R&D day 31 October 2018

R&D highlights for the period include: 1) progress with patient enrolment into the Sarizotan Treatment of Apneas in Rett Syndrome (STARS) potentially pivotal Phase II/III clinical trial, study now expected to in report in H119 (previously late 2018); 2) Evenamide for schizophrenia – two Phase II/III pivotal efficacy studies to initiate in H119, one in patients with worsening psychosis despite atypical antipsychotic treatment and the other in clozapine-resistant schizophrenia; and 3) US partner Zambon is in advanced discussions with the FDA on the design of a potentially pivotal efficacy study to support Xadago's use in levodopa-induced dyskinesia.

Valuation: CHF788m or CHF44.3 per share

Our valuation of CHF788m reflects end-June 2018 net cash and short-term investments of €50.6m. Our forecasts remain unchanged and include Xadago in PD and risk-adjusted contributions for the dyskinesia indication, sarizotan in Rett syndrome and evenamide in schizophrenia.

Edison estimates

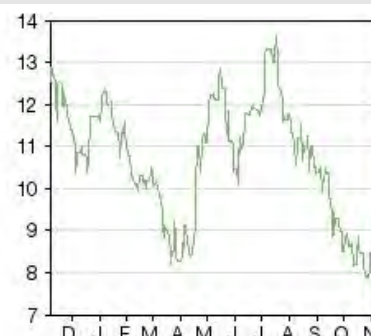
Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	6.7	(15.2)	(1.04)	0.0	N/A	N/A
12/17	13.4	(5.3)	(0.32)	0.0	N/A	N/A
12/18e	5.6	(24.6)	(1.38)	0.0	N/A	N/A
12/19e	10.7	(28.2)	(1.58)	0.0	N/A	N/A

Source: Newron Pharmaceuticals accounts, Edison Investment Research

Pharma & biotech

Price CHF8.20
Market cap CHF146m

Share price graph



Share details

Code	NWRN
Shares in issue	17.8m
Net cash and short-term investments (€m) at 30 June 2018	50.6

Business description

Newron Pharmaceuticals is an Italian CNS-focused biotechnology company. Xadago (safinamide) for Parkinson's disease has been launched in Europe and the US. Xadago is partnered with Zambon (EU), Meiji Seika (Japan), US WorldMeds (US), Seqirus (Australia/New Zealand) and Medison Pharma (Israel).

Bull

- Xadago approved in Europe and US and launched by partners Zambon and US WorldMeds respectively
- Sarizotan for RS is an orphan drug that could be commercialised alone
- Promising Phase IIa evenamide data in Schizophrenia published

Bear

- Slow ramp of Xadago EU sales trajectory
- Slow ramp of Xadago US sales trajectory
- Dependent on R&D pipeline progression

Analysts

Dr Susie Jana	+44 (0)20 3077 5700
Dr Daniel Wilkinson	+44 (0)20 3077 5734
Dr Sean Conroy	+44 (0)20 3077 5700

healthcare@edisongroup.com

Newron Pharmaceuticals is a client of Edison Investment Research Limited

Paion

Filings in US and Japan in next six months

Paion and partner Cosmo took an important step towards a US filing for its ultra-short-acting sedative/anaesthetic remimazolam, with the completion of a successful pre-NDA meeting in July. Filing in Japan (via partner Mundipharma) is expected before the end of 2018. Paion progressed towards its goal of self-commercialising remimazolam in Europe with the initiation of a Phase III study in general anaesthesia (GA) in July. The company is funded beyond top-line data from the EU Phase III trial expected in 2019. Our valuation is €283m or €4.44 per share.

Successful pre-NDA meeting: US filing Q418 or Q119

Partner Cosmo has completed a successful pre-NDA meeting with the US FDA and remains on track to file for approval of remimazolam for procedural sedation in Q418 or Q119. Paion would receive a €7.5m milestone upon filing in the US. Paion has completed two successful US-based Phase III studies of remimazolam in procedural sedation.

Japan filing in 2018, progress in other territories

Partner Mundipharma has advised Paion that it is on track to file for approval of remimazolam for GA in Japan before the end of 2018. Partners in Russia and South Korea have completed their Phase III remimazolam studies in GA; R-Pharm expects to file for approval in Russia in 2018. Yichang Humanwell is conducting a Phase III in procedural sedation and a Phase II in GA in China. Partners in multiple other territories plan to file based on US or Japan dossiers.

Phase III for GA in Europe underway

Paion initiated a Phase III trial in GA in Europe on schedule in July. The primary end point of the randomised, single blind, confirmatory study in ~500 elderly or unwell (ASA III/IV) patients is to demonstrate non-inferiority to propofol, which is the standard of care. A secondary end point is to show fewer instances of a drop in blood pressure, which can lead to negative outcomes in these patients who are already in poor overall health. Recruitment is expected to complete in 2019.

Valuation: €283m; well funded beyond 2019

We value Paion at €283m, or €4.44 per share. Cash and equivalents of €23.3m at 30 June give it cash reach beyond the end of 2019 in our forecasts, and past the expected reporting of data from the European Phase III trial. Additional funding may be required to support commercialisation in Europe (if approved).

Edison estimates

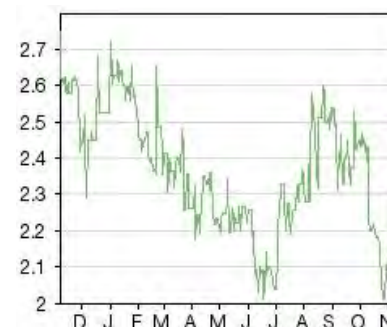
Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	4.3	(25.1)	(37.8)	0.0	N/A	N/A
12/17	5.8	(15.9)	(20.5)	0.0	N/A	N/A
12/18e	3.1	(16.6)	(21.8)	0.0	N/A	N/A
12/19e	10.5	(6.4)	(6.4)	0.0	N/A	N/A

Source: Paion, Edison Investment Research

Pharma & biotech

Price €2.14
Market cap €136m

Share price graph



Share details

Code	PA8
Shares in issue	63.7m
Net cash (€m) at 30 June 2018	23.3

Business description

Paion is an emerging specialty pharma company developing anaesthesia products. Lead product remimazolam has completed US Phase III trials and is partnered with Cosmo (US), Mundipharma (Japan), Yichang (China), Hana Pharma (South Korea), Pendopharm (Canada) and R-Pharm (CIS, Turkey, MENA).

Bull

- Filings expected in the US, Japan and Russia within the next six months.
- Remimazolam has an excellent safety profile and a substantial body of clinical data.
- Paion is funded to potential US approval

Bear

- Generic sedatives are available.
- Single clinical product in development.
- Additional funding may be required to support commercialisation in Europe (if approved).

Analysts

Dr Dennis Hulme	+61 (0)2 8249 8345
Dr Susie Jana	+44 (0)20 3681 2527

healthcare@edisongroup.com

**Paion is a client of Edison
Investment Research Limited**

PBKM

Biotech

European leader with discount to peers

PBKM is benefiting from increasing penetration of cord-blood banking services in Europe (currently at a low single-digit percentage level), while also entering new EU markets via acquisitions. It operates eight stem-cell banks under the FamiCord brand and after the acquisition of StemLab, has c 30% market in newly acquired samples in Europe. There was recent weakness in the share price as a large shareholder reduced its position. PBKM trades at FY18 P/E of c 11x – c 50% below the peer group average.

Growing scale and increasing profitability

PBKM's H118 adjusted net income of €3.5m* was higher 32% on a y-o-y basis. Top-line growth (+9% y-o-y on a comparable basis) was driven by a 16% increase in the number of samples stored. We believe that over the past three years, economies of scale (2014–17 sales CAGR of 21%) gradually increased the EBITDA margin, which stood at 29% in H118 (+1.3pp y-o-y). As a result, adjusted EBITDA came in at €4.9m* in H118 (+14% y-o-y). Q318 results will also be assisted by a HUF680m (c €2m) tax return.

Continued expansion into new regions

PBKM entered the Portuguese market through the acquisition of StemLab (which holds c 60% of the Portuguese market) for €16.8m, at an FY18 EV/adjusted cash EBITDA of 8.3x, closing its 15th acquisition and consolidating it in Q418. In H118, PBKM also finalised the Biocell Lugano takeover for €1.6m, which allowed the company to acquire IP rights to procedures that can widen its service portfolio. To finance further acquisitions, PBKM announced its intention to raise capital by issuing new shares up to a maximum of 20% of current capital. PBKM started its stem-cell therapy research in the treatment of ALS (currently in the preclinical stage). It is also engaged in three R&D consortia projects with a 10–38% share in IP rights, of which two are already in clinical trial stage (II/III).

Valuation: Depressed despite steady business growth

PBKM trades at an FY18 P/E and EV/EBITDA discount of around 50% to a peer group of medical services companies. This is despite its leading market position and high proportion of predictable cash flows from its subscription model. The discount may be even higher, as the consensus forecasts do not seem to include the recently acquired StemLab. One of the main reasons is the stock overhang from funds managed by Altus TFI, due to high redemption rates, though partially offset by new investors (eg Invesco at >5% stake). Prospective stock catalysts include further M&A transactions and potential R&D successes.

Consensus estimates

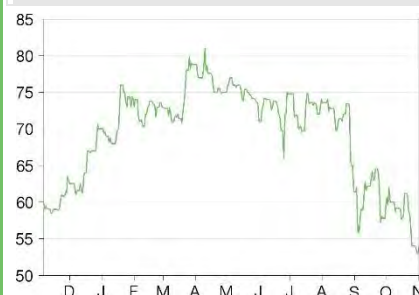
Year end	Revenue (PLNm)	PBT (PLNm)	EPS (PLN)	DPS (PLN)	P/E (x)	Yield (%)
12/16	128.8	21.8	4.61	1.80	11.7	3.3
12/17	148.9	29.3	6.34	0.90	8.5	1.7
12/18e	153.0	25.5	5.13	0.88	10.5	1.6
12/19e	190.0	26.8	5.38	1.03	10.0	1.9

Source: PBKM, Bloomberg consensus estimates as at 22 October 2018.

Price **PLN54.0**
Market cap **PLN254m**

H118 av. € / PLN 4.2395; H117 av. € / PLN 4.2474

Share price graph



Share details

Code	BKM
Shares in issue	4.7m
Net cash (PLNm) as at 30 June 2018	1.5

Business description

PBKM operates a group of stem-cell banks under the FamiCord Group brand. The company is the largest industry player in Europe operating in most countries, mainly in Poland, Spain, Turkey and Portugal. PBKM develops stem-cell therapy for the treatment of a number of diseases, including ALS.

Bull

- Clear leader of fast-growing sector.
- Stem-cell therapy research could contribute to future value.
- Shares trading at a discount to peer group.

Bear

- Stock overhang from a major shareholder.
- Highly concentrated business model.
- Demand highly dependent on disposable income.

Analyst

Milosz Papst +44 (0) 20 3077 5700

healthcare@edisongroup.com

Probiodrug

Spotlight on Abeta MABs after Biogen's data

The surprise announcement of the disease-modifying effect obtained by Biogen and Eisai with their MAb BAN2401 in a Phase II trial announced during presentations this summer and autumn may reignite interest in the amyloid theory and in the Alzheimer's disease (AD) field in general. With its own positive peer-reviewed Phase IIa data published, Probiodrug is now preparing the Phase IIb programme. Near-term focus is to continue engaging with potential licensing partners, raise funds and start enrolling patients. Our valuation is €270m or €32.9/share.

Preparing for the Phase IIb programme

Over the past decade, there has been no lack of disappointing industry news on AD research, including multiple failures of Abeta-targeting antibodies. However, in July 2018, results from Biogen and Eisai's Phase II trial with the Abeta antibody BAN2401 showed a statistically significant disease-modifying effect, which is a holy grail in AD research, and could revive hope for Abeta-targeted therapies. Probiodrug's next Phase IIb studies are in the advanced set-up stage. The company presented detailed plans earlier this year, which include two trials in Europe and the US, and are based on the findings from the previous Phase IIa trial. End-H118 cash was €7.2m, in line with management expectations. Probiodrug is now focusing on strengthening its finances and engaging in partnering discussions.

Peer-reviewed Phase IIa SAPHIR data published

In October 2018, Probiodrug's Phase IIa SAPHIR data were published in a [peer-reviewed article](#). The double-blind study examined PQ912 against placebo in 120 treatment-naïve, early AD patients (PQ912 n=60, placebo n=60) treated for three months, a relatively short period of time. Primarily, this was a safety/tolerability trial, but several secondary end points especially piqued our interest, with the CSF biomarker EEG and a couple of cognitive tests pointing to a positive overall picture of the dataset. While this was a short study, in our view it was well-designed to extract as much data as possible to appropriately design further efficacy studies.

Valuation: €270m or €32.9/share

Our valuation of Probiodrug is €513m or €62.4/share. In connection with preparations for the Phase IIb studies, Probiodrug is also exploring funding opportunities, including licensing discussions and share issue. The nearest catalyst is initiation of the Phase IIb programme.

Edison estimates

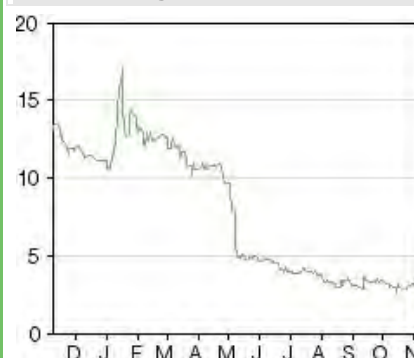
Year end	Revenue (€m)	PBT* (€m)	EPS* (€)	DPS (€)	P/E (x)	Yield (%)
12/16	0.0	(13.8)	(1.81)	0.0	N/A	N/A
12/17	0.0	(9.0)	(0.97)	0.0	N/A	N/A
12/18e	0.0	(7.8)	(0.95)	0.0	N/A	N/A
12/19e	0.0	(7.9)	(0.97)	0.0	N/A	N/A

Source: PBT and EPS are normalised, excluding amortisation of acquired intangibles and exceptional items.

Pharma & biotech

Price €3.10
Market cap €25m

Share price graph



Share details

Code	PBD
Shares in issue	8.2m
Net cash (€m) at end-H118	7.2

Business description

Probiodrug is a German biopharmaceutical company developing its clinical pipeline for the treatment of **Alzheimer's disease**. Lead product candidate PQ912 has just completed a Phase IIa study with encouraging results. PQ912 is a small molecule inhibitor of glutamyl cyclase (QC), which is essential for the formation of pGlu-Abeta. Two further products are in preclinical stages.

Bull

- Unique lead asset.
- Supportive Phase IIa data.
- Disease-modifying therapy would have blockbuster potential: **Alzheimer's** disease market growing.

Bear

- **Alzheimer's disease** drug development has high failure rate.
- Will require further funding and/or partner to advance to late-stage development.
- Regulatory setbacks or delays.

Analyst

Jonas Peculis +44 (0)20 3077 5728
healthcare@edisongroup.com

Probiodrug is a research client of Edison Investment Research Limited

Transgene

Combination strategy awaiting validation

Transgene develops virus-based product candidates for use in oncology and infectious diseases. Its five clinical products are currently in seven clinical trials across a variety of indications; the most advanced is a Phase III trial with Pexa-Vec (+ sorafenib) in first-line Hepatocellular Carcinoma with interim data anticipated in 2019. Its strategy remains to develop its candidates in combination with approved treatments, notably immune checkpoint inhibitors (ICIs). Key to validating this strategy will be data from a first-line NSCLC trial testing TG4010 in combination with Opdivo and chemotherapy. Data is now forecast to be available in H219. We value Transgene at €4.64/share vs €4.65/share previously.

Efficacy data across candidates expected in 2019

In 2019, Transgene forecast ICI combination readouts for TG4010 in first-line NSCLC (+ nivolumab and chemo, ORR data in H219), Pexa-Vec in first-line hepatocellular carcinoma (+ nivolumab, interim data on ORR by mid-2019) and TG4001 in head and neck cancer (+ avelumab, Phase I data forecast for Q418, additional data H219). Upcoming data will give initial indications of whether Transgene's ICI combination strategy is valid and future developments will be influenced by these readouts. An investigator-sponsored Phase II NSCLC trial testing TG4010 (+ nivolumab) in second-line patients was discontinued following difficulties with patient recruitment, due in part to the prevailing use of ICIs as a first-line therapy for NSCLC.

Financial: Funded to mid-2019

Transgene reported cash, cash equivalents and financial assets of €25.6m as of 30 September 2018 (compared to €35.6m as of 30 June 2018). Transgene's cash burn in the first nine months of 2018 was €14.8m, compared with €16.2m in 2017. The company anticipates its cash burn in 2018 to be around €25m. Our model predicts a current cash reach until mid-2019 in our FY19 forecasts which should enable completion of the ongoing clinical trials.

Valuation: €288m (€4.64 per share)

We value Transgene at €288m (€4.64/share) vs €289m (€4.65/share) previously, based on a risk-adjusted NPV model of TG4010, TG4001, TG1050, Pexa-Vec and TG6002. We have rolled forward our model and updated it for end-September net cash. TG4010 and Pexa-Vec represent 75% of our value of Transgene, upcoming data readouts for both product candidates will be critical for the company.

Edison estimates

Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	10.3	(23.1)	(0.43)	0.0	N/A	N/A
12/17	8.1	(35.0)	(0.52)	0.0	N/A	N/A
12/18e	7.2	(36.8)	(0.51)	0.0	N/A	N/A
12/19e	7.9	(34.0)	(0.55)	0.0	N/A	N/A

Source: Edison Investment Research

Pharma & biotech

Price €3.05
Market cap €190m

Share price graph



Share details

Code TNG
Shares in issue 62.3m
Net cash (€m) as at 30 September 2018 15.3

Business description

Transgene is a French drug discovery and development company focused on the treatment of cancer and infectious diseases with immunotherapies. Its products are Pexa-Vec, TG4010, TG4001, TG1050 and TG6002.

Bull

- Multiple trials and assets spread risk.
- Immunology attracting significant global investment.
- Potential to monetise \$48m in Tasly Biopharmaceuticals shares and extend cash reach.

Bear

- Commercialisation of assets is far off.
- Significant ongoing cost from large number of trials.
- Competing in a fast-moving sector.

Analysts

Dr Daniel Wilkinson +44 (0)20 3077 5734
Dr Sean Conroy +44 (0) 20 3681 2534

healthcare@edisongroup.com

**Transgene is a client of
Edison Investment Research
Limited**

Technology

All for One Steeb

Sustainable momentum

All for One Steeb is the largest SAP solutions supplier in the German-speaking mid-market segment and a major multi-cloud service provider. The group is achieving steady double-digit top-line growth and has invested heavily to profit from strong demand for cloud transformation services. Growing recurring revenues also support future margin growth. Management recently confirmed increased earnings guidance, despite the adverse impact on EBIT of restructuring costs and high staff investments in 9M18. The stock trades at a 16% PER discount to its eurozone peers.

Pushing cloud transformation, recurring revenues

Strong demand for cloud transformation services, boosted by upgrades to SAP S/4HANA and adoption of the Microsoft Azure platform, is driving rapid growth in high margin software revenues. These form an important part of recurring revenues, which grew 15% in 9M18 to total 46.4% of group revenues, up from 45.1% in 9M17. We see growth in the group's highly scalable recurring revenues as key to unlocking margin growth and driving profitability and cash flow. Capacity constraints are also diminishing, with employee numbers rising 13% y-o-y boosted by high employer rankings and staff retention levels.

Double-digit revenue growth and investment

All for One Steeb achieved double-digit revenue growth to report sales of €248.4m in 9M18, with all but two percentage points of the 11% growth being organic. Assisted by strong demand for digital and cloud transformations, key drivers were a 29% growth in revenues from cloud and support services to €43.6m and a 10% increase in high margin licence revenues to €32.9m. Consulting and software support revenues grew a sustainable 8% and 7%, respectively. Heavy investments in SAP S/4HANA, the Internet of Things, machine learning and the platform business plus restructuring costs of €0.6m led EBIT to decline 6% to €13.9m. Full-year revenue guidance of €325–335m has been confirmed, although guidance is now at the lower end of the EBIT range of €20.5–22.0m after high 9M costs.

Valuation: Re-rating potential

After a 10% decline over the course of this year, All for One Steeb shares currently trade at a 16% current-year PE discount to its eurozone peers. We see potential for significant outperformance if the group is able to generate margin expansion from ongoing growth in recurring revenues and more moderate investment in staff.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
09/16	266.3	17.4	238.5	110.0	22.1	2.1
09/17	300.5	19.4	261.1	110.0	20.2	2.1
09/18e	333.5	19.8	276.0	127.5	19.1	2.4
09/19e	365.0	23.1	320.5	135.5	16.5	2.6

Source: Bloomberg

Software services

Price €52.80

Market cap €263m

Share price graph



Share details

Code	A10S
Shares in issue	4.98m
Net cash (€m) as at 30 June 2018	8.1

Business description

All for One Steeb is the leading supplier of SAP industry solutions to mid-market companies in German-speaking countries.

Bull

- Market leadership position.
- Well placed to benefit from digital and cloud transformation.
- High recurring revenues (46% in 9M18) and scope for take-off of SaaS to boost this further.

Bear

- Investment fees and recruitment constraints may suppress margins in the near term.
- Low liquidity.
- Dependence on SAP.

Analysts

Dan Ridsdale	+44 (0)20 3077 5729
Anna Bossong	+44 (0)20 3077 5737

tech@edisongroup.com

Cliq Digital

Muted H1, marketing spend to drive H2 uptick

Due to product launch delays at the end of FY17, Cliq Digital (CLIQ) saw H1 revenues and operating profits fall by 12% and 38% y-o-y. However, net income benefited from a non-recurring credit of €0.8m due to reductions in estimated contingent consideration. Nevertheless, we are encouraged by the growing marketing expenditure, which should drive improved performance in H2. The shares trade at a substantial discount to peers.

H118 results: Flat income supported by one-off items

CLIQ reported muted interim numbers. Revenues declined 12.5% on the back of delayed product launches due to contract slippage and longer than anticipated integration times in Q417, which hampered investment into customer acquisition over this period. Despite lower amortisation of capitalised marketing spend, EBIT fell 38% y-o-y to €1.5m. However, net income of €1.4m was broadly unchanged due to €0.8m in one-off gains due to changes in estimates of the fair value of contingent liabilities. We estimate that net income declined 12% on an organic basis.

Marketing expenditure returns to growth

On a positive note, the company returned to growth in marketing spend (+10% year-on-year). This is a crucial indicator of the health of the business, suggesting that management sees attractive investment opportunities. After a period of consolidating expenditure in 2017, we are encouraged to see this KPI trend back in the right direction. As a result of this spend, the 'CLIQ factor' (a measure of return of marketing spend per €) came down from the historic highs seen last year (1.48) closer to CLIQ's long-term average of 1.39. On an operational level, we note that completion of the acquisitions of CMind (67% to 80% share) and AffiMobiz in the first half should help drive increasing efficiency of marketing expenditure, potentially underpinning future improvements in the CLIQ factor.

Valuation: Discount to peers

At 0.5x FY18e consensus sales and 7.3x FY18e earnings, CLIQ trades at a substantial discount to the wider peer group of user acquisition groups. Investors are likely cautious about the slowdown in H1 performance and required ramp in H2 to meet both consensus estimates and management guidance for the full year. Delivery on these measures could see the discount to peers narrowing.

Consensus estimates

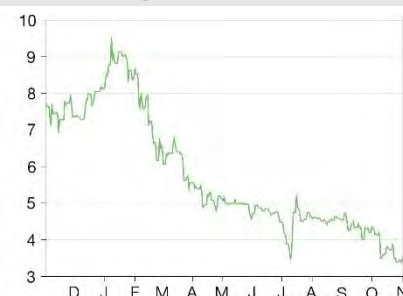
Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	65.3	3.6	0.43	0.0	8.1	N/A
12/17	70.5	4.5	0.55	0.0	6.4	N/A
12/18e	65.0	4.4	0.48	0.0	7.3	N/A
12/19e	71.5	4.5	0.49	0.0	7.1	N/A

Source: Bloomberg, Edison Investment Research

Media

Price €3.50
Market cap €22m

Share price graph



Share details

Code CLIQ
Listing Deutsche Börse Scale
Shares in issue 6.2m

Business description

Cliq Digital is a sales and marketing group for digital products and services. It also operates a proprietary payments platform. It is headquartered in Dusseldorf and has offices in Amsterdam, London and Paris. Via its network of affiliate partners and its own direct media buying platform, it has customers across the globe. In 2017 76% of sales were generated in Europe, 13% in the Asia Pacific region and 8% in Africa.

Bull

- Exposure to the fast-growth mobile marketing sector.
- Experienced management.
- Strong revenue momentum over the last few years.

Bear

- As the group scales it may become harder to maintain the same rate of marketing efficiency.
- Dependent on major mobile carriers and gateways for customer access and invoicing.
- Limited exposure to the potentially faster growth developing markets.

Analysts

Fiona Orford-Williams +44 (0)20 3077 5700
Neil Shah +44 (0)20 3077 5700

tech@edisongroup.com

CREALOGIX Group

International revenues rise to 57%

CREALOGIX has established a strong track record of delivering software solutions to the banking industry in Switzerland and it is transitioning the business to the international markets. FY18 numbers were below our expectations, mainly due to the faster-than-anticipated switch to SaaS, which spreads out revenue. International revenues represent 57% of the total (50% in FY17). CREALOGIX acquired the 80% remainder of Elaxy BS&S in July and acquired Innofis to target the Middle Eastern markets earlier this year. The stable, cash-generative nature of Elaxy BS&S balances the higher-risk, stronger growth profile of Innofis. Given the attractive industry dynamics and with CREALOGIX ideally positioned to capitalise on these, the shares look attractive on c 22x our FY20 EPS.

Digital banking remains in a strong growth phase

CREALOGIX develops software solutions that enable digital banking for 'the digital bank of tomorrow'. The solutions are most often used by traditional banks to enable their journey to digitalisation. Digital banking is in a major growth phase globally, boosted by the advent of smartphones and tablets and the pressure on banks to streamline their branches to reduce costs. These factors are driving increasing spend on front-end systems with global spend forecast to rise to c 50% of banks' total IT budgets by 2020, according to Gartner, from c 10% in 2010.

FY18: Local currency revenue growth was 13.1%

FY18 revenues grew 13.1% at constant currencies (guidance was 10–15%) to CHF87.1m, while EBITDA eased by 3.8% to CHF7.0m. All new business in Germany has been recurring; had it been on a traditional licence basis, revenues would have been CHF3.8m higher. This was due to a greater-than-anticipated switch to SaaS, which meant the 8.1% EBITDA margin was below the >10% management guidance. We have broadly maintained our forecasts, having cut them following the pre-announced trading in August.

Valuation: Significant upside if targets are reached

A DCF scenario incorporating 10% organic revenue CAGR over 2019–29e falling thereafter to 2%, operating margins tapering up to a level of 15% from FY22e along with a 9% WACC, would suggest a per-share valuation of CHF217, 60% above the current share price. Increasing the margin target to 20% lifts the valuation to CHF284, whereas reducing the margin to 10% cuts it to CHF150. These valuations are after the dilution impact from the outstanding convertible bonds.

Edison estimates

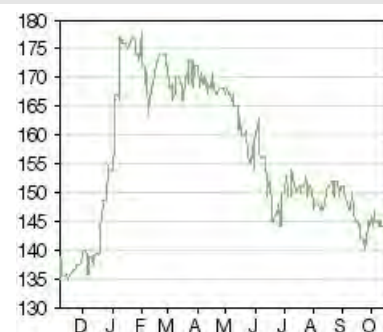
Year end	Revenue (CHFm)	PBT* (CHFm)	EPS* (CHF)	DPS (CHF)	P/E (x)	Yield (%)
06/17	74.9	5.0	2.59	0.50	52.5	0.4
06/18	87.1	5.1	2.39	0.25	56.9	0.2
06/19e	110.2	8.1	4.09	0.75	33.2	0.6
06/20e	121.0	12.2	6.10	1.25	22.3	0.9

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments

Software & comp services

Price CHF136
Market cap CHF189m

Share price graph



Share details

Code	CLXN
Shares in issue	1.39
Net cash (€m) as at 30 June 2018	11.4

Business description

CREALOGIX Group provides digital banking technology solutions to banks, wealth managers and other financial services companies. The company's suite of solutions includes online and mobile banking, digital payments, digital learning and security.

Bull

- Management anticipated strong medium-term sales growth (>20%) and EBITDA margin progression (15% target).
- Digital banking is in a major growth phase.
- CREALOGIX is building a reputable position in this market with strong references and awards.

Bear

- Current year P/E is relatively punchy and dividend yield is modest.
- Convertible bond conversions will further dilute equity, although the conversion process will also boost net cash.
- The ongoing consolidating traditional banking sector could reduce the size of the end market.

Analysts

Richard Jeans	+44 (0)20 3077 5700
Katherine Thompson	+44 (0)20 3077 5730

tech@edisongroup.com

**CREALOGIX Group is a
research client of Edison
Investment Research Limited**

EQS Group

Transition year

EQS's interims showed good progress in its evolution into a leading technology provider to corporate entities. With its revamped cloud-based COCKPIT platform scheduled for launch in Q418 and an ever-tightening regulatory environment, the elements are in place to underpin medium-term growth. Additional costs weigh on current-year profitability and FY18 EBITDA guidance was reduced, but our view is that this is an investment in making the group a credible and scalable partner in investor relations and compliance, with an attractive monthly recurring revenue base.

Providing for a market need

EQS operates in three inter-related segments: corporate communications and PR; IR; and governance, risk and compliance. It is transitioning to a technology partner to the corporate sector, providing tools that enable relevant individuals to meet regulatory and compliance obligations and to handle IR efficiently. Having started out rooted in meeting the needs of the IR and company secretariat functions, EQS is now bringing together its various offerings onto a single cloud-based platform, which will allow it to expand and scale. The digital governance, risk and compliance market is developing rapidly, with the group anticipating double-digit market growth in this segment. There are no major incumbents in Germany or Europe.

New COCKPIT launches next phase

FY18 is a transition year with management energy primarily focused on the new platform, giving the group a robust and scalable resource. The German domestic market has been helpful, with a healthy IPO pipeline providing new IR clients. In compliance, EQS has launched Insider Manager, benefited from being an authorised issuer of Legal Entity Identifiers and added Integrity Line's whistle-blowing facility. In FY19, the new COCKPIT will enable EQS to offer clients integrated workflow platforms across both compliance and IR segments. It should be able to secure a larger share of client spend, generate 'sticky' monthly recurring revenues and improve the quality of earnings.

Valuation: Well underpinned

With the current investment draining earnings, peer-based comparisons are of limited value. On an FY1 EV/sales basis, EQS is trading at a +50% discount. On a reverse DCF, taking the company's 2018–25e revenue CAGR guidance of around 17% and assuming a WACC of 8%, the current share price assumes a mid-term EBITDA margin of c 15%. Given the element of execution risk, the shares appear to be well underpinned at current levels.

Edison estimates

Year end	Revenue (€m)	PBT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/17	30.4	0.8	0.16	0.00	N/A	N/A
12/18e	36.5	(1.2)	(1.57)	0.00	N/A	N/A
12/19e	43.2	1.7	0.67	0.15	106.7	0.2
12/20e	50.8	4.4	1.73	0.35	41.3	0.5

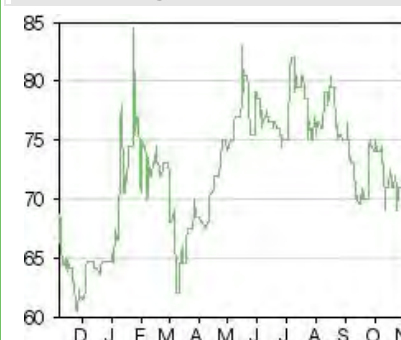
Source: Company accounts, Edison Investment Research

Software

Price €71.50

Market cap €102m

Share price graph



Share details

Code	EQS
Shares in issue	1.43m
Net debt (€m) at 30 June 2018	11.0

Business description

The EQS Group is a leading international technology provider for digital investor relations, corporate communications and compliance. With more than 8,000 client companies worldwide, its products and services are designed to fulfil complex national and international information obligations to the global investment community.

Bull

- Financial market regulation.
- Opportunities in governance and risk.
- High percentage of recurring and repeatable income.

Bear

- Renewed investment phase.
- EBIT margin yet to trend up.
- Dividend payment on hold.

Analysts

Fiona Orford-Williams	+44 (0)20 3077 5739
Neil Shah	+44 (0)20 3077 5700

media@edisongroup.com

**EQS is a client of Edison
Investment Research Limited**

First Sensor

Sensing the future

First Sensor is focused on three segments: industrial, medical and mobility. All three markets benefit from several mega-trends that are driving demand for sensors and sensor systems. These mega-trends are the transition to Industry 4.0 in which processes are controlled by machines sharing information from sensors; miniaturisation of medical equipment; and the proliferation of sensors in automobiles, culminating in autonomous driving.

Strategy drives growth in all three segments

During H118, group revenues grew by 7.9% year-on-year to €74.4m. This was driven primarily by a 27.5% jump in sales to the medical segment which was linked to higher demand for pressure and flow sensors from the standard parts portfolio. Sales to the industrial segments and mobility segments grew by 3.4% and 3.6% respectively. Growth here was driven by pressure sensors which are used in applications such as industrial process automation and electrohydraulic steering and by optical solutions for process control and distance detection. Industrial growth was held back by disruption to output in Q118 when an ERP (Enterprise Resource Planning) system was launched. Demand for optical sensors for distance detection (LiDAR) and pressure sensors, coupled with internationalisation efforts resulted in strong growth in both North America and Asia (25.3% and 19.7% respectively). EBIT margin rose from 4.9% to 5.5% despite higher maintenance expenses and recruitment costs as the company hired new production and R&D staff to secure future growth. EBIT increased by 20.3% to €4.1m. Net debt widened by €7.7m to €30.5m and gearing by 9.0pp to 36.9% compared with end FY17.

Management reiterates FY18 guidance

Noting a 12.5% y-o-y increase in the order backlog of €102.1m at end June 2018, of which more than half is scheduled for delivery during H218, and an expectation of improved growth rates in both the industrial and mobility segments, management reiterated the guidance given in March. This is for €150-160m sales with an EBIT margin between 7% and 9%. Management's mid-term goal is a 10% EBIT margin.

Valuation: Margin limits share price appreciation

First Sensor's shares are trading at a slight discount to the mean for our sample of companies in the global sensor market with regards to prospective EV/EBITDA (9.7x vs 10.3x) and a premium with regards to prospective P/E (27.6x vs 18.6x). The company's prospective EBITDA margin is below the lower bound of the range of its peers (7.9% vs 10.5-25.0%), limiting potential for share price appreciation.

Consensus estimates

Year end	Revenue (€m)	EBIT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	150.1	10.0	0.57	0.0	32.5	N/A
12/17	147.5	10.6	0.40	0.16	46.3	0.9
12/18e	157.0	12.4	0.67	0.18	27.6	1.0
12/19e	168.0	13.5	0.75	0.20	24.7	1.1

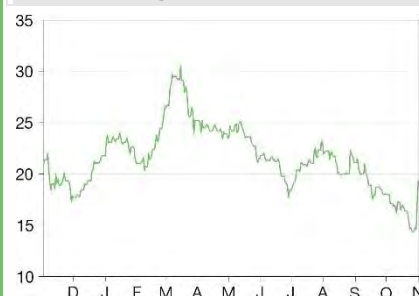
Source: First Sensor data, Bloomberg

Technology

Price €18.50

Market cap €189m

Share price graph



Share details

Code	SIS
Shares in issue	10.2m
Last reported net debt (€m) at end June 2018	30.5

Business description

First Sensor is one of the world's leading suppliers of sensor systems. It develops and produces customer-specific solutions for the ever-increasing number of applications in the industrial (50% H118 sales), medical (22% H118 sales) and mobility (28% H118 sales) markets.

Bull

- Covers entire value-chain of sensor technology, from unpackaged sensor chips to complete sensor systems which generate higher margins.
- Its target markets: industrial, medical and mobility, are showing above-average growth.
- Focus on customers and products generating >€1m/year to improve efficiency.

Bear

- Low EBIT margin compared to other sensor companies.
- Europe still dominant market (79% H118 sales).
- Low free float (53.3%).

Analyst

Anne Margaret Crow +44 (0)20 3077 5700
tech@edisongroup.com

IT Competence Group

Technology

Strategic refocus to digital transformation

IT Competence Group (ITCG) is focusing on increasing its recurring revenue stream through becoming a partner for digital transformations. After unsuccessful investments, which cast a shadow on last year's results, the company is now back on the growth path with 9M18 sales up y-o-y and a positive EBITDA (margin at 5.2% in 9M18, compared with a negative 5.0% in 9M17). The company also increased its order backlog to €14.8m from €14.5m at end 2017. Better than expected ytd results triggered an upward revision of FY18 EBITDA guidance. The shares are currently trading at a 4% premium to peers on FY18 EV/EBITDA ratio.

Upward FY18 outlook revision based on ytd results

In 9M18 ITCG's EBITDA reached a positive €0.9m (9M17: negative €0.8m) with revenues of €17.3m (up c 10% y-o-y). It is worth noting that ITCG reported its 9M17 results in Dutch GAAP, whereas 9M18 figures were reported in German GAAP. In July 2018, ITCG raised its FY18 EBITDA guidance to €0.7–1.0m (vs €0.3–0.6m previously) and confirmed its sales growth expectations at 10%, implying revenues of €23–24m in FY18. Following the solid Q318, ITCG now expects EBITDA to reach at least the upper end of its FY18 guidance (ie €1.0m).

Focus on recurring income from managed services

ITCG is transitioning from an IT personnel services provider to a partner for digital transformation. The company has already split its business areas into IT and data infrastructure and refocused itself on competencies related to digital transformation. In line with its 'repeatable business' strategy, ITCG will now expand the managed services division in order to strengthen the company's recurring revenue and restore profitability and growth. The role of ITCG's consulting business (currently representing 19% of revenues) will be to spearhead the company's development. ITCG is currently working on revised 2020 targets, which should imply sales in excess of €30m and an EBITDA closer to €2.0m.

Valuation: Dependent on strategy execution

ITCG's shares are trading at an EV/EBITDA ratio of 9.3x based on the upper end of management's EBITDA guidance for FY18 (€1.0m). This represents a c 4% premium to the average calculated for a peer group of IT services/consulting-focused German companies. ITCG trades at a c 50% discount to peers on FY18 EV/Sales based on management guidance.

Historical financials

Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	EV/sales (x)	Yield (%)
12/14	20.6	0.2	0.08	N/A	0.48	N/A
12/15	24.4	0.8	0.26	N/A	0.40	N/A
12/16	24.8	(0.3)	(0.16)	N/A	0.40	N/A
12/17	22.0	(1.1)	(0.46)	N/A	0.45	N/A

Source: IT Competence Group accounts

Price €5.05
Market cap €10m

Share price graph



Share details

Code	3IT
Shares in issue	1.875m
Net cash (€m) as at 30 June 2018	0.2

Business description

IT Competence Group provides IT services and solutions, with a focus on planning, consulting and operation of IT and mobile data infrastructures. In addition, ITCG assists its clients in digital transformations. The company targets mid-sized companies from the DACH region.

Bull

- Improved outlook for FY18.
- High potential of ITCG's target market.
- Increased IR communication efforts.

Bear

- ITCG is still in a transformational period.
- Local shortage of skilled IT workers.
- High dependency on large clients/projects.

Analyst

Milosz Papst +44 (0) 20 3077 5700

tech@edisongroup.com

Max 21

Appetite for more growth

Max 21 continues its successful turnaround story, with a solid increase in H118 sales related to Binect family products and LinOTP (even if somewhat behind management expectations). Encouraged by the top-line growth and recently introduced cost efficiencies, management has reaffirmed its FY18 revenue guidance at €7m (implying 27% y-o-y growth) and is now expecting an EBITDA loss no greater than €1.5m (vs €2.5m previously). The reduced cash burn and business outlook for H218 will eliminate the need for a new share issue, according to the company.

Growing core revenues and cost reductions

Max 21 has delivered healthy growth in its strategic business verticals in H118, with Binect family product sales at €0.7m compared with €0.2m in H117 and LinOTP revenues up 90.5% y-o-y to €0.5m. Supported by the cost optimisation measures (particularly headcount reduction), the company's EBITDA loss came in at €0.5m, below the H117 loss at €2.3m. Binect was profitable throughout H118, while KeyIdentity improved its EBITDA but is still recording a loss (€0.8m vs €1.3m in H117).

Product adoption slower than expected

KeyIdentity's customer base grew to 308 contracts from 261 in H117 but remains below management expectations due to delays in investments into new products, as IT departments were tied up with the implementation of the General Data Protection Regulation (GDPR). Although Binect's Enterprise sales progress well, revenue growth in the Cube and Online product lines remains muted as a result of lacklustre adoption. Still, overall growth in strategically important revenues reached 164.6% y-o-y in H118.

Valuation: Still early stage

Lack of profits, both historical and implied by the Bloomberg consensus for FY18 and FY19, hamper any comparative valuation. On a historical EV/sales basis, the group's multiple of 3.3x compares with the average European TMT multiple of around 2x. If the group continues to translate current business growth into high levels of recurring SaaS revenues and exploit the market opportunity, this may result in earnings growth and be supportive of the valuation.

Consensus estimates

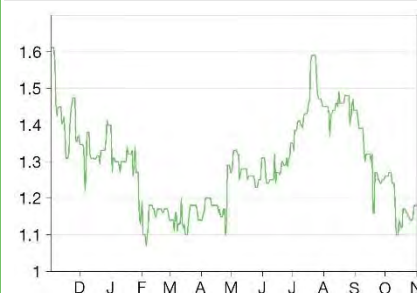
Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	EV/sales (x)	P/E (x)
12/16	3.3	(4.2)	(0.61)	0.0	6.4	N/A
12/17	6.4	(4.3)	(1.02)	0.0	3.3	N/A
12/18e	7.0	(0.9)	(0.16)	N/A	3.0	N/A
12/19e	9.0	1.5	(0.07)	N/A	2.4	N/A

Source: Max 21 accounts, Bloomberg consensus as at 3 September 2018. Note: Consensus is based on estimates of a single analyst (BankM).

Technology

Price €1.18
Market cap €21m

Share price graph



Share details

Code MA1
Shares in issue 17.4m
Last reported net debt (€m) at 30 June 2018 0.2

Business description

Max 21 is a technology investment company with 100% stakes in two core subsidiaries: Binect in hybrid business communication and KeyIdentity in IT security.

Bull

- Surface of hybrid business communication market barely scratched
- IT security market growth driven by multiple threats
- Highly scalable recurring revenue model for both businesses

Bear

- Break-even deferred
- Long sales cycles
- Extra equity financing may be required in case cash burn is ahead of management expectations

Analyst

Milosz Papst +44 (0) 20 3077 5700
financials@edisongroup.com

Mensch und Maschine Software

Firing on all cylinders

Mensch und Maschine (M+M) reported strong revenue growth for the nine months to 30 September 2018 (9M18), with both divisions achieving double-digit growth on a year-on-year basis. Group EBITDA margins expanded over the same period, with better profitability for both businesses. Management has maintained its growth and profitability guidance for FY18, underpinned by the strong 9M18 results.

Strong performance continues into Q3

M+M reported 9M18 revenue growth of 16% y-o-y, with Q1 growth of 6.8% y-o-y accelerating to 20.3% in Q218 and 22.6% in Q3. Both divisions contributed to growth, confirming the VAR business is back on track now the demand fluctuations related to the switch to subscription licensing for Autodesk software are substantially over. Both divisions expanded EBITDA margins, resulting in a 1.6pp y-o-y increase in group EBITDA margin to 11.5% in 9M18. The Software business is now generating EBITDA margins ahead of its 25% target (9M18 25.2%, Q1 29.5%, Q2 27.0%, Q3 18.1%), and the VAR business is making steady progress towards its 10% target (5.6% in 9M18 vs 3.9% in 9M17; all quarterly margins were higher y-o-y). To make further progress towards this target, we expect the VAR business to focus on increasing the level of value-added services and proprietary software that it can provide to its Autodesk customer base.

FY18 outlook unchanged

The company has maintained its outlook for FY18 and FY19. Consensus forecasts are for revenue growth of 12.7% in FY18 and 10.1% in FY19, and EPS growth of 37% in FY18 and 21% in FY19. Based on trading for the first nine months of the year, these forecasts appear reasonable, in our view.

Valuation: Margin growth key to upside

The stock is up 18% year-to-date, and continues to trade at a discount to peers on all valuation metrics, although we note that it generates lower margins than the peer group. With the main impact of the Autodesk licensing transition in the past and with Autodesk back on a revenue growth path, we see potential for the VAR business to improve profitability and hence drive up group margins. The stock is supported by a dividend yield rising to more than 3% by FY19e.

Consensus estimates

Year end	Revenue (€m)	PBT (€m)	EPS (c)	DPS (c)	P/E (x)	Yield (%)
12/16	167.1	11.1	0.40	0.35	64.8	1.4
12/17	160.9	13.6	0.53	0.50	48.9	1.9
12/18e	181.3	18.6	0.72	0.66	36.0	2.5
12/19e	199.6	22.5	0.87	0.82	29.8	3.2

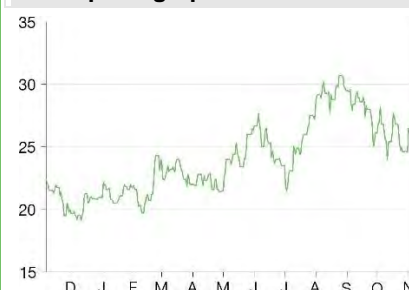
Source: Bloomberg (as at 24 October)

Software

Price €25.90

Market cap €422m

Share price graph



Share details

Code	MUM
Shares in issue	16.3m
Net debt as at end Q318	€13.6m

Business description

Mensch und Maschine Software (M+M) sells proprietary and Autodesk CAD/CAM software. It reports across two business lines: M+M Software (31% of FY17 revenues) and VAR (69% of FY17 revenues). The company has operations in Europe, the US and Asia-Pacific.

Bull

- Largest European Autodesk value-added reseller.
- High-margin, internally developed software.
- Loyal workforce.

Bear

- Reliant on Autodesk's technology development and channel strategy.
- Management owns more than 50% of the company.
- Challenge of finding enough sufficiently qualified staff.

Analyst

Katherine Thompson +44 (0)20 3077 5730

tech@edisongroup.com

Mensch und Maschine is a client of Edison Investment Research Limited

Mobotix

Future pinned on new products and alliance

Mobotix develops and produces intelligent camera and video systems mainly for security applications. Increasing competition and margin pressure forced the company to take restructuring measures in FY17. New products and a closer co-operation with Konica-Minolta, the main shareholder with 65.5%, are the key elements of the turnaround in future.

FY17: Losses trigger restructuring programme

In FY17, revenues dropped 17.7% to €65.5m. EBIT declined to a loss of €7.6m (FY16 loss €1m), about €1.8m of it provisioning for restructuring. The main drivers for the decline in revenues were lower camera systems sales due to tougher Chinese competition and weak product performance of the newly introduced Mx6 camera line, which did not fully meet customer expectations. Mobotix has gone through a significant revamp of its top management. In June 2017, Thomas Lausten joined as new CEO, he previously worked at Milestone Systems, a subsidiary of Canon, active in the same business as Mobotix. Hartmut Sprave was appointed the new CTO, joining in June 2018, and was previously head of software development at the television company Loewe.

Closer co-operation with Konica-Minolta

Konica-Minolta has been a major shareholder of Mobotix since 2016, holding a 65% stake. Besides new products, a closer R&D and distribution co-operation with Konica-Minolta is an important element of the turnaround. In March 2018, Mobotix signed a technology agreement with Konica-Minolta, with the partner committing to invest €1.5m into the technology development of Mobotix (mainly interface software development, with Mobotix keeping the IP and licensing it to the partner).

Earnings recovery in H1 FY18, new products in 2019

H1 FY18 revenues were €31.7m, flat yoy. Revenues also included €0.6m of contract development work for Konica-Minolta. Based on a lower material and personnel expense ratios, the H1 EBIT loss narrowed to €0.7m from €2.38m H117. For 2018, the company targets EBIT of €0.3m to €0.7m (previous target €0.7m). A more significant improvement will probably not come before the market introduction of a new, more advanced camera generation planned for summer 2019.

Valuation: Pricing in recovery

With an H118 net debt position of around €13m and a market cap of €114m, the company is valued at roughly 2x EV/sales based on its FY18 revenue target.

Historical financials

Year end	Revenue (€m)	EBIT (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
09/16	79.5	(1.0)	0.34	0.04	25.6	0.01
09/17	65.5	(7.6)	0.54	0.0	16.1	N/A
09/18e	N/A	N/A	N/A	N/A	N/A	N/A
09/19e	N/A	N/A	N/A	N/A	N/A	N/A

Source: Company data

Technology

Price €8.70
Market cap €114m

Share price graph



Share details

Code MBQ
Listing Prime Standard
Shares in issue 13.14m

Business description

Mobotix develops and produces intelligent digital camera and video systems mainly for security applications. An important element in the Mobotix product offering is the proprietary video management software.

Bull

- Strong technology track record, globally promising market growth potential for security systems.
- Turnaround plan showed positive effects in H118.
- Konica-Minolta is a technology and distribution partner.

Bear

- Toughening competition due to shrinking technology advantage.
- Several years of declining profitability.
- Potential governance issues related to the majority stake of and close co-operation with Konica-Minolta.

Analyst

Christian Breitsprecher +44 (0)20 3077 5700

tech@edisongroup.com

mVISE

Elastic upside

mVISE is a leading German provider of software solutions in the areas of mobility (apps, IoT, SalesSphere), virtualisation, integration (integration platform as a service, iPaaS), security and enterprise data. Acquisition of cloud software integration platform, elastic.io, has positioned the group strongly in a rapidly consolidating, high-growth segment. The recent acquisition of an SHS Viveon consulting team has added new consulting verticals, geographies and much-needed capacity. mVISE looks attractively valued on FY19e EV/EBITDA discounts of 31% to its consulting peers and more than 82% to its software peers.

elastic.io revenues are starting to soar

Acquired in 2017, elastic.io is Europe's first cloud iPaaS provider. In a rapidly consolidating market dominated by US offerings, it is the only integration platform tailored to European cloud infrastructure and technology. Successful deployment of an OEM strategy has led to a number of very high potential partnerships and sales starting to ramp up. Deutsche Telekom and Magic Software recently started offering elastic.io's cloud integration platforms to their customers under their own-brands and new partner AppDirect will do so shortly. SalesSphere's prospects have also been boosted by Gartner recently listing it as an important digital sales platform.

Clear strategy and promising earnings outlook

mVISE has a clear strategy focusing on optimising market penetration of the group's platforms, diversifying its customer base and driving digital transformation. It is also moving its key pillars of products and advisory/professional services closer to drive revenues and synergies. We expect strong earnings growth through 2019 from surging sales at elastic.io, synergy benefits from the integration of the new consulting team and platform enhancements. After a €4.6m increase in net debt to €8.6m in H1 due to the SHS Viveon acquisition, we see good prospects for net debt to fall rapidly by YE18 helped by the sale of loss-maker Just Intelligence.

Valuation: Good prospects for rerating over 18m

On a 2019e EV/EBITDA multiple of 8.5x, mVISE trades at a 31% discount to its consulting-oriented peers and an 82% discount to the lowest-rated software peer. Recent high takeover multiples in the integration platform segment (eg Mulesoft on 22x trailing revenues) also argue for a valuation boost as elastic.io's earnings grow. Potential share catalysts include surging revenues from elastic.io revenues in H218 and 2019, synergy benefits from the SHS Viveon acquisition and falling net debt.

Consensus estimates

Year end	Revenue (€m)	EBITDA (€m)	PBT (€m)	EPS (€)	EV/EBITDA (x)	P/E (x)	Yield (%)
12/16	7.9	1.2	0.4	0.05	36.2	83.6	0.0
12/17	14.8	2.0	0.3	0.15	21.7	27.9	0.0
12/18e	24.3	3.8	1.8	0.15	11.4	27.9	0.0
12/19e	29.2	5.1	3.3	0.29	8.5	14.4	0.0

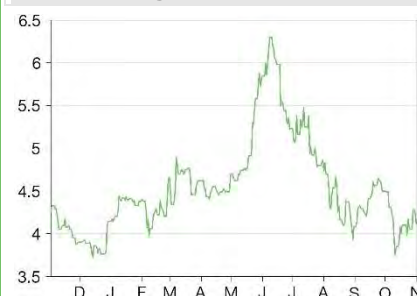
Source: mVISE, SMC Research

Software and comp services

Price €4.18

Market cap €35m

Share price graph



Share details

Code	C1VX
Shares in issue	8.4m
Net debt at 30 June 2018	€8.6m

Business description

mVISE is a pioneer in German mobile software solutions with a large blue-chip client base and over 150 employees. Supported by extensive consulting operations, the group specialises in mobility (apps, IoT, SalesSphere), virtualisation, cloud integration (iPaaS), security and enterprise data.

Bull

- mVISE is oriented to key growth areas of IoT, mobility, digitalisation, ADAS and security.
- New strategy to boost margins via greater high-margin product sales and employee efficiency.
- Recent acquisitions, particularly elastic.io, have **boosted the group's product offerings**, supporting margin and earnings prospects.

Bear

- High project-based consulting revenues lead to potential risk of skilled employee cost inflation.
- Own-developed software product SaleSphere has not achieved expectations.
- Debt levels have risen sharply in H118 with the acquisition of a consulting team from SHS Viveon.

Analyst

Anna Bossong +44 (0)20 3077 5737
tech@edisongroup.com

Reply

Technology

Expanding entrepreneurial model to the US

With the acquisition of a majority stake in Valorem, Reply has achieved a key milestone in its quest to build its presence in the US. H118 results confirmed the group continues to generate double-digit revenue growth combined with double-digit operating margins. We expect the company to make further bolt-on acquisitions to bolster in-house expertise, and it is well funded to do so. The share price has seen modest performance over the last year and is now more reflective of the company's performance.

US acquisition made in Q218

The Reply group is a network of independent companies operating in specialist technology and consulting areas. Management is keen to replicate the Italian breadth of expertise across its two other divisions, which broadly represent the DACH Region (Germany division: 18% of FY17 revenues) and the UK and Benelux (UK division: 14% of FY17 revenues). Developing in-house expertise combined with the acquisition of businesses in key new areas of technology has resulted in 12% revenue CAGR from 2012–2017. For some time Reply has sought to grow its presence in the US market and in April it acquired 70% of Valorem, a Kansas City-based specialist in digital strategy consulting with 300 employees, for \$36m/€29m. Other recent deals include Modcomp (security solutions) in Germany in July for €12.7m and the addition of several new companies to the Breed Reply internet of things incubator.

Double-digit growth and margins maintained

Reply reported H118 revenue growth of 12.8% y-o-y, with a 13.7% EBITDA margin and 12.5% EBIT margin. After paying for the Valorem acquisition, net cash at the end of H118 stood at €50.2m, down from €57.0m at the end of FY17.

Valuation: Premium deserved

The Reply share price is up 8% year to date but down 10% in the last three months, reflecting market weakness in recent weeks. Consensus forecasts reflect the company's targeted double-digit revenue growth and c 13% EBIT margins. On a P/E basis, the stock trades at a small premium to peers, justified in our view by Reply's ability to grow consistently at double digits while achieving operating margins in the low teens.

Consensus estimates						
Year end	Revenue (€m)	EBITDA (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
12/16	780.7	106.4	1.81	0.29	27.6	0.6
12/17	884.4	123.2	2.08	0.35	24.0	0.7
12/18e	1025.2	144.3	2.45	0.40	20.4	0.8
12/19e	1142.3	163.0	2.79	0.44	17.9	0.9

Source: Bloomberg (as at 9 October)

Price €49.94
Market cap €1.9bn

Share price graph



Share details

Code	REY
Shares in issue	37.4m
Net cash (€m) at end H118	50.2

Business description

Reply offers consulting, systems integration and application management services, specialising in the creation and implementation of solutions based on new communication networks and digital media. The main regions of focus are Italy, Germany and the UK.

Bull

- Innovative, entrepreneurial attitude.
- Experienced management.
- Strong margins.

Bear

- Acquisition risk.
- Challenge of finding enough sufficiently qualified staff.
- Large exposure to Italian economy.

Analyst

Katherine Thompson +44 (0)20 3077 5730
tech@edisongroup.com

SNP Schneider-Neureither & Partner

Strong Q3 profits recovery

Q3 results reveal that SNP is stabilising after the July profits warning. While underlying revenues showed a small contraction, profits recovered strongly. This indicates that costs saving measures are beginning to have an impact. Additionally, SNP has recently won several small S/4HANA migration contracts which indicates the S/4HANA business is beginning to gain momentum. We have increased our FY18 profits forecasts while maintaining revenues. While the shares look punchy on c 24x our FY19e earnings, the rating could fall quickly as new projects come through.

Investment case: Huge transformation opportunities

SNP is building a global software-based consulting business focused on IT landscape transformations. An active acquisition strategy has enabled the group to become a provider of end-to-end solutions, covering the entire value creation chain of the transformation market while also crucially establishing local presence in key markets. SNP's T-B is the only off-the-shelf software that automates the process of combining, upgrading or carving out data from ERP systems. The industry is driven by the need to transform, adapt and harmonise data and is initiated by M&A activity, system consolidation, cloudification and the need for simplification. This young industry is growing at a fast pace and is potentially very large.

Q3 results and news flow: Q4 capital increase

Q3 adjusted EBITDA rose to €2.5m (7.4% margin) from a loss in Q2 and small profit in Q317. The renewed profitability was aided by the recent restructurings and consequently significantly improved utilisation rates. In H2, the company initiated a globally oriented program to improve efficiencies with a focus on improving cost structures and increasingly concentrating on free cash flow. SNP has recently won several small S/4HANA migrations, including with Volkswagen Saxony. SNP increased its FY18 profit guidance but maintained revenues, and we have recently upgraded our FY18 adjusted EBITDA forecast to €3.3m from €0.7m previously. The company is proposing a capital increase via a subscription rights issue.

Valuation: Strong growth play in the ERP space

The stock trades on c 24x our FY19e earnings falling to c 12x in FY20e. Our discounted cash flow valuation (based on c 7% organic revenue CAGR over 10 years, 10% WACC, 14.8% long-term margin and 2% terminal growth) is c €32/share, c 86% above the current share price. Increasing the organic revenue CAGR to 10% boosts the valuation to c €44/share.

Edison estimates

Year end	Revenue (€m)	PBT* (€m)	EPS* (c)	DPS (c)	P/E (x)	Yield (%)
12/16	80.7	6.0	100.4	39.0	17.1	2.3
12/17	122.3	3.8	61.9	0.0	27.8	0.0
12/18e	137.9	(1.1)	(19.5)	0.0	N/A	0.0
12/19e	153.4	5.9	70.7	30.0	24.3	1.7

Note: *PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

Software & comp services

Price €17.20

Market cap €94m

Share price graph



Share details

Code	SHF
Shares in issue	5.5m
Net debt (€m) at 30 June 2018	35.8

Business description

SNP Schneider-Neureither & Partner is a software and consulting business focused on supporting customers in implementing change, and rapidly and economically tailoring IT landscapes to new situations. It has developed a proprietary software suite, CrystalBridge and Transformation Backbone with SAP LT (T-B), which automatically analyses and applies and tracks changes in IT systems.

Bull

- High-profile customer names such as HP and the two US chemical companies act as strong references for new business.
- The anticipated wave of S/4HANA projects is building up.
- The introduction of new software products, including CrystalBridge and Interface Scanner, create new revenue opportunities.

Bear

- The recent S/4HANA project deferrals as clients chose to wait for a greater "maturity level" of S/4HANA before planning a full transition.
- Software sales cycle can be long and lumpy.
- Recruiting challenges in consulting.

Analysts

Richard Jeans	+44 (0)20 3077 5700
Katherine Thompson	+44 (0)20 3077 5730

tech@edisongroup.com

SNP Schneider-Neureither & Partner is a research client of Edison Investment Research

STEMMER IMAGING

Vision. Right. Now.

STEMMER IMAGING (SI) presents an opportunity to benefit from rising demand for machine vision components. This is driven by a shift in the industrial landscape to a highly automated world where machines communicate with each other using imaging information as key decision-making data. This shift is not restricted to any one industry, but is being widely adopted to realise improved quality control and efficiency rates.

Helping customers execute imaging projects

As one of Europe's largest independent providers of machine vision technology, SI has the scale to maintain relationships with more than 200 suppliers, as well as to develop its own software and hardware. The scale supports a highly technical offer: advising on component selection, providing feasibility studies for customers and tailoring machine vision systems to meet specific customer requirements. All of this drives margin and aids customer retention. SI's scale has also enabled it to act as a consolidator in the market, in effect creating a virtuous circle.

FY18 results at top end of guidance

Group sales increased by 14% y-o-y during FY18 to a record €100.6m, while adjusted EBITDA (excluding non-recurring items primarily relating to the IPO in February 2018) grew by 46% to €11.1m. Adjusted EBITDA margin rose by 2.4pp to 11.0%. This is at the top end of management guidance, which was revised upwards in May. Half of the €51m funds raised from the IPO were allocated for acquisitions. In January, the acquisition of Data Vision in the Netherlands added complementary products, particularly software, and made SI the largest machine vision supplier in the Benelux region. French competitor ELVITEC was acquired in July. In October, SI took a strategic stake in Perception Park, adding hyperspectral imaging software technology to its product portfolio.

Valuation: High rating for strong revenue growth

SI's prospective EV/EBITDA and P/E multiples are close to the mean for our sample of companies making machine vision components and systems (eg SI's June 2019 P/E is 27.4x vs 29.4x mean). Since consensus estimates indicate that SI is able to grow at least as quickly as other companies in this sector (17.3% CAGR in revenues between FY18 and FY20 vs 13.3% mean), a similar rating appears justified, even though SI does not achieve as high an EBITDA margin as the others.

Consensus estimates

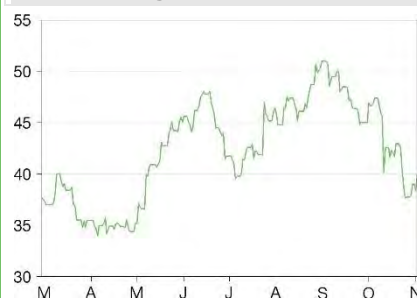
Year end	Revenue (€m)	EBIT* (€m)	EPS (€)	DPS (€)	P/E (x)	Yield (%)
06/17	88.3	5.8	0.67**	0.0	60.1	N/A
06/18	100.6	8.9	1.18**	0.50	34.2	1.2
06/19e	123.0	11.2	1.47	0.50	27.4	1.2
06/20e	139.0	14.9	1.84	0.50	21.9	1.2

Source: STEMMER IMAGING data, Bloomberg. Note: *Adjusted for IPO and other non-recurring items. **On number of shares at listing.

Technology

Price €40.30
Market cap €262m

Share price graph



Share details

Code S91
Shares in issue 6.5m
Last reported net cash (€m) end June 2018 51.8
(including €5.0m short-term securities)

Business description

STEMMER IMAGING is one of Europe's leading independent provider of machine vision technology solutions to science and industry, selling both directly and indirectly, via system integrators or OEMs.

Bull

- Demand for machine vision solutions growing, driven by increased automation and IIoT.
- Broad supplier base combined with in-house development capability enables SI to offer precisely tailored solutions to customers.
- Not dependent on individual industry sectors.

Bear

- Business model difficult to implement in the US.
- Limited presence in Asia Pacific region, addressed though recent MoU with Nanjing Inovance in China.
- Meaningful proportion of market purchases directly from component suppliers.

Analyst

Anne Margaret Crow +44 (0)20 3077 5700
tech@edisongroup.com

Fact sheets

11880 Solutions

For two decades, 11880* and 11880.com stand for fast and reliable results when searching for people as well as local and national businesses in all industry sectors. Germany's second largest directory assistance provider offers personal assistance by telephone at 11880* whereas the online directory 11880.com and the identically named app provide specific information and connect users directly with appropriate providers in the requested region.

Information from <http://www.boerse-frankfurt.de/>

3U Holding

3U HOLDING AG is active in the telephony, renewable energy and services sectors. Starting from our origins in the telecommunications industry, we are a listed management and holding company whose strategy is to be the comprehensive service provider for everything to do with building infrastructure.

Information from <http://www.boerse-frankfurt.de/>

7C SOLARPARKEN

7C Solarparken is a solar owner and operator reaching a production capacity of >153 MWp in Germany. Over 95% of the portfolio is located in Germany, predominantly in Bavaria and Saxony. Small historical diversification into Belgium with well-performing assets.

Information from <http://www.solarparken.be/en/>

Media

Market cap* €21m

*As at 29 October 2018

Share details

Code TGT

Designated sponsor(s)

ODDO SEYDLER BANK AG

Industrials

Market cap* €38m

*As at 29 October 2018

Share details

Code UUU

Designated sponsor(s)

FinTech Group Bank AG

Industrials

Market cap* €134m

*As at 29 October 2018

Share details

Code HRPK

Designated sponsor(s)

LANG & SCHWARZ BROKER GMBH

aap Implantate

aap Implantate AG is a globally operating medical device company headquartered in Berlin, Germany. The company develops, manufactures and markets trauma products for orthopaedics. The IP protected portfolio includes besides the innovative anatomical plating system LOQTEQ(R) and trauma complementary biomaterials a wide range of cannulated screws as well as standard plates and screws.

Information from <http://www.boerse-frankfurt.de/>

Abivax

ABIVAX is an innovative biotechnology company harnessing the body's natural immune machinery to treat patients with viral infections, autoimmune diseases and cancer. ABIVAX leverages its antiviral and immune enhancing platforms to optimize candidates to cure HIV and treat inflammatory bowel diseases, as well as liver cancer. ABX464 is currently advancing into phase 2b trials in UC and HIV as well as phase 2a for Crohn's disease and rheumatoid arthritis.

Information from <http://www.abivax.com/about-us/>

Accentro Real Estate

ACCENTRO Real Estate AG is the market leader in residential privatisation in Germany. In addition to its home market Berlin, the company concentrates on metropolitan regions such as Hamburg, Cologne, Dusseldorf, Rhine-Main region, Leipzig, Hanover or Bonn. In the privatization segment ACCENTRO sells apartments of the company's portfolio to private users and investors or to institutional investors as portfolio deals.

Information from <http://www.boerse-frankfurt.de/>

Medical Technology

Market cap* €43m

*As at 29 October 2018

Share details

Code AAQ

Designated sponsor(s)

FinTech Group Bank AG

Pharma & biotech

Market cap* €59m

*As at 29 October 2018

Share details

Code 2X1

Designated sponsor(s)

N/A

Real estate

Market cap* €305m

*As at 29 October 2018

Share details

Code A4Y

Designated sponsor(s)

ODDO SEYDLER BANK AG

ad pepper media

The ad pepper media group is one of the leading independent marketing networks in the field of online advertising. ad pepper media International N.V., based in Amsterdam, Netherlands, is the central management and holding company for the companies in the ad pepper media group. Our online advertising activities are centered around three business divisions: ad pepper media, Webgains and ad agents.

Information from <http://www.boerse-frankfurt.de/>

adesso

With over 2,900 employees and annual sales of EUR 321.6 million in 2017, adesso Group is one of the largest German IT service providers and has outstanding opportunities for growth. At its own locations in Germany, Austria, Switzerland, Turkey, Spain, Bulgaria, USA and the UK as well as at numerous customer sites, adesso offers consulting and software development services for optimising core business processes and reducing operating costs.

Information from <http://www.boerse-frankfurt.de/>

Adler Modemärkte

As one of the leading textile retailers in Germany, Austria, Luxembourg and Switzerland, and with 70 years of tradition and a high level of customer loyalty, Adler is, in its own estimation, the market leader among textile retailers for customers over 55 in Germany in the value price segment.

Information from <http://www.boerse-frankfurt.de/>

Media

Market cap* €56m

*As at 29 October 2018

Share details

Code APM

Designated sponsor(s)

EQUINET BANK AG

Software

Market cap* €364m

*As at 29 October 2018

Share details

Code ADN1

Designated sponsor(s)

ODDO SEYDLER BANK AG

Consumer

Market cap* €66m

*As at 29 October 2018

Share details

Code ADD

Designated sponsor(s)

ODDO SEYDLER BANK AG, M.M. WARBURG & CO (AG & CO.) KGAA

ADVA Optical Networking

ADVA Optical Networking is a company founded on innovation and driven to help our customers succeed. For over two decades, our technology has empowered networks across the globe. We're continually developing breakthrough hardware and software that leads the networking industry and creates new business opportunities.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €343m

*As at 29 October 2018

Share details

Code ADV

Designated sponsor(s)

ODDO SEYDLER BANK AG

Advanced Blockchain

Advanced Blockchain focuses on the creation, development and implementation of Distributed Ledger Technology software as the foundational layer for companies and their products and services. Advanced Blockchain is making it viable for companies to incorporate the technology and its benefits into operations, products and services through meticulous research, close collaboration with clients, and design, development and implementation of DLT software.

Information from <https://www.advancedblockchain.com/en/about.html>

Software

Market cap* €8m

*As at 29 October 2018

Share details

Code BWQ

Designated sponsor(s)

N/A

Affimed

Affimed is a clinical-stage biopharmaceutical company focused on discovering and developing highly targeted cancer immunotherapies. Its product candidates are being developed in the field of immuno-oncology, which represents an innovative approach to cancer treatment that seeks to harness the body's own immune defenses to fight tumor cells.

Information from <http://www.affimed.com/>

Pharma & biotech

Market cap* \$182m

*As at 29 October 2018

Share details

Code AFMD

Designated sponsor(s)

N/A

AKASOL

AKASOL sees itself as a pure play industry pioneer in electric powertrain battery systems technology with nearly 30 years of experience in this field. The roots of the Company go back to a not-for-profit organization named AKASOL e.V. founded by professors and students of the Technical University of Darmstadt in Germany in 1990.

Information from <http://www.boerse-frankfurt.de/>

Allgeier

Allgeier SE is one of the leading IT companies for digital transformation with a growth strategy oriented to innovations and future trends, as well as an integrative business model. With around 8,000 salaried employees and about 1,400 freelance experts, Allgeier offers its customers an extensive one-stop-shop range of solutions and services.

Information from <https://www.allgeier.com/en/>

AlzChem Group

Based in Trostberg, Bavaria, AlzChem Group AG is a vertically integrated manufacturer of various chemical products based on the NCN chain. These are products with typical nitrogen-carbon-nitrogen bonding that are used in a wide variety of different industries. The company has a leading position in select niche markets, including the markets for feed additives and food supplements.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €253m

*As at 29 October 2018

Share details

Code ASL

Designated sponsor(s)

COMMERZBANK AG

Technology

Market cap* €298m

*As at 29 October 2018

Share details

Code AEIN

Designated sponsor(s)

N/A

Pharma & biotech

Market cap* €248m

*As at 29 October 2018

Share details

Code SFP1

Designated sponsor(s)

BAADER BANK AG

artec technologies

The listed artec technologies AG based in Diepholz, Germany, develops and produces innovative software and system solutions for the transmission, recording and analysis of video, audio and metadata in networks and on the Internet. artec customers benefit from a complete service (project planning, commissioning, service & support) for both standardized products and special developments.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €12m

*As at 29 October 2018

Share details

Code A6T

Designated sponsor(s)

ICF BANK AG WERTPAPIERHANDELSBANK

ASMALLWORLD

ASMALLWORLD was founded in 2004 as one of the first social networks. We combined the traditions of a country club with the power of a digital platform to connect people both online and more importantly, in real life. Today, we are an essential meeting point for global citizens from all corners of the world.

Information from <https://www.asmallworld.com/>

Software

Market cap* €42m

*As at 29 October 2018

Share details

Code ASWN

Designated sponsor(s)

N/A

ATOSS Software

ATOSS Software is a provider of consulting, software and services focusing on professional workforce management and demand optimized personnel deployment. From conventional working time management to mobile apps, detailed workforce forecasting, sophisticated workforce scheduling or strategic capacity and demand scheduling, ATOSS has the right solution - in-the-cloud or on-premises.

Information from <http://www.boerse-frankfurt.de/>

Software

Market cap* €314m

*As at 29 October 2018

Share details

Code AOF

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Aumann

Aumann is a world-leading manufacturer of innovative speciality machinery and automated production lines with a focus on e-mobility. The company combines unique winding technology for the highly efficient production of electric motors with decades of automation experience, particularly in the automotive industry. Leading companies around the world rely on Aumann solutions for the series production of purely electric and hybrid vehicle drives and on solutions for production automation.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €608m

*As at 29 October 2018

Share details

Code AAG

Designated sponsor(s)

ODDO SEYDLER BANK AG

AURELIUS Equity Opportunities

A total of over 100 company transactions make us a reliable partner for medium-sized enterprises and corporate groups. We understand how important profitable growth is for the future of both companies and their workforces. With a strong capital base, international contacts and a large team of specialists in financial and corporate management we will bring your company back on the road to success.

Information from <https://aureliusinvest.com/>

Financials

Market cap* €1237m

*As at 29 October 2018

Share details

Code AR4

Designated sponsor(s)

ODDO SEYDLER BANK AG

Aves One

The Aves One AG is an opportunistic acting asset owner of logistics equipment in the areas of Rail, Container, Resale and Special. We invest in sustainable assets with stable cash flows.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €101m

*As at 29 October 2018

Share details

Code AVES

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Basler

Basler is a leading manufacturer of high-quality cameras and camera accessories for industry, medicine, traffic and a variety of other markets. The company's product portfolio encompasses area scan and line scan cameras in compact housing dimensions, camera modules in board level variants for embedded solutions, and 3D cameras.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €548m

*As at 29 October 2018

Share details

Code BSL

Designated sponsor(s)

ODDO SEYDLER BANK AG

Bastei Lübbe

Bastei Lübbe is one of the largest and most traditional book publishers in Germany. Its publications include printed books, fictional novels and puzzle books as well as digital publications in the form of e-books and audio books. In this way Bastei Lübbe operates in the stable market with printed books on the one hand and in the dynamically growing market with e-books on the other. Thematically, the scope ranges from fiction to popular science content.

Information from <http://www.boerse-frankfurt.de/>

Media

Market cap* €28m

*As at 29 October 2018

Share details

Code BST

Designated sponsor(s)

ODDO SEYDLER BANK AG

Berentzen-Gruppe

The Berentzen Group is a broad-based beverage company operating in the following three segments: Spirits, Non-alcoholic Beverages and Fresh Juice Systems. The Berentzen Group is one of the oldest producers of spirits in Germany with a corporate history going back over 250 years.

Information from <http://www.boerse-frankfurt.de/>

Consumer

Market cap* €61m

*As at 29 October 2018

Share details

Code BEZ

Designated sponsor(s)

ODDO SEYDLER BANK AG

Biofrontera

Biofrontera AG is an international biopharmaceutical company specializing in the development and commercialization of a platform of pharmaceutical products for the treatment of dermatological conditions and diseases caused primarily by exposure to sunlight that results in sun damage to the skin.

Information from <http://www.boerse-frankfurt.de/>

Pharma & biotech

Market cap* €240m

*As at 29 October 2018

Share details

Code B8F

Designated sponsor(s)

LANG & SCHWARZ BROKER GMBH

Blockchain Intelligence Group

Cryptocurrency's exponential growth is only adding to marketplace concerns around illicit use, risk and regulatory compliance. That's why our mission is to bring cryptocurrency mainstream by giving our clients and users peace of mind. Our proprietary and Blockchain-agnostic search and analytics solutions bring security and accountability to cryptocurrency.

Information from <https://blockchaingroup.io/>

Technology

Market cap* C\$10m

*As at 29 October 2018

Share details

Code BIGG

Designated sponsor(s)

N/A

blockescence

blockescence is a strategic investment-holding, that focuses on a buy, build & sell strategy of fast-growing companies in consolidating TMT sectors. The blockescence portfolio companies are growing via acquisitions and organic growth and new technologies are actively used to create USPs and further efficiency within the portfolio companies. An example is the implementation and roll-out of distributed ledger technology to create competitive advantages in the portfolio companies.

Information from <http://www.boerse-frankfurt.de/>

Financials

Market cap* €78m

*As at 29 October 2018

Share details

Code BCK

Designated sponsor(s)

ODDO SEYDLER BANK AG

B.R.A.I.N.

B.R.A.I.N. Biotechnology Research and Information Network AG is one of Europe's leading technology companies in the field of industrial biotechnology, the core discipline of Bioeconomy. As such, BRAIN identifies previously untapped, efficient enzymes, microbial producer organisms or natural substances from complex biological systems that can be put to industrial use.

Information from <http://www.boerse-frankfurt.de/>

CANCOM

As Digital Transformation Partner, CANCOM guides businesses into the digital future. The CANCOM Group's business-oriented IT solution range encompasses consulting, implementation and services. Clients benefit from an extensive expertise and an innovative portfolio that covers business IT requirements for a successful digital transformation with smart business solutions and services in IT trends.

Information from <http://www.boerse-frankfurt.de/>

capsensixx

capsensixx takes care of the administration, structuring and implementation of financial products for various asset classes and product workflows in the financial sector for clients (Financial Administration as a Service). The business model is characterised by a high proportion of recurring income and profitable growth, and it focuses on funds and alternative assets.

Information from <http://www.capsensixx.de>

Industrials

Market cap* €283m

*As at 29 October 2018

Share details

Code BNN

Designated sponsor(s)

ODDO SEYDLER BANK AG

Software

Market cap* €1260m

*As at 29 October 2018

Share details

Code COK

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Financials

Market cap* €42m

*As at 29 October 2018

Share details

Code CPX

Designated sponsor(s)

ICF BANK AG WERTPAPIERHANDELSBANK

CENIT

CENIT AG is an internationally operating software and consulting company for information technology, which was established in 1988. Besides branches all over Germany the company has subsidiaries in Switzerland, Romania, France, Japan and the USA. Since 1998 the company is listed on the Prime Standard of Germany's stock exchange. CENIT is the partner for successful digital transformation.

Information from <http://www.boerse-frankfurt.de/>

CENTROTEC Sustainable

CENTROTEC Sustainable AG focuses on the area of energy-saving technologies in buildings. CENTROTEC posted revenue of EUR 594 million in 2017 and expects a growth up to million 620 EURO in 2018. The CENTROTEC Group is one of Europe's leading players in its field thanks to its innovative energy-saving solutions and is represented approx. 50 countries worldwide.

Information from <http://www.boerse-frankfurt.de/>

CEWE Stiftung & Co.

CEWE Europe's online printing and photo service. CEWE supplies consumers with photos and digital print products via over-the-counter trade as well as Internet sales. CEWE is the service partner for the leading brands on the European photography market.

Information from <http://www.boerse-frankfurt.de/>

Software

Market cap* **€131m**

*As at 29 October 2018

Share details

Code CSH

Designated sponsor(s)

ODDO SEYDLER BANK AG

Industrials

Market cap* **€226m**

*As at 29 October 2018

Share details

Code CEV

Designated sponsor(s)

ODDO SEYDLER BANK AG, HSBC TRINKAUS & BURKHARDT AG

Consumer

Market cap* **€501m**

*As at 29 October 2018

Share details

Code CWC

Designated sponsor(s)

BAADER BANK AG, ODDO SEYDLER BANK AG, BANKHAUS LAMPE KG

Consus Real Estate

Consus Real Estate AG, based in Berlin, Germany, through its subsidiary CG Gruppe AG, is a leading developer of residential real estate properties in the country's Top 9 cities. CONSUS focuses on and has a strong track record of institutional forward sales, digitalization and industrial mass production along the entire development value chain.

Information from <http://www.boerse-frankfurt.de/>

Coreo

Coreo AG, which has its registered office in Frankfurt am Main, is a dynamically growing real estate company with a focus on German commercial and residential properties. Investments are made in real estate with considerable potential for appreciation thru refurbishment and repositioning, preferred in A and B macro locations. The goal is to build up an efficiently managed, high-yield real estate portfolio through prudent development and the sale of non-strategic properties.

Information from <http://www.boerse-frankfurt.de/>

Corestate Capital Holding

CORESTATE Capital Holding is an investment manager and co-investor with EUR 20bn* in assets under management. As a fully integrated real estate platform, CORESTATE offers its clients combined expertise in the areas of investment and fund management as well as real estate management services. CORESTATE is headquartered in Luxembourg and has 29 offices including in Frankfurt, London, Madrid and Zurich.

Information from <http://www.boerse-frankfurt.de/>

Real estate

Market cap* €706m

*As at 29 October 2018

Share details

Code CC1

Designated sponsor(s)

BAADER BANK AG, ODDO SEYDLER BANK AG

Real estate

Market cap* €19m

*As at 29 October 2018

Share details

Code NNS

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Financials

Market cap* €779m

*As at 29 October 2018

Share details

Code CCAP

Designated sponsor(s)

ODDO SEYDLER BANK AG, EQUINET BANK AG,
BANKHAUS LAMPE KG

Cropenergies

Ensuring mobility in a climate friendly way - today and in the future - is CropEnergies' business. Founded in Germany in 2006, the member of the Südzucker Group is the leading European manufacturer of sustainably produced bioethanol today. With its production capacities of 1.3 million cubic meters of bioethanol per year, CropEnergies produces bioethanol which predominantly replaces petrol in four modern production facilities in Germany, Belgium, the UK, and France.

Information from <http://www.boerse-frankfurt.de/>

CYAN

cyan is a German based company with experience of over 25 years in the field of IT-security. cyan operates with its own research and development centre in Brno, Czech Republic and has close links to universities, international institutes and financials such as social organisations. This intensive co-operation ensures an early recognition of trends and technical developments for their integration into cyan's products.

Information from <https://www.cyansecurity.com/en/about/>

Daldrup & Söhne

Daldrup & Söhne AG (D&S) is a leading drilling technology specialist and full-service provider of power station projects in the geothermal sector. D & S holds stakes in geothermal power stations in Germany as well. The Company is active in four business segments "Geothermal Energy", "Resources and Exploration", "Water Supply" and "Environment, Development & Services (EDS)".

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €337m

*As at 29 October 2018

Share details

Code CE2

Designated sponsor(s)

DZ BANK AG DT. ZENTRAL-
GENOSSENSCHAFTSB.*ICF BANK AG
WERTPAPIERHANDELSBANK

Technology

Market cap* €182m

*As at 29 October 2018

Share details

Code CYR

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Industrials

Market cap* €55m

*As at 29 October 2018

Share details

Code 4DS

Designated sponsor(s)

EQUINET BANK AG

DATAGROUP

DATAGROUP is a leading German IT service company. Over 1,700 employees at locations across Germany design, implement, and operate IT infrastructure and business applications such as SAP. With its product CORBOX, DATAGROUP is a full-service provider, serving over 600,000 global IT workstations for medium and large enterprises as well as for public-sector clients. In other words: 'We manage IT'.

Information from <http://www.boerse-frankfurt.de/>

DEAG Deutsche Entertainment

DEAG Deutsche Entertainment AG is a leading entertainment service company and provider of Live Entertainment in Europe. With its Group companies, DEAG is present at seven locations in its core markets in Germany, Switzerland and the United Kingdom. DEAG produces and profitably organises a broad range of events and concerts.

Information from <http://www.boerse-frankfurt.de/>

Delignit

Delignit AG develops, manufactures and sells ecological materials and system solutions from renewable natural resources. Delignit AG is a recognised development, project and series supplier for technology industries such as, for example, the automotive, aviation and railway industry.

Information from <http://www.boerse-frankfurt.de/>

Software

Market cap* €278m

*As at 29 October 2018

Share details

Code D6H

Designated sponsor(s)

HSBC TRINKAUS & BURKHARDT AG, HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Media

Market cap* €56m

*As at 29 October 2018

Share details

Code ERMK

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Industrials

Market cap* €54m

*As at 29 October 2018

Share details

Code DLX

Designated sponsor(s)

ODDO SEYDLER BANK AG

Delticom

Delticom is an E-Commerce company operating primarily in Europe and the USA. The company is the leading online distributor of tyres with more than 100 brands and 25,000 models as well as automotive accessories containing more than 300.000 articles. The online second-hand vehicle trade as well as efood with a comprehensive range of around 20,000 different food items round off Delticom's product portfolio.

Information from <http://www.boerse-frankfurt.de/>

DEMIRE

DEMIRE has commercial real estate holdings in mid-sized cities and up and coming areas bordering metropolitan areas all over Germany. The core business activities of the Frankfurt/Main headquartered real estate group consist of the acquisition, the management and the rental of commercial real estate and their further development, for example, through modification, modernisation or expansion, and increasing their value through active portfolio management.

Information from <http://www.boerse-frankfurt.de/>

Dermapharm Holding

Dermapharm is a leading manufacturer of patent-free branded pharmaceuticals for selected markets in Germany and an increasing international footprint. The company's integrated business model comprises in-house development, in-house production and distribution of pharmaceuticals and other healthcare products for specifically targeted markets by a medical and pharmaceutical sales force.

Information from <https://ir.dermapharm.de/>

Retail

Market cap* €107m

*As at 29 October 2018

Share details

Code DEX

Designated sponsor(s)

ODDO SEYDLER BANK AG

Real estate

Market cap* €301m

*As at 29 October 2018

Share details

Code DMRE

Designated sponsor(s)

BAADER BANK AG, EQUINET BANK AG

Pharma & biotech

Market cap* €1318m

*As at 29 October 2018

Share details

Code DMP

Designated sponsor(s)

BERENBERG, ODDO SEYDLER BANK AG, COMMERZBANK AG

Deutsche Konsum REIT

Deutsche Konsum REIT-AG based in Broderstorf is a listed real estate company focusing on retail properties in Germany for goods required for daily use in established micro-locations. The focus of the company's activities is on the management and development of real estate with the aim of achieving a steady increase in value and the realisation of hidden reserves.

Information from <http://www.boerse-frankfurt.de/>

Real estate

Market cap* €278m

*As at 29 October 2018

Share details

Code DKG

Designated sponsor(s)

ODDO SEYDLER BANK AG

Deutsche Lufthansa

The Lufthansa Group is an aviation company with operations worldwide. In the financial year 2017, the Lufthansa Group generated revenue of EUR 35.6bn and employed an average of 128,856 staff. The structure of the business segments was adjusted in line with the three-pillar concept behind the corporate strategy at the beginning of the financial year.

Information from <https://www.lufthansagroup.com/en/company/company-portrait.html>

Consumer

Market cap* €8877m

*As at 29 October 2018

Share details

Code LHA

Designated sponsor(s)

N/A

DEUTZ

Originally founded as N.A. Otto & Cie. in Cologne, Germany, in 1864, DEUTZ AG is now the world's oldest engine company and one of the world's leading independent engine manufacturers. Its core competences are the development, design, production, distribution and servicing of diesel engines for professional applications.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €761m

*As at 29 October 2018

Share details

Code DEZ

Designated sponsor(s)

BAADER BANK AG, HSBC TRINKAUS & BURKHARDT AG

Do & Co

As a listed Austrian company with the three business segments of Airline Catering, International Event Catering, and Restaurants, Lounges & Hotel, we offer Gourmet Entertainment all over the world. We operate 31 locations in 11 countries on 3 continents, maintaining the highest standard of quality in both our products and services.

Information from <http://www.doco.com/de/>

Dürr

The Dürr Group is one of the world's leading mechanical and plant engineering firms with outstanding automation expertise. Products, systems and services offered by Dürr enable highly efficient manufacturing processes in different industries.

Information from <http://www.boerse-frankfurt.de/>

Eckert & Ziegler

Eckert & Ziegler Strahlen- und Medizintechnik AG is a holding company whose specialized subsidiaries are engaged worldwide in the processing of radioisotopes and the development, manufacture and sale of components based on isotope technology, radiation equipment and radiopharmaceuticals or of related products. The company has a staff globally of approximately 800 employees.

Information from <http://www.boerse-frankfurt.de/>

Consumer

Market cap* €772m

*As at 29 October 2018

Share details

Code DOC

Designated sponsor(s)

N/A

Industrials

Market cap* €2109m

*As at 29 October 2018

Share details

Code DUE

Designated sponsor(s)

N/A

Pharma & biotech

Market cap* €251m

*As at 29 October 2018

Share details

Code EUZ

Designated sponsor(s)

DZ BANK AG DT. ZENTRAL-
GENOSSENSCHAFTSB. *ICF BANK AG
WERTPAPIERHANDELSBANK

Einhell Germany

Einhell Germany AG is developing and distributing solutions for craftsmen and "do-it-yourselfers" to use at home, in the garden and in leisure time. The company serves specialised trade as well as other distribution channels with assortment competence in the DIY field.

Information from <http://www.boerse-frankfurt.de/>

Consumer

Market cap* €239m

*As at 29 October 2018

Share details

Code EIN3

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA

Elmos Semiconductor

Elmos develops, produces and markets semiconductors and sensors, primarily for use in the automotive industry. Our components communicate, measure, regulate and control safety, comfort, powertrain and network functions. For over 30 years, Elmos innovations have been bringing new functions to life and making mobility worldwide safer, more comfortable and more energy efficient.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €335m

*As at 29 October 2018

Share details

Code ELG

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA

elumeo

The elumeo Group, which has its headquarters in Berlin, is a leading European online retailer of gemstone jewellery, which is produced by the elumeo Group in Thailand. Via a number of electronic distribution channels (including television, the Internet, smart TV and smartphone app), the group offers its customers in Europe colored gemstone jewellery at comparatively low prices.

Information from <http://www.boerse-frankfurt.de/>

Retail

Market cap* €11m

*As at 29 October 2018

Share details

Code ELB

Designated sponsor(s)

BAADER BANK AG

Energiekontor

For the last 25 years, Energiekontor has stood for a sound approach to business and a wealth of experience in wind power. Formed in Bremerhaven in 1990, the Company was one of the pioneers in the industry and is now one of the leading German project developers. Its core business covers the planning, construction and operational management of wind farms in Germany and abroad and was expanded to include solar power in 2010.

Information from <http://www.boerse-frankfurt.de/>

Ergomed

Ergomed provides specialist services to the pharmaceutical industry spanning all phases of clinical development, post-approval pharmacovigilance and medical information. Ergomed's fast-growing, profitable services offering encompasses a complete suite of specialist pharmacovigilance solutions, integrated under the PrimeVigilance brand, in addition to a full range of high quality contract research and trial management services (CRO).

Information from <http://www.ergomedplc.com/unaudited-interim-results-for-the-six-months-ended-30-june-2018/>

Erlebnis Akademie

The eak is one of Europe's leading creators and operators of recreational facilities which provide an opportunity for learning about nature and simply have fun outdoors. The current most successful business model are treetop walks (ttws) mainly built from wood. The services and products of eak follow a sustainable philosophy. The company is listed on m:access at the Munich Stock Exchange since December 2015.

Information from <https://www.eak-ag.de/eakag/ueber-uns/wer-wir-sind/>

Industrials

Market cap* €205m

*As at 29 October 2018

Share details

Code EKT

Designated sponsor(s)

ODDO SEYDLER BANK AG

Pharma & biotech

Market cap* €73m

*As at 29 October 2018

Share details

Code 2EM

Designated sponsor(s)

ODDO SEYDLER BANK AG

Consumer

Market cap* €38m

*As at 29 October 2018

Share details

Code EAD

Designated sponsor(s)

N/A

ERWE Immobilien

ERWE Immobilien AG focuses on the development of promising inner-city commercial real estate in "A" locations of "B" cities. These include both office and hotel use as well as inner-city retail. The company is listed on the stock exchanges in Frankfurt a. M., Berlin, Dusseldorf and Stuttgart. The goal of ERWE Immobilien is to build up a sustainable portfolio with significantly increasing revenues.

Information from <http://www.erwe-ag.com/>

Real estate

Market cap* €29m

*As at 29 October 2018

Share details

Code ERWE

Designated sponsor(s)

ODDO SEYDLER BANK AG

euromicron

euromicron AG (www.euromicron.de) unites medium-sized high-tech companies from the fields of Digital Buildings, Smart Industry and Critical Infrastructures. As a German specialist for the Internet of Things, euromicron enables its customers to network business and production processes and successfully move to a digital future.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €40m

*As at 29 October 2018

Share details

Code EUCA

Designated sponsor(s)

EQUINET BANK AG

Evotec

Evotec is a drug discovery alliance company focused on rapidly progressing innovative product approaches with leading pharmaceutical and biotechnology companies, academics, patient advocacy groups and venture capitalists. We operate worldwide providing the highest quality stand-alone and integrated drug discovery solutions, covering all activities from target-to-clinic to meet the industry's need for innovation and efficiency in drug discovery.

Information from <http://www.boerse-frankfurt.de/>

Pharma & biotech

Market cap* €2438m

*As at 29 October 2018

Share details

Code EVT

Designated sponsor(s)

ICF BANK AG WERTPAPIERHANDELSBANK,
ODDO SEYDLER BANK AG

exceet Group

exceet Group is an international technology group specialized in intelligent electronics and card-based security technology. Our offering ranges from smart cards to complex embedded electronic modules and security solutions. exceet offers solutions for fast-growing markets such as Mobile Security, Mobile Transaction, Body Wearable Electronics and Machine-to-Machine Communication (M2M).

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €122m

*As at 29 October 2018

Share details

Code EXC

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

EYEMAXX Real Estate

EYEMAXX Real Estate AG is a real estate company with a long-standing successful track record, focussing on residential properties in Germany and Austria. In addition, EYEMAXX also realises nursing homes in Germany and commercial properties in central Europe. In the company's recent past it's corporate strategy has also included developing urban districts in Germany.

Information from <https://www.eyemaxx.com/en/>

Real estate

Market cap* €50m

*As at 29 October 2018

Share details

Code BNT1

Designated sponsor(s)

EQUINET BANK AG

Fabasoft

Fabasoft is a European software manufacturer and provider of Cloud services for the digital control of documents as well as electronic document, process and record management. Numerous well-known private enterprises and public-sector organisations have trusted in the quality and experience of Fabasoft for nigh on three decades.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €139m

*As at 29 October 2018

Share details

Code FAA

Designated sponsor(s)

ODDO SEYDLER BANK AG

FinTech Group

FinTech Group AG (WKN: FTG111, ISIN: DE000FTG1111, ticker: FTK.GR) is a modern smart bank: we offer innovative financial technology, our own core banking system and a regulatory liability umbrella. Our brand flatex stands for one of the fastest growing online brokerage businesses in Europe.

Information from <http://www.boerse-frankfurt.de/>

Formycon

Formycon is a leading and independent developer of biosimilar drugs, meeting the highest quality standards, for marketing and distribution around the globe. The company spans the entire pharmaceutical value creation chain all the way through to phase III clinical trials and registration.

Information from <http://www.boerse-frankfurt.de/>

Fraport

Fraport AG - which ranks among the world's leading companies in the global airport business - offers a full range of integrated airport management services and boasts subsidiaries and investments on three continents. In its Mission Statement, Fraport places the focus on customers. The Group's commitment to ensuring a "good trip" to all passengers and travelers is also reflected in the corporate slogan: "Gute Reise! We make it happen".

Information from <http://www.boerse-frankfurt.de/>

Financials

Market cap* €391m

*As at 29 October 2018

Share details

Code FTK

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA, HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Pharma & biotech

Market cap* €257m

*As at 29 October 2018

Share details

Code FYB

Designated sponsor(s)

WOLFGANG STEUBING AG, HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Industrials

Market cap* €6219m

*As at 29 October 2018

Share details

Code FRA

Designated sponsor(s)

N/A

Fyber

Fyber N.V. is a global technology company, developing a next generation platform for the programmatic trading of ads, in a data-driven environment. Its mission is to fuel the creation of quality content by empowering digital publishers and app developers to unlock the true value of their advertising properties through advanced technologies, innovative ad formats and data-driven decision-making.

Information from <http://www.boerse-frankfurt.de/>

GESCO

The Gesco Group is an association of industrial small and medium-sized enterprises (SMEs) in the field of business-to-business and investment goods. Under the roof of GESCO AG, "Hidden Champions" are independently operating in the four business units Production Process Technology, Resource Technology, Healthcare and Infrastructure Technology as well as Mobility Technology.

Information from <http://www.boerse-frankfurt.de/>

GFT Technologies

As an experienced technology partner, GFT Technologies is committed to driving the digital transformation. Our global innovation team develops new business models, focusing on topics such as blockchain, cloud engineering, artificial intelligence and the internet of things across all sectors. Founded in 1987, the company is now represented with a global team of around 5,000 employees in Europe and North and South America.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €26m

*As at 29 October 2018

Share details

Code FBEN

Designated sponsor(s)

EQUINET BANK AG, JOH. BERENBERG, GOSSLER & CO. KG

Industrials

Market cap* €298m

*As at 29 October 2018

Share details

Code GSC1

Designated sponsor(s)

ODDO SEYDLER BANK AG, EQUINET BANK AG

Software

Market cap* €259m

*As at 29 October 2018

Share details

Code GFT

Designated sponsor(s)

EQUINET BANK AG, M.M. WARBURG & CO (AG & CO.) KGAA

GK Software

GK Software SE is a leading developer and provider of standard software for the retail sector, and currently counts 20 percent of the world's 50 largest retailers among its customer base. The company offers an extensive range of solutions for stores and enterprise headquarters as well as for the implementation of contemporary omni-channel retail concepts.

Information from <http://www.boerse-frankfurt.de/>

Godewind Immobilien

Godewind Immobilien AG is a property management company specialising in commercial property. The company's acquisition focus lies on attractive office, retail and logistics space in Germany. As a portfolio manager and value creator, it is building up a sound, high-yield and profitable portfolio of commercial properties in Germany, the value of which is expected to climb to approximately three billion euros in the medium term.

Information from <http://www.boerse-frankfurt.de/>

GRAMMER

GRAMMER specializes in the development and production of components and systems for automotive interiors as well as suspension driver and passenger seats for onroad and offroad vehicles. With over 12,000 employees, GRAMMER operates in 19 countries around the world. GRAMMER shares are listed in the Prime Standard and traded on the Frankfurt and Munich stock exchanges via the electronic trading system Xetra.

Information from <http://www.boerse-frankfurt.de/>

Software

Market cap* €152m

*As at 29 October 2018

Share details

Code GKS

Designated sponsor(s)

ICF BANK AG WERTPAPIERHANDELSBANK

Real estate

Market cap* €314m

*As at 29 October 2018

Share details

Code GWD

Designated sponsor(s)

BAADER BANK AG, ODDO SEYDLER BANK AG, J.P.MORGAN SECURITIES PLC

Automobile

Market cap* €397m

*As at 29 October 2018

Share details

Code GMM

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA, BANKHAUS LAMPE KG

GRENKE

The GRENKE Group (GRENKE) is a global financing partner for small and medium-sized companies. As a one-stop service provider for customers, GRENKE's products range from flexible small-ticket leasing and needs-based banking products to practical receivables management. Fast and easy processing and personal contact with customers and partners are at the centre of GRENKE's activities.

Information from <http://www.boerse-frankfurt.de/>

Hanse Yachts

Hanse Yachts has grown from being a just small boatyard on the Baltic in the mid-nineties, to become the second largest sailboat manufacturer in the world a decade later. On the way they acquired several other premium brands including Dehler, Privilege, Moody, Fjord and Sealine, all built alongside Hanses in their new state of the art manufacturing plant. The wide Hanse range encompasses an impressive choice of size from the 315 (31 ft) to the 675 (69 ft).

Information from <https://www.hanseyachts.co.uk/>

Hapag-Lloyd

With a fleet of 226 modern container ships and a total transport capacity of 1.6 million TEU, Hapag-Lloyd is one of the world's leading liner shipping companies. The Company has around 12,000 employees and 389 offices in 127 countries. Hapag-Lloyd has a container capacity of around 2.5 million TEU including one of the largest and most modern fleets of reefer containers.

Information from <http://www.boerse-frankfurt.de/>

Financials

Market cap* €3838m

*As at 29 October 2018

Share details

Code GLJ

Designated sponsor(s)

ODDO SEYDLER BANK AG, HSBC TRINKAUS & BURKHARDT AG

Industrials

Market cap* €82m

*As at 29 October 2018

Share details

Code H9Y

Designated sponsor(s)

BAADER BANK AG, ODDO SEYDLER BANK AG

Industrials

Market cap* €5378m

*As at 29 October 2018

Share details

Code HLAG

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Hawesko Holding

Hawesko Holding is Germany's largest integrated merchant for premium wines and champagnes. With our three complementary business segments we open up high-end markets: Hanseatisches Wein-und Sekt-Kontor is Germany's leading wine mail-order while Jacques' Wein-Depot is the largest domestic specialist wine retailer; Wein Wolf and CWD Champagner und Wein Distributionsgesellschaft are leading wine wholesalers.

Information from <http://www.boerse-frankfurt.de/>

HELMA Eigenheimbau

HELMA Eigenheimbau AG is a customer-oriented building services-provider offering a full range of services. The focus is on the development, planning, sale, and construction management of turnkey or partially completed detached and semi-detached houses using the solid construction method.

Information from <http://www.boerse-frankfurt.de/>

Highlight Communications

Highlight Communications AG is the parent company of a media group headquartered in Switzerland. Founded in 1983, it has been listed on the stock exchange in Germany since 1999. As a strategic and financial holding company, it combines the two segments Film and Sports- and Event-Marketing.

Information from <http://www.boerse-frankfurt.de/>

Retail

Market cap* €386m

*As at 29 October 2018

Share details

Code HAW

Designated sponsor(s)

ODDO SEYDLER BANK AG

Real estate

Market cap* €124m

*As at 29 October 2018

Share details

Code H5E

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA

Media

Market cap* €321m

*As at 29 October 2018

Share details

Code HLG

Designated sponsor(s)

ODDO SEYDLER BANK AG

HolidayCheck Group

HolidayCheck Group AG, Munich, is one of Europe's leading digital travel firms for holidaymakers. With a total workforce of around 400, the HolidayCheck Group comprises HolidayCheck AG (which operates hotel review and travel booking portals by the same name and the car rental portal MietwagenCheck) and WebAssets B.V. (which operates the Zoover hotel review portals and the MeteoVista/WeerOnline weather portals).

Information from <http://www.boerse-frankfurt.de/>

Hypoport

Hypoport AG is headquartered in Berlin and is the parent company of the Hypoport Group. The Group is a network of technology companies for the financial, real-estate and insurance sectors with a workforce of around 1,400 employees. It is grouped into four segments: Credit Platform, Private Clients, Real Estate Platform and Insurance Platform.

Information from <http://www.boerse-frankfurt.de/>

IBU-tec

IBU-tec advanced materials AG is a highly-specialised, high-growth development and production service provider for the industry for thermal process technology to treat inorganic powders and granules. IBU-tec addresses worldwide megatrends via its broad, international customer base, such as green mobility, green economy and medical technology.

Information from <http://www.boerse-frankfurt.de/>

Travel & leisure

Market cap* €173m

*As at 29 October 2018

Share details

Code HOC

Designated sponsor(s)

ODDO SEYDLER BANK AG

Financials

Market cap* €1149m

*As at 29 October 2018

Share details

Code HYQ

Designated sponsor(s)

ODDO SEYDLER BANK AG, EQUINET BANK AG

Industrials

Market cap* €67m

*As at 29 October 2018

Share details

Code IBU

Designated sponsor(s)

ICF BANK AG WERTPAPIERHANDELSBANK

INDUS Holding

INDUS holds a portfolio of 45 German SME firms from key industries. As a leading specialist in the field of sustainable investment in companies, INDUS mainly acquires owner-managed companies and assists their corporate growth exclusively through long-term alignment. The high level of diversification in the portfolio is a central aspect of the INDUS strategy. This diversification is intended to minimize risk.

Information from <http://www.boerse-frankfurt.de/>

InflaRx

InflaRx (Nasdaq:IFRX) is a clinical-stage biopharmaceutical company focused on applying its proprietary anti-C5a technology to discover and develop first-in-class, potent and specific inhibitors of C5a. Complement C5a is a powerful inflammatory mediator involved in the progression of a wide variety of autoimmune and other inflammatory diseases. IFX-1 is the first monoclonal anti-C5a antibody introduced into clinical development that has, to date, successfully completed three clinical Phase II studies.

Information from <https://www.inflarx.de/Home/Investors/Press-Releases/08-2018-InflaRx-N.V.-To-Host-R-D-Day-on-Hidradenitis-Suppurativa-and-its-Breakthrough-Anti-C5a-Monoclonal-Antibody-IFX-1-.html>

init innovation in traffic systems

As worldwide leading supplier of integrated planning, dispatching, telematics and ticketing systems for buses and trains, init innovation in traffic systems SE has helped transport companies make public transport more attractive, faster and more efficient for over 30 years. Over 600 customers worldwide now rely on init's innovative hardware and software solutions.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €1172m

*As at 29 October 2018

Share details

Code INH

Designated sponsor(s)

COMMERZBANK AG, HSBC TRINKAUS & BURKHARDT AG, BANKHAUS LAMPE KG

Pharma & biotech

Market cap* \$798m

*As at 29 October 2018

Share details

Code IFRX

Designated sponsor(s)

N/A

Technology

Market cap* €164m

*As at 29 October 2018

Share details

Code IXX

Designated sponsor(s)

ODDO SEYDLER BANK AG, COMMERZBANK AG

Intershop Communications

Intershop Communications AG is the leading independent provider of omni-channel commerce solutions. Intershop offers high-performance packaged software for internet sales, complemented by all necessary services. Intershop also acts as a business process outsourcing provider, covering all aspects of online retailing up to fulfillment.

Information from <http://www.boerse-frankfurt.de/>

Software

Market cap* €51m

*As at 29 October 2018

Share details

Code ISH2

Designated sponsor(s)

EQUINET BANK AG

InVision

Since 1995, InVision has been helping its clients to optimise their workforce management, increase their productivity and quality of work and reduce their costs. The InVision group incorporates the brands injixo, a cloud platform with training, workforce management and industry network, The Call Center School, offering cloud-learning for call centre professionals, and InVision WFM, a software solution for workforce management.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €37m

*As at 29 October 2018

Share details

Code IVX

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA

ISRA VISION

ISRA VISION AG, together with its subsidiaries, is worldwide leading in surface inspection of web materials. Furthermore, it is one of the globally leading providers of machine vision systems, specializing in the area of 3D machine vision, in particular for "3D robot vision". In the past years, ISRA has shown profitable growth with an annual average increase in sales of approx. 25 percent.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €802m

*As at 29 October 2018

Share details

Code ISR

Designated sponsor(s)

ODDO SEYDLER BANK AG, EQUINET BANK AG

IVU Traffic Technologies

IVU Traffic Technologies AG has been working for over 40 years with more than 400 engineers to ensure punctual and reliable transport in the world's metropolises. In growing cities, people and vehicles are constantly on the move - a logistical challenge that calls for intelligent and secure software systems.

Information from <http://www.boerse-frankfurt.de/>

JDC Group

JDC Group AG (ISIN: DE000A0B9N37) stands for modern financial advice and intelligent financial technology for advisors and customers. In the "Advisortech" business unit, we provide our customers and advisors with modern advisory and administration technology using the Jung, DMS & Cie. Groups.

Information from <http://www.boerse-frankfurt.de/>

K+S

K+S is an international resources company. We have been mining and processing mineral raw materials for more than 125 years. The products we produce from them are used worldwide in agriculture, food and road safety and are important elements in numerous industrial processes.

Information from <http://www.boerse-frankfurt.de/>

Software

Market cap* €87m

*As at 29 October 2018

Share details

Code IVU

Designated sponsor(s)

EQUINET BANK AG

Financials

Market cap* €83m

*As at 29 October 2018

Share details

Code A8A

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Mining

Market cap* €3082m

*As at 29 October 2018

Share details

Code SDF

Designated sponsor(s)

N/A

KAP

KAP is a listed industrial holding company that has been successfully operating in the market for years. As part of a segment strategy, we participate in medium-sized companies that are looking for a new ownership structure for a variety of motives. In addition to the classic reasons such as missing corporate succession or improving the equity base, we also offer a new home to companies that could not develop their potential in a large group of companies.

Information from <https://www.kap.de/>

Koenig & Bauer

The Koenig & Bauer Group is a customer-centric partner to the international printing industry with annual revenue of EUR1.2bn and 5,600 employees. Throughout its 200-year history, it has been driven by innovation and technological progress. Systematically oriented to meeting customer requirements, our high-tech printing presses and systems permit highly efficient printing, refining and processing.

Information from <http://www.boerse-frankfurt.de/>

Krypto

One of Germany's first publicly-listed Investment Groups for Blockchain technologies with both strategic and operational interests. We invest in Blockchain companies that are led by a proven team with a strong tech-backbone and are either cash-flow positive or show high potential for future growth.

Information from <https://krypto.ag/en/kryptoag.html>

Industrials

Market cap* €294m

*As at 29 October 2018

Share details

Code IUR

Designated sponsor(s)

N/A

Industrials

Market cap* €693m

*As at 29 October 2018

Share details

Code SKB

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA

Financials

Market cap* €11m

*As at 29 October 2018

Share details

Code 9AU

Designated sponsor(s)

N/A

LANXESS

LANXESS is a leading specialty chemicals company with sales of EUR 9.7 billion in 2017 and about 19,200 employees in 25 countries. The company is currently represented at 74 production sites worldwide. The core business of LANXESS is the development, manufacturing and marketing of chemical intermediates, additives, specialty chemicals and plastics. LANXESS is listed in the leading sustainability indices Dow Jones Sustainability Index and FTSE4Good.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €4881m

*As at 29 October 2018

Share details

Code LXS

Designated sponsor(s)

COMMERZBANK AG

Leifheit

The Leifheit Group is one of the leading European brand suppliers of household items. The company offers high-quality and innovative products and solutions that make everyday life at home easy and more convenient. The Leifheit Group divides its operating business into two divisions: Brand Business and Volume Business.

Information from <http://www.boerse-frankfurt.de/>

Consumer

Market cap* €150m

*As at 29 October 2018

Share details

Code LEI

Designated sponsor(s)

ODDO SEYDLER BANK AG

Lloyd Fonds

Lloyd Fonds AG develops and manages investments for private and institutional investors, primarily in the area of open mutual funds in the future. The company becomes a listed bank-independent asset manager. Lloyd Fonds AG has been listed on the stock exchange since 2005 and since March 2017 has been listed in the Scale segment of Deutsche Börse in Frankfurt.

Information from <http://www.boerse-frankfurt.de/>

Financials

Market cap* €49m

*As at 29 October 2018

Share details

Code L10A

Designated sponsor(s)

ODDO SEYDLER BANK AG

LPKF Laser & Electronics

LPKF Laser & Electronics AG is a leading global specialist in laser technology, laser material processing and drive technology. LPKF develops and distributes systems used in electronics production, the automotive industry, and in the manufacture of solar cells. Its export share is 90 per cent. The Group has approx. 700 employees worldwide.

Information from <http://www.boerse-frankfurt.de/>

Lumaland

Since its founding, Lumaland AG has advanced to become a globally active, constantly growing family of companies. As one of today's leading providers of e-commerce in Home & Living property brands, we handle more than 10,000 orders per day and 4 million shipments per year.

Information from <https://lumaland.ag/de/>

M1 Kliniken

Top medicine through specialisation. This is the guiding principle of M1 Kliniken AG. With it, the company has developed into the leading private provider of health services in the field of beauty medicine in Germany in just a few years. The M1 Group markets high-quality products to doctors, pharmacies and wholesalers.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €153m

*As at 29 October 2018

Share details

Code LPK

Designated sponsor(s)

ODDO SEYDLER BANK AG

Consumer

Market cap* €18m

*As at 29 October 2018

Share details

Code PU11

Designated sponsor(s)

N/A

Pharma & biotech

Market cap* €219m

*As at 29 October 2018

Share details

Code M12

Designated sponsor(s)

ODDO SEYDLER BANK AG, KEPLER
CHEUVREUX

Manz

Founded in 1987, Manz AG is a global high-tech equipment manufacturing company. Its business activities focus on the Solar, Electronics, Energy Storage, Contract Manufacturing, and Service segments. With many years of expertise in automation, laser processing, vision and metrology, wet chemistry, and roll-to-roll processes, the company offers manufacturers and their suppliers innovative production solutions in the areas of photovoltaics, electronics and lithium-ion battery technology.

Information from <http://www.boerse-frankfurt.de/>

Masterflex

Masterflex SE from Gelsenkirchen is a specialist in developing and manufacturing superior connection and hose systems made of innovative high-tech plastics. Since its foundation in 1987, we develop the manifold applications of high-tech plastics, also in combination with other materials, and convert them into new customer-oriented products.

Information from <http://www.boerse-frankfurt.de/>

MBB

MBB SE is a medium-sized family business that has expanded steadily since it was founded in 1995 through organic growth and the acquisition of companies. Increasing long-term value of the independent subsidiaries and the Group as a whole is the heart of its business model which has been highly profitable from the outset. Substantial growth and sustainable returns will remain MBB SE's goal in future as well.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €196m

*As at 29 October 2018

Share details

Code M5Z

Designated sponsor(s)

EQUINET BANK AG

Industrials

Market cap* €76m

*As at 29 October 2018

Share details

Code MZX

Designated sponsor(s)

LANG & SCHWARZ BROKER GMBH, DZ BANK AG DT. ZENTRAL-GENOSSENSCHAFTSB.*ICF BANK AG WERTPAPIERHANDELSBANK

Industrials

Market cap* €543m

*As at 29 October 2018

Share details

Code MBB

Designated sponsor(s)

ODDO SEYDLER BANK AG

Medios

Medios AG, along with its subsidiaries Medios Pharma GmbH and Medios Manufaktur GmbH, has positioned itself in the specialty pharma segment as the go-to source for expertise and solutions. It brings together individual market players in a network of cooperating partners. Our objective is to ensure that patients have optimum access to pharmaceutical drugs and to offer integrated solutions along the value-added chain to partners and customers.

Information from <https://medios.ag/en/company/>

Merck KGaA

Merck is a leading science and technology company in healthcare, life science and performance materials. Around 50,000 employees work to further develop technologies that improve and enhance life – from biopharmaceutical therapies to treat cancer or multiple sclerosis, cutting-edge systems for scientific research and production, to liquid crystals for smartphones and LCD televisions. In 2017, Merck generated sales of EUR 15.3 billion in 66 countries.

Information from <http://www.boerse-frankfurt.de/>

MLP

The MLP Group is the partner of choice for all financial matters - for private clients, companies and institutional investors. With our four brands, each of which enjoys a leading position in their respective markets, we offer a broad range of services. Around 1,900 self-employed client consultants and just under 1,700 employees work at MLP.

Information from <http://www.boerse-frankfurt.de/>

Pharma & biotech

Market cap* €196m

*As at 29 October 2018

Share details

Code ILM1

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA

Pharma & biotech

Market cap* €39bn

*As at 29 October 2018

Share details

Code MRK

Designated sponsor(s)

COMMERZBANK AG, BNP PARIBAS ARBITRAGE
SNC

Financials

Market cap* €548m

*As at 29 October 2018

Share details

Code MLP

Designated sponsor(s)

EQUINET BANK AG

MorphoSys

MorphoSys is a late-stage, biopharmaceutical company devoted to the development of innovative and differentiated therapies for patients suffering from serious diseases. Based on its technological leadership in generating antibodies, MorphoSys, together with its partners, has developed and contributed to the development of more than 100 product candidates, of which 29 are currently in clinical development.

Information from <https://www.morphosys.com/media-investors/media-center/morphosys-announces-its-licensee-janssen-has-initiated-a-phase-3-trial>

Pharma & biotech

Market cap* €2558m

*As at 29 October 2018

Share details

Code MOR

Designated sponsor(s)

ODDO SEYDLER BANK AG

Mountain Alliance

Mountain Alliance AG (MA) is an operating investment company whose shares are listed in the midmarket segment m:access of the Munich Stock Exchange and on the Basic Board of the Frankfurt Stock Exchange. As a lean, transparent and experienced investor, the company is dedicated to the digital business, an industry of the future in which it has many years of know-how and an excellent network.

Information from <https://www.mountainalliance.org/>

Financials

Market cap* €22m

*As at 29 October 2018

Share details

Code ECF

Designated sponsor(s)

ODDO SEYDLER BANK AG, FinTech Group Bank AG

MPC Capital

MPC Capital AG is an internationally active asset and investment manager specialising in real asset investments. Together with its subsidiaries, the company develops and manages investment products for international institutional investors, family offices and professional investors. Its focus is on the asset categories Real Estate, Shipping and Infrastructure. MPC Capital AG has been quoted on the stock exchange since 2000 and has around 250 employees group-wide.

Information from <http://www.boerse-frankfurt.de/>

Financials

Market cap* €132m

*As at 29 October 2018

Share details

Code MPCK

Designated sponsor(s)

BAADER BANK AG, M.M. WARBURG & CO (AG & CO.) KGAA

MyBucks

MyBucks is a FinTech company based in Luxembourg that delivers seamless financial services through technology. Through its brands GetBucks, GetSure and Opportunity Bank the company offers unsecured consumer loans, banking solutions as well as insurance products to customers. MyBucks has experienced exponential growth since its inception in 2011 and today has operations in twelve African and two European countries as well as in Australia.

Information from <http://www.boerse-frankfurt.de/>

Mynaric

Mynaric is a manufacturer of laser communication technologies used to establish dynamic communication networks in air and space. Its wireless laser data transmission products include ground stations and flight terminals, which allow very large quantities of data to be sent wirelessly over long distances between aircrafts, autonomous drones, high altitude platforms, satellites and the ground at high data rates.

Information from <http://www.boerse-frankfurt.de/>

Nemetschek

The Nemetschek Group is driving the digitalization of the building industry. With our software, architects, engineers, construction companies, and facility managers can plan ahead, seamlessly share information and work together more closely. Building and infrastructure projects can thus be conducted more efficiently and sustainably.

Information from <http://www.boerse-frankfurt.de/>

Financials

Market cap* €78m

*As at 29 October 2018

Share details

Code MBC

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Technology

Market cap* €120m

*As at 29 October 2018

Share details

Code MOY

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Software

Market cap* €4389m

*As at 29 October 2018

Share details

Code NEM

Designated sponsor(s)

ODDO SEYDLER BANK AG, COMMERZBANK AG

Neodecortech

The Company was founded in 1947 in Milan, as a company specialized in the production of printing inks. Along the '60s the focus of the production changes to the decorative papers for laminates and for the rising market of finished panels. A leading player from the early beginning of the decorative laminate industry, the Company aims to present itself as a highly proactive partner, ever committed to monitor and interpret the new stylistic trends.

Information from <http://www.neodecortech.it/en/chi-siamo/mission.aspx>

Consumer

Market cap* €40m

*As at 29 October 2018

Share details

Code NDT

Designated sponsor(s)

N/A

Netfonds

The Netfonds Group is a leading platform for administration, advisory, transaction processing and regulation for the German financial industry. Under the FinFire brand, the company provides its customers with a web-based technology platform that enables users from the financial industry to handle financial market transactions fully, securely and, most importantly, fully compliant with MiFID II requirements.

Information from https://www.netfonds.de/wp-content/uploads/2018/09/20180903_CN_NFS_Listing_eng_V4-1.pdf

Financials

Market cap* €45m

*As at 29 October 2018

Share details

Code NF4

Designated sponsor(s)

MWB FAIRTRADE WERTPAPIERHANDELSBANK
AG

NEXUS

NEXUS develops and markets IT-solutions for the healthcare market. NEXUS supports the integrated healthcare approach which ensures the exchange of data between general practitioners, hospitals and rehabilitation clinics. Over 1,100 employees of the NEXUS group are developing Software- and IT-Solutions which is daily used by about 230,000 users worldwide.

Information from <http://www.boerse-frankfurt.de/>

Software

Market cap* €370m

*As at 29 October 2018

Share details

Code NXU

Designated sponsor(s)

ODDO SEYDLER BANK AG

Northern Bitcoin

Northern Bitcoin has lined up to challenge the status quo of bitcoin mining and to redefine it. The mission of Northern Bitcoin is to provide sustained and profitable infrastructure to the bitcoin and its blockchain. We achieve this by running our highly developed facilities on renewable resources under ultimate cost-efficient and secure conditions.

Information from <https://northernbitcoin.com/?lang=en>

OHB

With a history spanning almost 30 years, OHB SE is Germany's first listed technology and space Group. Two business units offer international customers sophisticated solutions and systems. The 'Space Systems' business unit focuses on developing and executing space projects. The 'Aerospace + Industrial Products' business unit is primarily responsible for fabricating aviation and space products as well as other industrial activities.

Information from <http://www.boerse-frankfurt.de/>

Peach Property Group

Peach Property Group is a property investor and developer focused on investments in Germany and Switzerland. The Group stands for long time experience, competence and quality. Innovative solutions for modern housing needs, strong partnerships and a wide value chain complete the profile of the Group. The portfolio consists of an increasing number of high yield investment properties, typically in B-cities in close reach to metropolitan areas.

Information from <https://www.peachproperty.com/en/>

Technology

Market cap* €115m

*As at 29 October 2018

Share details

Code NB2

Designated sponsor(s)

MWB FAIRTRADE WERTPAPIERHANDELSBANK AG

Technology

Market cap* €529m

*As at 29 October 2018

Share details

Code OHB

Designated sponsor(s)

HSBC TRINKAUS & BURKHARDT AG, DZ BANK AG DT. ZENTRAL-GENOSSENSCHAFTSB. ICF BANK AG WERTPAPIERHANDELSBANK

Real estate

Market cap* €129m

*As at 29 October 2018

Share details

Code P6Z

Designated sponsor(s)

N/A

Philion

Philion SE and its subsidiaries offer comprehensive telecommunications services for private and business customers. With Fexcom GmbH, the Group is the largest independent chain store operator in the German telecommunications market and a premium partner for all German network operators.

Information from <http://www.philion.de/home.html>

PNE

PNE Group is a German wind power pioneer operating on an international level and it is one of the most experienced project developers of onshore and offshore wind farms. Based on this success, the Group has developed to become a "clean energy solutions provider". The two brands operated by the PNE Group are PNE and WKN.

Information from <http://www.boerse-frankfurt.de/>

Pro Kapital Grupp

Pro Kapital Grupp is one of the leading Estonian real estate developer focussing on contemporary large-scale commercial and residential property developments in the capitals of Estonia, Latvia and Lithuania. Since its establishment in 1994, Pro Kapital has completed about 20 projects with the total surface area for sale extending over 190,000 square meters. Pro Kapital projects have been among the most remarkable developments in the Baltic real estate sector.

Information from <http://www.prokapital.com/>

Financials

Market cap* €22m

*As at 29 October 2018

Share details

Code PH6

Designated sponsor(s)

N/A

Industrials

Market cap* €181m

*As at 29 October 2018

Share details

Code PNE3

Designated sponsor(s)

ODDO SEYDLER BANK AG, COMMERZBANK AG

Real estate

Market cap* €91m

*As at 29 October 2018

Share details

Code PKG1T

Designated sponsor(s)

N/A

ProCredit Holding

ProCredit Holding AG & Co. KGaA, headquartered in Frankfurt am Main, Germany, is the parent company of the international ProCredit group, comprising banks with a focus on South Eastern and Eastern Europe that have specialised in serving SMEs. In addition to this strong regional presence, the group also operates in Germany and South America.

Information from <http://www.boerse-frankfurt.de/>

Banks

Market cap* €595m

*As at 29 October 2018

Share details

Code PCZ

Designated sponsor(s)

ODDO SEYDLER BANK AG, EQUINET BANK AG

Progress-Werk Oberkirch

PWO is a partner to the global automotive industry for the development and production of advanced metal components and subsystems using lightweight construction. The Group has developed a unique knowledge in the forming and joining of metals over the course of its almost 100-year history since it was founded in 1919. With our expertise in cost-efficient lightweight construction, we contribute to environmentally friendly driving and greater distances.

Information from <http://www.boerse-frankfurt.de/>

Automobile

Market cap* €95m

*As at 29 October 2018

Share details

Code PWO

Designated sponsor(s)

EQUINET BANK AG

PSI Software

Since 1969 PSI develops and integrates software solutions and control systems for the network infrastructures and complex production and logistics processes. As the European market leader for energy control systems for electricity, gas, oil, heat and water, PSI's customers include almost all the major energy suppliers.

Information from <http://www.boerse-frankfurt.de/>

Software

Market cap* €229m

*As at 29 October 2018

Share details

Code PSAN

Designated sponsor(s)

EQUINET BANK AG, HSBC TRINKAUS & BURKHARDT AG

Publity

Publity AG is an asset manager specializing in office real estate in Germany. The company covers a broad value chain from acquisition, development to the sale of real estate and has a track record of several hundred successful transactions. Publity has a strong network in the real estate industry as well as in the work-out departments of financial institutions.

Information from <http://www.boerse-frankfurt.de/>

PVA TePla

PVA TePla AG is an established supplier of systems and facilities for the production and treatment of sophisticated industrial materials, with decades of experience in these fields. As a vacuum specialist for high-temperature and plasma treatment, PVA TePla is specialised in hard-metal sintering systems, crystal growing facilities and systems for surface activation using plasma.

Information from <http://www.boerse-frankfurt.de/>

Ringmetall

Ringmetall is an internationally leading specialist in the packaging industry. The Industrial Packaging business segment offers highly secure gasket and locking systems for the chemical, the petrochemical and the pharmaceutical industry as well as the food industry. The Industrial Handling business segment develops application-optimized vehicle accessory parts for the handling and transport of packaging units.

Information from <http://www.boerse-frankfurt.de/>

Financials

Market cap* **€105m**

*As at 29 October 2018

Share details

Code PBY

Designated sponsor(s)

ACON ACTIENBANK AG

Industrials

Market cap* **€226m**

*As at 29 October 2018

Share details

Code TPE

Designated sponsor(s)

EQUINET BANK AG

Industrials

Market cap* **€93m**

*As at 29 October 2018

Share details

Code HP3

Designated sponsor(s)

ODDO SEYDLER BANK AG, LANG & SCHWARZ
BROKER GMBH

R. STAHL

R. STAHL is one of the world's leading suppliers of electrical and electronic products and systems for explosion protection. These products and systems prevent explosions in risk areas, and contribute to the safety of people, machines and the environment. The portfolio ranges from products used in switching/ distributing, installing, operating/monitoring, lighting and signalling/alarming, up to automation.

Information from <http://www.boerse-frankfurt.de/>

S&T

S&T AG is the lead company of an international technology group that employs some 3,700 people and maintains operations in more than 20 countries. S&T is listed on the Prime Standard segment of the Frankfurt Stock Exchange. S&T is a major supplier of IT systems. Its extensive portfolio of IT services and solutions makes S&T one of the leading suppliers in this field in Central and Eastern Europe.

Information from <http://www.boerse-frankfurt.de/>

Serviceware

Serviceware is a leading provider of software solutions for digitising and automating service processes, that enterprises can use to improve their service quality and efficiently manage their service costs. The unique, integrated, and modular ESM platform comprises the proprietary software solutions helpLine (service management), anafee (financial management) and Careware (field and customer service management), and is combined with SABIO, a market-leading knowledge management solution.

Information from <http://www.serviceware.se>

Industrials

Market cap* €148m

*As at 29 October 2018

Share details

Code RSL2

Designated sponsor(s)

BANKHAUS LAMPE KG, LANDESBANK BADEN-WUERTTEMBERG*ICF BANK AG
WERTPAPIERHANDELSBANK

Technology

Market cap* €1375m

*As at 29 October 2018

Share details

Code SANT

Designated sponsor(s)

ODDO SEYDLER BANK AG, EQUINET BANK AG

Software

Market cap* €171m

*As at 29 October 2018

Share details

Code SJJ

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

SFC Energy

SFC Energy AG is a leading provider of hybrid solutions to the stationary and portable power generation markets. SFC is the number one supplier of fuel cells, with over 41,000 fuel cells sold to date and the world's first and only manufacturer to operate profitably. The Company has award-winning products and serves a range of applications in the Oil & Gas Industry, Defense & Security as well as Clean Energy & Mobility markets.

Information from <http://www.boerse-frankfurt.de/>

Siltronic

Siltronic is one of the world's leading manufacturers of hyperpure silicon wafers and a partner to many leading semiconductor companies. The company has a network of state-of-the-art production sites in Europe, Asia and the USA. Siltronic develops and manufactures silicon wafers in diameters of up to 300 mm. Silicon wafers are the basis of the modern microelectronics and nanoelectronics.

Information from <http://www.boerse-frankfurt.de/>

SINGULUS Technologies

SINGULUS TECHNOLOGIES builds machines for economical and resource-efficient production processes for solar, semiconductor, medical technology, consumer goods and optical disc. SINGULUS TECHNOLOGIES' strategy is based on the use and expansion of its existing core competencies. The application areas include coating technology, surface processing, wet-chemical applications as well as the related chemical and physical processing steps.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €79m

*As at 29 October 2018

Share details

Code F3C

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Technology

Market cap* €2310m

*As at 29 October 2018

Share details

Code WAF

Designated sponsor(s)

ODDO SEYDLER BANK AG

Industrials

Market cap* €94m

*As at 29 October 2018

Share details

Code SNG

Designated sponsor(s)

ODDO SEYDLER BANK AG

Sixt Leasing

Sixt Leasing stands for top-quality mobility solutions for corporate, commercial and private customers. We are one of the leading vendor-neutral full-service leasing providers and fleet managers in Germany. The company is also active in Austria, Switzerland, France and the Netherlands as well as operates in further countries via franchisees.

Information from <http://www.boerse-frankfurt.de/>

SLEEPZ

SLEEPZ (www.sleepz.com) AG is an e-commerce group focussed on the segment of sleep products (bedroom furniture, beds, slatted frames, mattresses, bedding, accessories). Its subsidiaries sleepz GmbH, Matratzen Union GmbH, Ecom Union GmbH and Markenschlaf GmbH run online shops in the segment of sleep products.

Information from <http://www.boerse-frankfurt.de/>

SLM Solutions Group

Lübeck-based SLM Solutions Group AG is a leading provider of metal-based additive manufacturing technology. The company's shares are traded in the Prime Standard of the Frankfurt Stock Exchange. The stock has been listed in the TecDAX index since March 21, 2016. SLM Solutions focuses on the development, assembly and sale of machines and integrated system solutions in the field of selective laser melting.

Information from <http://www.boerse-frankfurt.de/>

Consumer

Market cap* €253m

*As at 29 October 2018

Share details

Code LNSX

Designated sponsor(s)

COMMERZBANK AG, JOH. BERENBERG, GOSSLER & CO. KG

Consumer

Market cap* €14m

*As at 29 October 2018

Share details

Code BTBB

Designated sponsor(s)

FinTech Group Bank AG

Industrials

Market cap* €254m

*As at 29 October 2018

Share details

Code AM3D

Designated sponsor(s)

ODDO SEYDLER BANK AG

SMT Scharf

SMT Scharf Group develops, builds and maintains transport equipment for underground mines as well as for tunnel construction sites. The main products are captivated railways that are used all over the world, primarily in black coal mines, but also in mines for gold, platinum and other metals. These are needed to transport material and personnel with payloads of up to 48 tons on gradients of up to 35 degrees.

Information from <http://www.boerse-frankfurt.de/>

Softing

Softing is a global management holding company. The companies of the Softing Group produce and market hardware and software for in the industrial automation and automotive electronics segments. They develop high-quality standard technology products and customized solutions in close cooperation with their customers. Both of Softing's business segments operate in growth markets.

Information from <http://www.boerse-frankfurt.de/>

Softline

Softline Group offers customers integrated solutions to achieve Compliance, Control and Cost savings for their IT. The Softline Group is sustainably growing and has developed into a recognised European consulting company by focussing on IT-Asset Management, in the area of hard- and software asset management, security, virtualization and infrastructure management.

Information from <https://www.softline-group.com/en/>

Industrials

Market cap* €60m

*As at 29 October 2018

Share details

Code S4A

Designated sponsor(s)

EQUINET BANK AG

Industrials

Market cap* €74m

*As at 29 October 2018

Share details

Code SYT

Designated sponsor(s)

ICF BANK AG WERTPAPIERHANDELSBANK,
M.M. WARBURG & CO (AG & CO.) KGAA

Technology

Market cap* €14m

*As at 29 October 2018

Share details

Code SFD1

Designated sponsor(s)

ODDO SEYDLER BANK AG

Solutions 30

The Solutions 30 Group's ambition is to make the technological changes that transform our daily lives accessible to everyone, individuals and businesses alike: yesterday, IT and the Telecom; today, digital; tomorrow, the technologies that will make the world ever more connected in real time. Solutions 30 provides 3000 customers with on-site or remote support to assist them with New Technologies.

Information from <http://www.solutions30.com/>

Staramba

The Staramba SE from Berlin (XETRA: 99SC) is a virtual reality (VR) pioneer with unique hardware and software expertise. The flagship project is the development of the world's first social VR network with lifelike avatars STARAMBA.spaces: a new virtual world in which fans can interact up close with international stars from sport, music and entertainment.

Information from <http://www.boerse-frankfurt.de/>

STRATEC Biomedical

STRATEC Biomedical AG (www.stratec.com) designs and manufactures fully automated analyzer systems for its partners in the fields of clinical diagnostics and biotechnology. Furthermore, the company offers sample preparation solutions, integrated laboratory software, and complex consumables for diagnostic and medical applications.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €907m

*As at 29 October 2018

Share details

Code 30L2

Designated sponsor(s)

LANG & SCHWARZ BROKER GMBH

Technology

Market cap* €63m

*As at 29 October 2018

Share details

Code 99SC

Designated sponsor(s)

ODDO SEYDLER BANK AG

Pharma & biotech

Market cap* €666m

*As at 29 October 2018

Share details

Code SBS

Designated sponsor(s)

ODDO SEYDLER BANK AG, HSBC TRINKAUS & BURKHARDT AG

STS Group

The STS Group, www.sts.group, is a leading global commercial vehicle system supplier to the automotive industry in the soft and hard trim area. The Group, which has a history of tradition and expertise dating back to 1934, employs more than 2,500 people worldwide and generated pro forma revenue of more than EUR 425 million in 2017.

Information from <http://www.boerse-frankfurt.de/>

Automobile

Market cap* €106m

*As at 29 October 2018

Share details

Code SF3

Designated sponsor(s)

HAUCK & AUFHAEUSER PRIVATBANKIERS AG

SURTECO GROUP

SURTECO GROUP is the holding company for a group of mutually complementary companies in the field of surface technology. The product portfolio of the SURTECO Group comprises edgebandings and finish foils based on paper and plastics, decorative printings, impregnates and release papers for the international wood-based, flooring and furniture industry. The product range is completed by skirtings made of plastics and technical extrusions for various industries.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €305m

*As at 29 October 2018

Share details

Code SUR

Designated sponsor(s)

ODDO SEYDLER BANK AG, EQUINET BANK AG

SÜSS MicroTec

SÜSS MicroTec is a leading supplier of equipment and process solutions for microstructuring in the semiconductor industry and related markets. In close cooperation with research institutes and industry partners SÜSS MicroTec contributes to the advancement of next-generation technologies such as 3D Integration and nanoimprint lithography as well as key processes for MEMS and LED manufacturing.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €198m

*As at 29 October 2018

Share details

Code SMHN

Designated sponsor(s)

BAADER BANK AG

SYZYGY

SYZYGY is an international agency group for digital marketing with some 700 employees and offices in Bad Homburg, Berlin, Frankfurt, Hamburg, London, Munich, New York and Warsaw. As a provider of creative, technological and media services, SYZYGY helps its clients to use digital media as an innovative communication and marketing tool.

Information from <http://www.boerse-frankfurt.de/>

TAKKT

TAKKT is the leading B2B direct marketing specialist for business equipment in Europe and North America. The Group is represented with its brands in more than 25 countries. The product range of the subsidiaries comprises more than 500,000 products for the areas of plant and warehouse equipment, office furniture, transport packaging, display articles and equipment for the food service industry, hotel market and retailers.

Information from <http://www.boerse-frankfurt.de/>

technotrans

The technotrans group produces, sells, and modernises systems and applications in the field of liquid technology. This includes cooling, temperature control, filtration, measuring, and dosing systems. With 19 sites the company from Sassenberg (Germany) is present in all the major markets worldwide. The group is subdivided into the segments Technology and Services.

Information from <http://www.boerse-frankfurt.de/>

Media

Market cap* €116m

*As at 29 October 2018

Share details

Code SYZ

Designated sponsor(s)

EQUINET BANK AG

Consumer

Market cap* €982m

*As at 29 October 2018

Share details

Code TTK

Designated sponsor(s)

ODDO SEYDLER BANK AG, EQUINET BANK AG,
HAUCK & AUFHAEUSER PRIVATBANKIERS AG

Industrials

Market cap* €199m

*As at 29 October 2018

Share details

Code TTR1

Designated sponsor(s)

ODDO SEYDLER BANK AG, EQUINET BANK AG,
BANKHAUS LAMPE KG

TOM TAILOR Holding

TOM TAILOR GROUP is an international, vertically integrated fashion company focused on casual wear in the medium price segment. The product portfolio is complemented by an extensive range of fashionable accessories and home textiles. With the umbrella brand TOM TAILOR and the brand BONITA, the company covers the full range of age groups from babies through to the over-40 customers.

Information from <http://www.boerse-frankfurt.de/>

Tyros

Tyros AG portfolio companies are building compelling services and software platforms that serve as a foundation for growth of the cryptocurrency, blockchain and distributed ledger ecosystems. Tyros AG subsidiary Next Gen Gifting is building the leading platform for physical and digital gift cards that can be transformed into cryptocurrency.

Information from <https://tyros.ag/english/index.html#portfolio>

USU Software

USU Software AG and its subsidiaries develop and sell complete software solutions for knowledge-based service management. The range of products includes solutions in the Business Service Management sector for efficient, cost-optimized deployment of the IT infrastructure of a company, in addition to Knowledge Solutions solutions for fine-tuning of knowledge-based business processes.

Information from <http://www.boerse-frankfurt.de/>

Consumer

Market cap* €118m

*As at 29 October 2018

Share details

Code TTI

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA

Financials

Market cap* €2m

*As at 29 October 2018

Share details

Code T7R

Designated sponsor(s)

N/A

Software

Market cap* €198m

*As at 29 October 2018

Share details

Code OSP2

Designated sponsor(s)

LANDESBANK BADEN-WUERTTEMBERG*ICF
BANK AG WERTPAPIERHANDELSBANK

va-Q-tec

va-Q-tec is a leading provider of highly efficient tech products and solutions in the field of thermal insulation. The Company develops, manufactures and sells innovative, thin vacuum insulation panels ("VIPs") and phase change materials ("PCMs") for reliable and energy efficient temperature control and insulation.

Information from <http://www.boerse-frankfurt.de/>

Technology

Market cap* €78m

*As at 29 October 2018

Share details

Code VQT

Designated sponsor(s)

EQUINET BANK AG, JOH. BERENBERG, GOSSLER & CO. KG

VARTA

As the parent company of the Group, VARTA AG is active in the business segments Microbatteries and Power & Energy through its operating subsidiaries VARTA Microbattery GmbH and VARTA Storage GmbH. Already today an innovation leader in the microbattery sector and one of the market leaders for hearing-aid microbatteries, VARTA Microbattery GmbH also aspires to market leadership for lithium-ion batteries in wearables and particularly headphones.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €1041m

*As at 29 October 2018

Share details

Code VAR1

Designated sponsor(s)

JOH. BERENBERG, GOSSLER & CO. KG

Vectron Systems

Vectron Systems AG specialises in the production and sale of intelligent POS systems and communication software for the networking of branch shops. The "Vectron POS" systems ("POS" = "Point of Sale") can be utilised in various sectors - with a special focus on hospitality and bakery chains. Vectron delivers POS systems based on hardware developed and manufactured in-house, as well as PC-based systems.

Information from <http://www.boerse-frankfurt.de/>

Software

Market cap* €85m

*As at 29 October 2018

Share details

Code V3S

Designated sponsor(s)

ODDO SEYDLER BANK AG, M.M. WARBURG & CO (AG & CO.) KGAA, HAUCK & AUFGAEUSER PRIVATBANKIERS AG

VERBIO Vereinigte BioEnergie

VERBIO is one of the leading independent producers and suppliers of biofuels and also the only industrial-scale producer of biodiesel, bioethanol and biomethane in Europe. Nominal capacity currently amounts to around 450,000 tonnes of biodiesel, 300,000 tonnes of bioethanol and 480 gigawatt hours of biomethane per year.

Information from <http://www.boerse-frankfurt.de/>

Verona Pharma

Verona Pharma plc is a clinical stage biopharmaceutical company focused on the development and commercialization of innovative prescription medicines to treat respiratory diseases with significant unmet medical needs, such as COPD and cystic fibrosis. The Company is listed on the NASDAQ Global Market in the United States under the VRNA ticker and on the London Stock Exchange in the United Kingdom under the VRPL ticker.

Information from <http://www.veronapharma.com/>

Viscom

Viscom develops, manufactures and sells high-quality inspection systems. The product portfolio encompasses the complete bandwidth of optical and X-ray inspection operations, especially in the area of electronics assemblies. Viscom systems are used whenever 100% automatic inspection of electronics assemblies is required, such as in the production of automotive electronics, aerospace technology and industrial electronics.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €316m

*As at 29 October 2018

Share details

Code VBK

Designated sponsor(s)

HSBC TRINKAUS & BURKHARDT AG

Pharma & biotech

Market cap* £124m

*As at 29 October 2018

Share details

Code VRP.L/VRNA

Designated sponsor(s)

UK Nominated Adviser and Broker: Stifel Nicolaus
Europe Limited. ADS Depositary: Citigroup
Depositary Services

Industrials

Market cap* €147m

*As at 29 October 2018

Share details

Code V6C

Designated sponsor(s)

ICF BANK AG WERTPAPIERHANDELSBANK,
EQUINET BANK AG

Vita 34

Vita 34 was founded in Leipzig in 1997 as the first private stem cell bank in Europe and, as a complete provider of cryo-preservation services, offers collection, logistics, preparation, and storage of stem cells from umbilical cord blood and tissue. Stem cells are a valuable base material for medical cell therapy and are kept alive at temperatures of minus 180 degrees Celsius, in order to be available for use in a treatment if needed.

Information from <https://www.vita34.de/en/about-vita-34/>

Wacker Chemie

WACKER is a globally active chemical company with some 13,800 employees and annual sales of around EUR 4.9 billion (2017). WACKER has a global network of 23 production sites, 18 technical competence centers and about 50 sales offices. The WACKER Group is structured in 4 segments: WACKER SILICONES, WACKER POLYMERS, WACKER BIOSOLUTIONS and WACKER POLYSILICON.

Information from <http://www.boerse-frankfurt.de/>

wallstreet:online

The financial portal wallstreet-online.de offers comprehensive information on the topics stock market, economy and finance. The successful business model is based on the sectors stock exchange & markets, news and financial community.

Information from <https://www.wallstreet-online.ag/unternehmen>

Pharma & biotech

Market cap* €48m

*As at 29 October 2018

Share details

Code V3V

Designated sponsor(s)

LANG & SCHWARZ BROKER GMBH

Industrials

Market cap* €4073m

*As at 29 October 2018

Share details

Code WCH

Designated sponsor(s)

HSBC TRINKAUS & BURKHARDT AG

Financials

Market cap* €44m

*As at 29 October 2018

Share details

Code WSO1

Designated sponsor(s)

LANG & SCHWARZ BROKER GMBH

Washtec

The company was floated in 1997 and employs more than 1,800 people. WashTec AG produces, markets and services a complete range of car wash systems with conventional brushes, cloth washers and high-pressure water jets for cars, commercial vehicles, making it a preferred supplier to global petrol companies, car manufacturers and small and medium-sized enterprises around the world.

Information from <http://www.boerse-frankfurt.de/>

windeln.de

windeln.de is one of the leading German online retailers for baby, toddler and children's products with presence in six European countries: Germany, Austria, Switzerland, Spain, Portugal and France. The Company also operates a successful e-commerce business with products for babies and toddlers for customers in China.

Information from <http://www.boerse-frankfurt.de/>

Wüstenrot & Württembergische

The W&W Group is an independent financial services group based in Stuttgart, which developed from the merger of Wüstenrot and Württembergischer in 1999. W&W is active in three areas of business: 'Wüstenrot', 'Württembergische' and 'w&w brandpool'.

Information from <http://www.boerse-frankfurt.de/>

Industrials

Market cap* €950m

*As at 29 October 2018

Share details

Code WSU

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA, HSBC
TRINKAUS & BURKHARDT AG

Retail

Market cap* €27m

*As at 29 October 2018

Share details

Code WDL

Designated sponsor(s)

GOLDMAN SACHS INTERNATIONAL,
LONDON*EQUINET BANK AG

Financials

Market cap* €1688m

*As at 29 October 2018

Share details

Code WUW

Designated sponsor(s)

LANDESBANK BADEN-WUERTTEMBERG*ICF
BANK AG WERTPAPIERHANDELSBANK

ZEAL Network

ZEAL is a holding company specialized in the area of online lottery. We offer consumer facing lottery-based games as well as business to business solutions. Our vision is to create a better world of lottery. Its shares are listed on the Prime Standard of the Frankfurt Stock Exchange. To the current day ZEAL has generated stakes of 2.5 billion euros and thus contributed over 650 million euros in taxes and duties.

Information from <http://www.boerse-frankfurt.de/>

zooplus

zooplus AG was founded in 1999 and today is Europe's leading online retailer of pet supplies measured by sales. zooplus already occupies the No. 2 market position in the combined market for online and brick-and-mortar retailers of pet supplies. In the 2017 financial year, sales totalled EUR 1,111 m, roughly 75% of which was generated internationally.

Information from <http://www.boerse-frankfurt.de/>

Consumer

Market cap* €165m

*As at 29 October 2018

Share details

Code TIM

Designated sponsor(s)

M.M. WARBURG & CO (AG & CO.) KGAA

Retail

Market cap* €1040m

*As at 29 October 2018

Share details

Code Z01

Designated sponsor(s)

ODDO SEYDLER BANK AG

Edison is an investment research and advisory company, with offices in North America, Europe, the Middle East and AsiaPac. The heart of Edison is our world-renowned equity research platform and deep multi-sector expertise. At Edison Investment Research, our research is widely read by international investors, advisers and stakeholders. Edison Advisors leverages our core research platform to provide differentiated services including investor relations and strategic consulting. Edison is authorised and regulated by the [Financial Conduct Authority](#). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Pty Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. www.edisongroup.com

DISCLAIMER

Copyright 2017 Edison Investment Research Limited. All rights reserved. This report has been prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Investments Pty Ltd (Corporate Authorised Representative (1252501) of Myonlineadvisers Pty Ltd (AFSL: 427484)) and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a 'personalised service' and, to the extent that it contains any financial advice, is intended only as a 'class service' provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") © FTSE 2017. "FTSE®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.

Frankfurt +49 (0)69 78 8076 960
Schumannstrasse 34b
60325 Frankfurt
Germany

London +44 (0)20 3077 5700
280 High Holborn
London, WC1V 7EE
United Kingdom

New York +1 646 653 7026
295 Madison Avenue, 18th Floor
10017, New York
US

Sydney +61 (0)2 8249 8342
Level 4, Office 1205
95 Pitt Street, Sydney
NSW 2000, Australia