

08th November 2009

Analysis

Coverage: Since Q1/2007

Events

09.11.2009 Interim Report Q3

Index/Industry/Sector:
Entertainment

Germany

Small Caps

Recommendation: BUY **Risk:** High**Fair Value (new):** € 2.04 **Last Price:** € 1.17

Price/Chart



Continues to be an attractive investment

- Your Family Entertainment is one of the fastest growing Family Pay TV stations in the German-language television market.
- Continuous buildup of the films inventory and successful expansion of coverage by television programs received on cable, satellite, IPTV and mobile.
- The current stock quotation is significantly below its book value. Therefore, we continue to recommend to buy the stock.

SWOT

- + **Films inventory**
- + **Capital structure (high equity ratio)**
- + **Niche market**
- + **Value chain**
- + **Big margins**
- + **Distribution channels/Sales structuring**
- + **Television channel "yourfamily"**
- - **Reduction of key personnel**

COMPANY DESCRIPTION

Your Family Entertainment Corporation operates as enterprise in the films and television industry for acquisitions, development, production and the sale of animated and live action programs on the television and DVD market as well in the use of ancillary rights with license trade and merchandizing. The company's headquarters are located in Munich. The company employs 10 staff including directors.

VALUATION

Multiples (09e)



ANALYST

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See also
Kalliwoda Recommendations
on Terminal:

- Bloomberg
- Thomson Reuters
- JCF FactSet
- vwd group

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Your Family Entertainment AG

Currency = EUR	2006	2007	2008	2009E	2010E
Earnings per share	0.15	0.14	0.09	0.11	0.12
Sales	3.66	1.51	4.85	3.95	4.15
Net income	1.01	0.91	0.82	0.92	1.08
EBIT	1.23	1.04	0.97	0.99	1.19
Dividend per share	0.00	0.00	0.00	0.00	0.00
Return on equity	15.02 %	11.88 %	7.00 %	7.51 %	8.81 %

Price (curr)	1.17	Shares out (mln)	8.70
52W high	1.29	6M Avg Vol (St.)	74
52w low	0.45	Free Float (in %)	22.33 %
Market Cap (mln)	10.2	Weight in CDAX	0.0003 %
Last Dividend	0.00	Symbol	RTV
Accounting Stand.	HGB	First Trading Day	29.08.2002
Web Page	www.yf-e.com	WKN	540891

Source: DR.KALLIWODA | RESEARCH © 2009



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1 Current estimate

At this time, Your Family Entertainment AG headquartered in Munich is neglected by the capital market, despite several successes and a solid business development. The company's entertainment program tailored for the entire family continues to achieve more distribution. In the program mix, which is to be expanded continuously, are among others, well-known classics such as Fix & Foxi, Urmel, Enid Blyton as well as the Dachenjäger. Your Family Entertainment AG belongs to the fastest growing enterprises in the industry by now. Additionally, the company is in a position to use various distribution channels. With more bandwidth available, new distribution channels opened up to the company over the past years. What is more is that reception of entertainment programs on mobile end-use devices and on IPTV will generate more sales potential in our opinion. The company also participates in the strongly expanding development of the Home Entertainment segment, which grows by rounded 10% per year.

The key figures for the first half year show that the crisis-ridden year 2009 resulted in revenues somewhat weaker, yet the capital structure and operative business remain to be on solid grounds. This way, it was possible to increase the already high equity ratio of 62.1 percent, due to balance sheet contraction to 71.9 percent on the accounting due date. Despite fundamental operative strength and good assets, the stock is quoted at a major discount to its book value, in our opinion undeservedly so. The book value ratio is currently at 0.65.

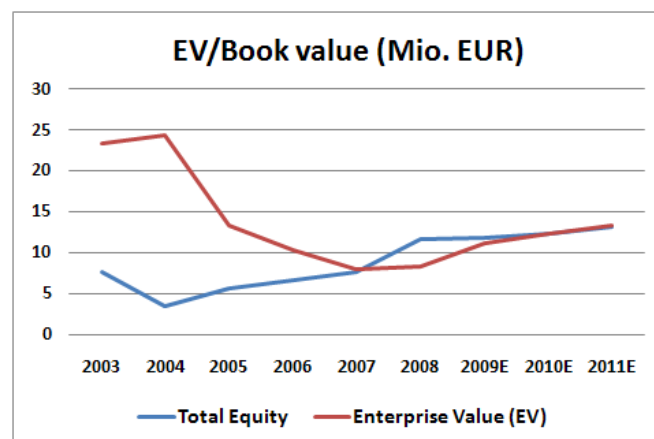
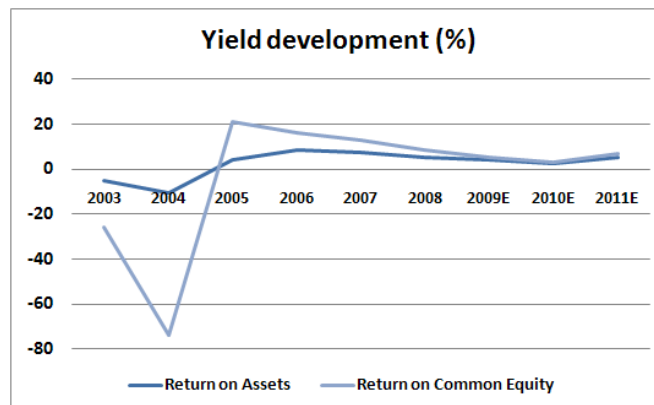
Sales results are at EUR 1.29mn after 6 months and thus are only slightly below the sales figures of the previous year of EUR 1.37mn. In contrast, Your Family Entertainment's EBITDA in absolute numbers managed to double and also increase proportionately. Thereby the EBITDA margin for the half-year was at significant 31 percent. Vertical integration of up- and downstream phases from attaining programs until the use of rights are attached to additional advantages in terms of coordination and margins. Further opportunities result from partnerships with cable network providers as well as IPTV platforms.

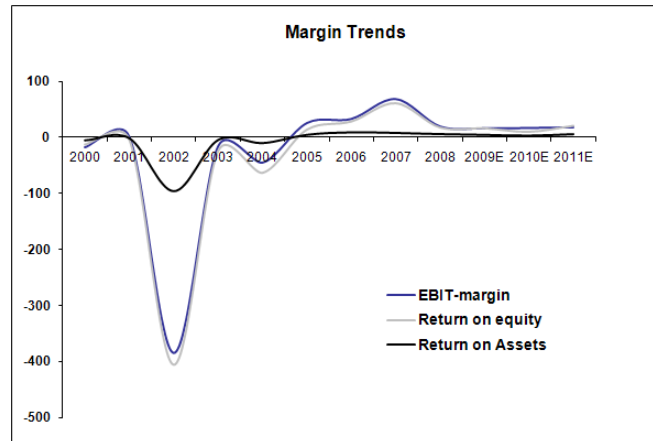
Furthermore, we are of the opinion that the competitive environment will remain stable and economic dynamics will gain momentum until mid-2010 at the latest.

Continuously rising breadth of programming should contribute to lessening the plausibility of sales shortfalls. Intensity of competition in the market for kids' entertainment, however, may be very high, yet Your Family Entertainment gained a competitive advantage and is excellently positioned due to its position with cable network providers.

Aside from the aspect of the more advantageous rating by traditional rating methods, the stock is also interesting for investors who are set on sustainability and ethics in their investment decisions. Your Family Entertainment AG was entered with the overall assessment of “ethically positive” in the investment universe of INVERA Investment Ethics Research & Advisory AG. In the scope of our rating, we applied the peer-group approach as well as the discounted cash flow method. Herein we arrived at the result that the stock is clearly under-rated after all. We calculate a medium-term revenue increase of 5% in our rating model. On basis of the discounted cash flow model, we thereby derive a fair value of EUR 2.04 for the shares of Your Family Entertainment AG. The target price derived from it was confirmed by the peer-group model. Because the current price is below the fair value we assessed, we maintain our recommendation to buy.

Selected timelines





2 Key figures

Your Family Entertainment AG - Facts and Figures

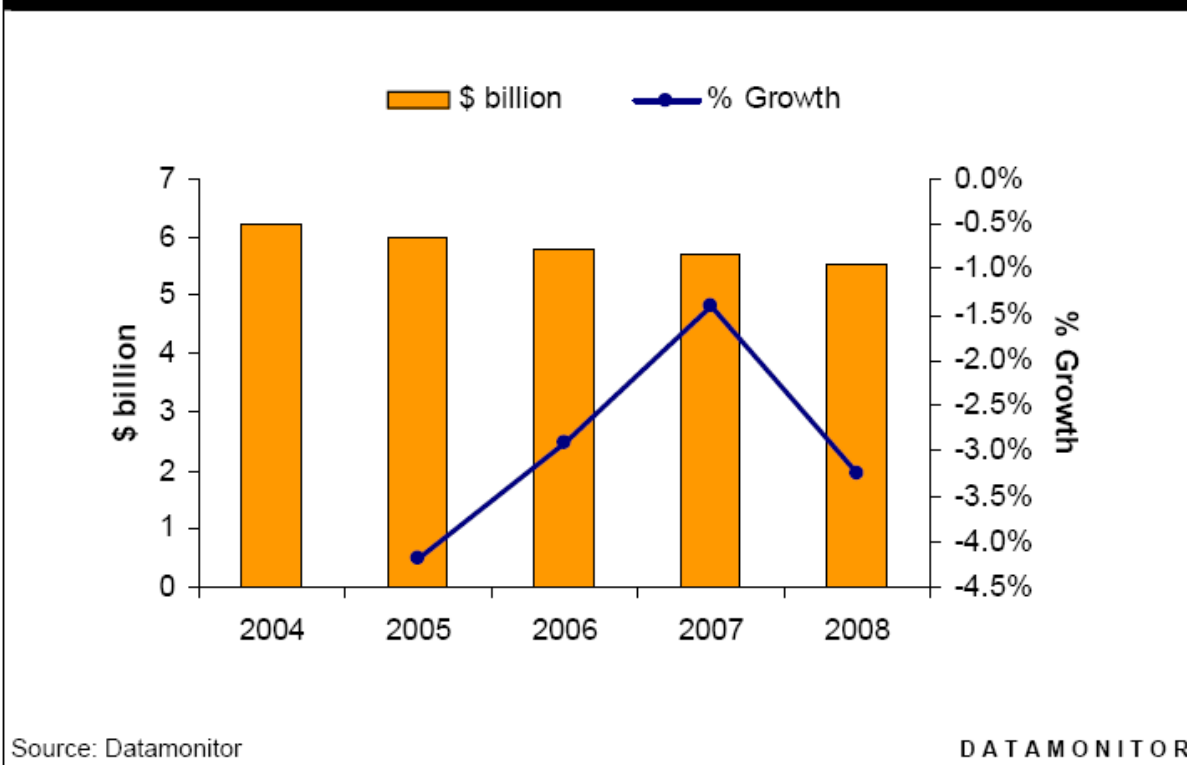
Price & Volume (EUR)		Income Statement (EUR, M)		Valuation Ratios	
Price Close:	1.17	Tot Revenue, LFI:	1.29	Curr P/E Excl Extra, LTM:	10.22
Date Last Close Price:	05.11.2009	Tot Revenue, LTM:	4.77	Curr P/E Normalized, LFY:	9.77
Price - 52 Wk High:	1.29	Tot Revenue, LFY:	4.85	Curr EV/EBITDA (LFI/LTM):	2.31
Date Price 52 Wk High:	03.04.2009	EBITDA, LFI:	1.05	Curr EV/EBIT (LFI/LTM):	9.54
Price - 52 Wk Low:	0.45	EBITDA, LTM:	3.68	Curr Mkt Cap (m):	10.18
Date Price 52 Wk Low:	03.04.2009	EBITDA, LFY:	2.76	(+) Tot Debt Cap, LFI (m):	1.37
Price % Chg 1-Day:	0.00%	EBIT, LFI:	0.49	(-) Cash & Equiv, LFI (m):	-0.89
Price % Chg 4-Wk:	-8.00%	EBIT, LTM:	0.92	(=) Curr EV, LFI (m):	10.66
Price % Chg 13-Wk:	-3.16%	EBIT, LFY:	0.97	Curr EV/Tot Revenue (LFY):	1.07
Price % Chg 26-Wk:	53.33%	Income Bef Tax, LFI:	0.47	Curr EV/EBITDA (LFY):	1.87
Price % Chg 52-Wk:	-16.36%	Income Bef Tax, LTM:	0.79	Curr EV/EBIT (LFY):	8.64
Price % Chg YTD:	-28.68%	Income Bef Tax, LFY:	0.82	Curr Mkt Cap (m):	8
10 Day Avg Daily Vol (M):	0	Income Aft Tax, LFI:	0.47	(+) Tot Debt Cap, LFY (m):	0
3 Mo Avg Monthly Vol (M):	0	Income Aft Tax, LTM:	0.78	(-) Cash & Equiv, LFY (m):	-2.83
Beta 5Yr Monthly:	0.56	Income Aft Tax, LFY:	0.82	(=) Curr EV, LFY (m):	5.17
Per Share		Profitability Ratios (%)		Financial Strength	
Revenue/Shr (dil.), LFI:	0.3	Gross Profit % Margin, LFI:	72.73	Quick Ratio, LFI:	0.6
Revenue/Shr (dil.), LTM:	0.55	Gross Profit % Margin, LTM:	89.43	Quick Ratio, LFY:	0.61
Revenue/Shr (dil.), LFY:	0.56	Gross Profit % Margin, LFY:	88.83	Curr Ratio, LFI:	0.62
EPS Excl Extra (dil.), LFI:	0.05	EBITDA % Margin, LTM:	77.13	Curr Ratio, LFY:	0.62
EPS Excl Extra (dil.), LTM:	0.09	EBITDA % Margin, LFY:	56.91	LT Debt/Tot Eqty, LFI:	11.25
EPS Excl Extra (dil.), LFY:	0.09	Oper Income % Margin, LFI:	38.38	LT Debt/Tot Eqty, LFY:	0
EPS Incl Extra (dil.), LFI:	0.05	Oper Income % Margin, LTM:	19.24	LT Debt/Tot Assets, LFI:	8.09
EPS Incl Extra (dil.), LTM:	0.09	Oper Income % Margin, LFY:	20.01	LT Debt/Tot Assets, LFY:	0
EPS Incl Extra (dil.), LFY:	0.09	Income Bef Tax % Margin, LFI:	36.36	Tot Debt/Tot Eqty, LFI:	11.25
EPS Normalized (dil.), LFY:	0.09	Income Bef Tax % Margin, LTM:	16.47	Tot Debt/Tot Eqty, LFY:	0
Div/Shr Comm Stk Primary, LFI:	0	Income Bef Tax % Margin, LFY:	16.92		
Employees		Growth Rates (%)		Management Effectiveness (%)	
No. of Employees:	10	Revenue, %Yr/Yr, LFI:	-63.02	ROC Tot LT Cap, LFI:	7.03
Tot Revenue/Employee, LFI:	128,700.00	Revenue, %Yr/Yr, LTM:	83.56	ROC Tot LT Cap, LTM:	5.99
Tot Revenue/Employee, LTM:	476,700.00	Revenue, %Yr/Yr, LFY:	220.54	ROC Tot LT Cap, LFY:	7.96
Tot Revenue/Employee, LFY:	606,250.00	Revenue - 5 Yr. Growth Rate:	-11.78	ROE Comm Eqty, LFI:	7.8
Income Aft Tax/Employee, LFI:	46,800.00	Revenue - 10 Yr. Growth Rate:	--	ROE Comm Eqty, LTM:	6.64
Income Aft Tax/Employee, LTM:	78,300.00	EPS, %Yr/Yr, LFI:	47.8	ROE Comm Eqty, LFY:	8.47
Income Aft Tax/Employee, LFY:	81,900.00	EPS, %Yr/Yr, LTM:	-35.46	ROA Tot Assets, LFI:	5.21

Quelle: Dr. Kalliwoda | Research GmbH

3 Market Evaluation

The film and entertainment market was able to stabilize in times of crisis. Aside from new entertainment formats, cause for the company's profits is also the boom in demand for high-definition televisions, which are mostly used in the area of home entertainment. The market volume of the German films and entertainment market amounted to total sales of USD 5.5mn in 2008.

Figure 1: Germany Movies & Entertainment Market Value: \$ billion, 2004-2008



Market growth in the time between 2004 and 2008 was at rounded -2.9 percent p.a., whereas the home entertainment segment continued to prove lucrative for the German films and entertainment sector in the year 2008. This sector alone scored sales revenues of USD 2.2mn in 2008. Datamonitor expects the market volume to decline by a rounded one percent p.a. For the coming business year 2010, rates of increase in the films and entertainment market will peak at 4.9 percent growth, due to catch-up effects.

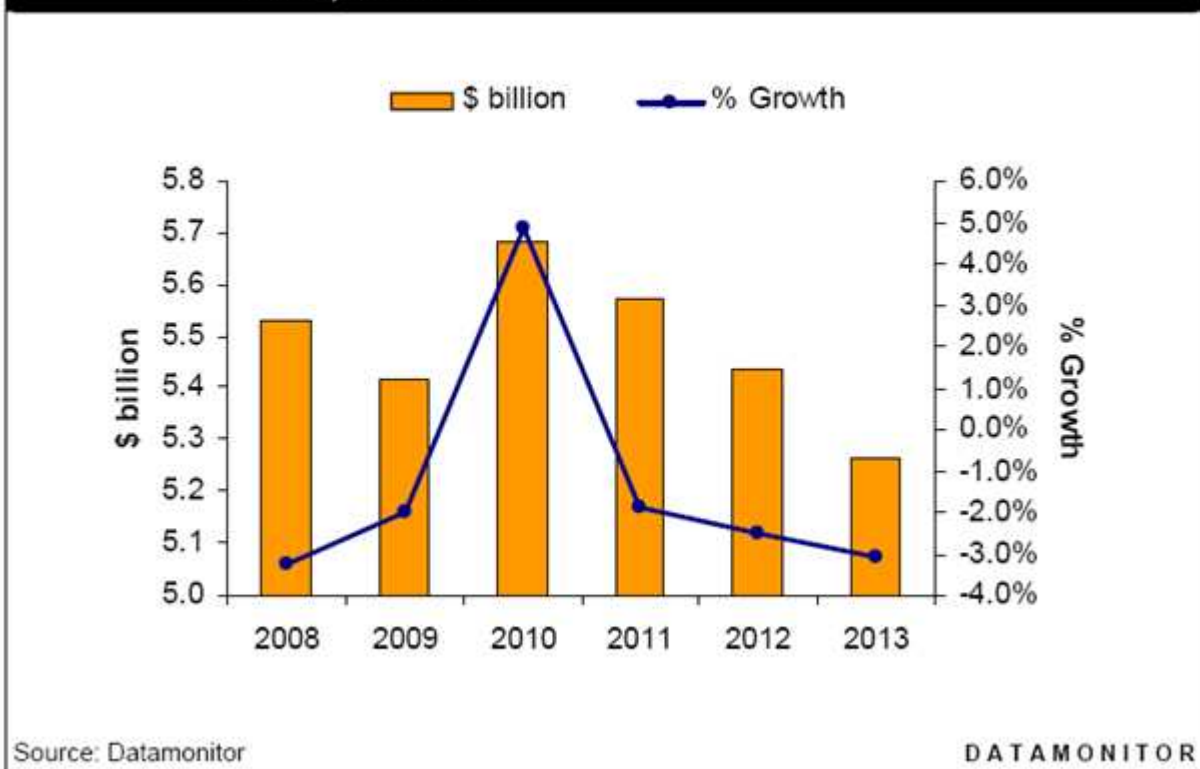
Table 10: Germany Movies & Entertainment Market Value Forecast: \$ billion, 2008-2013

Year	\$ billion	€ billion	% Growth
2008	5.5	3.8	-3.30%
2009	5.4	3.7	-2.00%
2010	5.7	3.9	4.90%
2011	5.6	3.8	-1.90%
2012	5.4	3.7	-2.50%
2013	5.3	3.6	-3.10%
CAGR, 2008-2013:			-1.0%

Source: Datamonitor

DATAMONITOR

Figure 7: Germany Movies & Entertainment Market Value Forecast: \$ billion, 2008-2013



Source: Datamonitor

DATAMONITOR

4 Financial Planning

4.1 Balance sheet

Balance sheet																		
	2007			2008			2009E			2010E			2011E			2012E		
	Tsd. EUR	%	Δ %	Tsd. EUR	%	Δ %	Tsd. EUR	%	Δ %	Tsd. EUR	%	Δ %	Tsd. EUR	%	Δ %	Tsd. EUR	%	Δ %
Assets																		
<i>Fixed assets</i>																		
IT Software	39	0	255	23	0	-41	25	0	10	12	0	-53	12	0	3	14	0	10
Film assets and other rights	11,300	89	9	14,622	78	29	13,230	83	-10	13,250	104	0	15,290	81	15	15,500	98	1
Other equipment, operational and office eq	66	1	22	68	0	3	70	0	3	75	1	7	77	0	3	80	1	4
Security investments	0			73			73			73			73			73		
Total fixed assets	11,405	90	10	14,786	78	30	13,398	85	-9	13,410	105	0	15,453	82	15	15,667	99	1
<i>Current assets</i>																		
Accounts receivable	777	6	-21	1,025	5	32	1,128	7	10	1,225	10	9	1,262	7	3	1,388	9	10
Finished goods	2	0		58	0		50	0	-14	50	0	0	50			50		
Other assets	28	0	-7	141	1	404	155	1	10	175	1	13	180	1	3	198	1	10
Cash on hand and balances with banks	524	4	-28	2,833	15	441	1,125	7	-60	1,230	10	9	1,170	6	-5	1,103	7	-6
Total current assets	1,331	10	-24	4,057	22	205	2,458	15	-39	2,680	21	9	2,662	14	-1	2,739	17	3
Total assets	12,736	100	5	18,843	100	48	15,856	100	-16	16,090	100	1	18,115	100	13	18,406	100	2
<i>Shareholder's equity</i>																		
Capital subscribed	6,526	51	0	8,700	46	33	8,700	55	0	8,700	68	0	8,700	46	0	8,700	55	0
Capital reserve	1,200	9	0	2,287	12	91	1,852	12	-19	1,852	15	0	1,852	10	0	1,852	12	0
Accumulated earnings	-95	-1	-91	725	4		1,640	10	126	1,732	14	6	2,645	14	53	3,804	24	44
Total shareholder's equity	7,631	60	14	11,712	62	53	12,192	77	4	12,284	96	1	13,197	70	7	14,356	91	9
<i>Reserves and accrued liabilities</i>																		
Pension reserves	346	3	-3	346	2	0	337	2	-3	365	3	8	387	2	6	400	3	3
Accrued taxes	6	0	20	0	0	-100	0	0		0	0		0	0		0	0	
Other reserves	174	1	6	355	2	104	290	2	-18	250	2	-14	450	2	80	450	3	0
Total	526	4	0	701	4	33	627	4	-11	615	5	-2	837	4	36	850	5	2
<i>Liabilities</i>																		
Advanced payments received	1039	8	-16	1714	9	65	1400	9	-18	1341	11	-4	1850	10	38	1500	9	-19
Accounts payable, trade	628	5	-16	1625	9	159	1457	9	-10	1650	13	13	1920	10	16	1550	10	-19
Accounts due to affiliated companies	2830	22	6	2992	16	6	0	0	-100	0	0		0	0		0	0	
Other liabilities	82	1	-64	99	1	21	180	1	82	200	2	11	311	2	56	150	1	-52
Total liabilities	4579	36	-6	6430	34	40	3037	19	-53	3191	25	5	4081	22	28	3200	20	-22
Total shareholder's equity and liabilities	12,736	100	5	18,843	100	48	15,856	100	-16	16,090	126	1	18,115	96	13	18,406	116	2

Source: Dr. Kalliwoda | Research GmbH

4.2 Income Statement

Income Statement																					
	2006			2007			2008			2009E			2010E			2011E			2012E		
	TEUR	%	Δ%	TEUR	%	Δ%	TEUR	%	Δ%	TEUR	%	Δ%	TEUR	%	Δ%	TEUR	%	Δ%	TEUR	%	Δ%
Sales	3,663	100	-51	1,514	100	-59	4,853	100	221	3,950	100	-19	4,148	100	5	4,562	100	10	5,018	100	10
Total Sales	3,663	100	-51	1,514	100	-59	4,853	100	221	3,950	100	-19	4,148	100	5	4,562	100	10	5,018	100	10
Other operating income	2,022	55	28	3,289	217	63	2,020	42	-39	1,250	32	-38	1,250	30	0	1,500	33	20	1,500	30	0
Cost of materials	-2,139	-58	-54	-379	-25	-82	-542	-11	43	-869	-22	60	-912	-22	5	-1,004	-22	10	-1,104	-22	10
Personnel expenses	-612	-17	-45	-614	-41	0	-996	-21	62	-996	-25	-0	-950	-23	-5	-1,045	-23	10	-1,150	-23	10
Depreciation	-953	-26	-96	-1,754	-116	84	-3,260	-67	86	-1,450	-37	-56	-1,450	-35	0	-1,450	-32	0	-1,450	-29	0
Other operating expenses	-752	-21	-22	-1,012	-67	35	-1,103	-23	9	-900	-23	-18	-900	-22	0	-1,100	-24	22	-1,100	-22	0
EBIT	1,229	34		1,044	69	-15	972	20	-7	985	25	1	1,185	28	20	1,464	32	24	1,715	43	17
Other interest and similar income	6	0	20	14	1	140	84	2	483	88	2	5	55	4	-38	67	1	22	70	2	5
Depreciation of financial investments	0	0	0	0	0	0	-71	-1		0	0	-100	0	0	0	0	0	0	0	0	0
Interest and similar expenses	-155	-4	-84	-150	-10	-3	-163	-3	9	-45	-1	-72	-75	-5	67	-95	-2	27	-45	-1	-53
Result from ordinary operations	1,080	29		908	60	-16	822	17	-9	1,028	26	25	1,165	28	13	1,436	31	23	1,740	44	21
Extraordinary result	0	0	-100	0	0	0	0	0	0	-5	-0	0	-20	-1	300	-35	-1	75	-5	-0	-86
Taxes on income	-68	-2	278	-1	-0	-99	-1	-0	0	-103	-3		-58	-4	-43	-72	-1	23	-435	-11	506
Other taxes	-2	-0	100	0	0	-100	-1	-0	0	-5	-0	400	-5	-0	0	-5	-0	0	-5	-0	0
Net income	1,010	28	3	907	60	-10	820	17	-10	915	23	12	1,082	29	18	1,324	29	22	1,295	33	-2
<i>Earnings per share (undiluted) reported</i>	0.15		0	0.14		-7	0.09		-32	0.11		12	0.12		18	0.15		22	0.15		-2
<i>Earnings per share (diluted) reported</i>	0.15		0	0.14		-7	0.09		-32	0.11		12	0.12		18	0.15		22	0.15		-2

Source: Dr. Kalliwoda | Research GmbH

5 Peer Group Analysis

Additionally, we derived the fair value of the share from the stock market price and related it to the peer group. First, we have selected companies that are at least partially in the same sub-markets move. Multiplier methods based on a comparative approach, by appropriate duplicators data from the capital and financial reporting of listed companies compared to the evaluated companies to be transferred.

The output data of comparison companies (in local currency) come from the information provider Thomson Reuters.

Peer Group - Family Entertainment										
Mio. € / € per share	Price	Market Cap.	Enterprise Value	Total Equity	Sales		EBIT		EPS	
					2008	2009E	2008	2009E	2008	2009E
TV Loonland	0.25	3.17	4.22	3.77	8.66	8.71	4.96	2.34	0.34	0.17
m4e AG	4.16	15.72	14.76	12.28	13.09	14.81	0.36	2.73	0.04	0.49
Mondo TV	7.71	33.96	34.95	18.61	38.24	8.08	-16.10	-1.55	-2.65	0.17
MME	8.30	92.79	89.18	35.56	88.34	89.50	4.15	4.30	0.15	0.03
DQ Entertainment PLC	1.10	63.08	64.28	46.51	24.13	32.25	8.09	7.75	0.20	0.12
Boomerang Plus	0.78	6.91	3.66	7.75	20.93	22.40	1.40	2.20	0.08	0.17
4 Kids Entertainment	1.64	21.69	10.22	74.99	63.67		-39.55		-2.79	
Your Family Entertainment	1.17	10.18	10.66	11.89	4.85	3.95	0.97	0.98	0.09	0.11

Source: DR. KALLIWODA | RESEARCH, Reuters

5.1 Discount/Premium

Multiples - Peergroup - Entertainment								
	EV/Sales		EV/EBIT		P/E		EBIT-Margin	
	2008	2009E	2008	2009E	2008	2009E	2008	2009E
TV Loonland	0.49	0.48	0.85	1.80	0.74	1.47	57.27	26.87
m4e AG	1.13	1.00	41.00	5.41	104.00	8.49	2.75	18.43
Mondo TV	0.91	4.33	-2.17		-2.91	45.35	-42.10	-19.18
MME	1.01	1.00	21.49	20.74	55.33	276.67	4.70	4.80
DQ Entertainment PLC	2.66	1.99	7.95	8.29	5.50	9.17	33.53	24.03
Boomerang Plus	0.17	0.16	2.61	1.66	9.69	4.56	6.69	9.82
4 Kids Entertainment	0.16		-0.26		-0.59		-62.12	
Your Family Entertainment	2.20	2.70	10.99	10.88	13.00	10.64	20.00	24.81
Mittelwert	1.09	1.67	10.31	8.13	23.09	50.91	2.59	12.80
Median	0.96	1.00	5.28	6.85	7.59	9.17	5.69	18.43
Your Family Entertainment	2.20	2.70	10.99	10.88	13.00	10.64	20.00	24.81
Premium/Discount (-)	101.29	62.04	6.62	33.78	-43.71	-79.11		
Fair Value (bandwidth)		0.73				2.09		

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6 Company Valuation

6.1 Discounted Cash Flow Model

In order to determine the fair value, we established a three-stage discounted cash flow model. Through discounting the operative free cash flows to the valuation date we accommodated the during the period valuation date. As the valuation date we chose November 1, 2009. For the calculation of Free Cash Flows, the operating income was used as base.

Base of the approach is a 3-Phase Model. The first detailed planning phase considers the years 2009 to 2010. After that, the rough planning phase (2011-2013) follows.

Tying in with this, the phase of terminal value follows, for which we calculated with a growth rate of 3% p.a.

Entity Approach

Valuation Date
01.11.2009

3-Phase-Model

Terminal value growth: 3%

Discounted Cash Flow-Model (Basis 11/2009)					
	2009E	2010E	2011E	2012E	2013E
Revenues	3.950	4.345	4.562	4.790	5.030
Rate of change	-19%	10%	5%	5%	5%
EBIT	0.985	1.113	1.258	1.421	1.606
Rate of change	1%	13%	13%	13%	13%
Margin	24.9%	25.6%	27.6%	29.7%	31.9%
Interest and Shareholding Income	-0.020	-0.020	-0.030	0.020	0.030
EBT	0.965	1.093	1.228	1.441	1.636
Operational tax expenses	-0.103	-0.063	-0.077	-0.440	-0.462
Effective Tax Rate (ex. Interest Income)	10.7%	5.8%	6.3%	30.5%	28.2%
Depreciation and Amortization	1.450	1.450	1.450	1.450	1.595
Depreciation Ratio (% Revenues)	36.7%	33.4%	31.8%	30.3%	31.7%
Changes in long-term provisions	0.050	0.050	0.050	0.050	0.050
Proportion of Revenues	1.3%	1.2%	1.1%	1.0%	1.0%
Cash Flow-Business needs (change WC)	-1.794	-0.068	0.908	-0.958	-0.977
Working-Capital-Ratio (%Revenues)	-45.4%	-1.6%	19.9%	-20.0%	-19.4%
Investments into fixed assets	-0.350	-0.200	2.043	0.214	-1.700
Investments ratio (% Revenues)	-8.9%	-4.6%	44.8%	4.5%	-33.8%
Other					
Free Cash-Flow	0.219	2.261	5.602	1.757	0.142

Source: Dr. Kalliwoda Research GmbH

WACC-Assumptions

Growth Propositions

Long-Term growth rate / Inflation	3.0%
Assimilation Phase (from 2015)	5 Jahre
Revenue growth in the beginning	2.0%
Margin development (p. a.)	+1 BP

Equity Cost

Long-Term risk-free rate	3.8%
Market Risk Premium	5.0%
Beta of the Company / Approximation	0.80
Equity Cost	7.8%

Debt Cost

Debt Cost (before tax)	7.0%
Tax rate on Debt interest	30.0%
Debt Cost (after tax)	4.9%

Equity Value	8
Market Value of net debt	7
Gearing (Market Values)	87.5%
WACC	6.4%

6.2 Weighted Average Cost of Capital (WACC)

The discount rate was calculated by deriving the weighted cost of capital. We assume that the solid capital structure can be sustained in the subsequent years.

Adjustments for debt to current interest were not made. Risk free profitability is based on the average profitability of the 30-year bond (source: Börse Stuttgart).

Figuring a risk prime follows the capital asset pricing model (CAPM) and covers in particular the systemic risks (market risk prime esp. company specific risk). The market risk prime in our model is based on publicized studies. The market risk primes that were figured in university research depend on the market, time and method and range between 5% and 8%.

6.3 Fair Value – Sensitivities

Our derived fair value per share amounts to Euro 2.04. This implies an upside potential of 74.4% to the current share price (EUR 1.17). The modification of the action parameter in terminal value is shown below in the sensitivity analysis. It shows variance in our derived fair value in variant scenarios. The shown rating range is between Euro 1.82 and Euro 4.62.

Sensitivity Analysis: per share

(Mio. EUR)	β = 0.8	Diskontierungszinssatz				
		4.4%	5.4%	6.4%	7.4%	8.4%
2.0%		2.34	2.12	1.99	1.89	1.82
2.5%		2.47	2.17	2.01	1.91	1.83
3.0%		2.68	2.24	2.04	1.92	1.84
3.5%		3.12	2.35	2.09	1.95	1.85
4.0%		4.62	2.53	2.15	1.97	1.87

Sensitivity Analysis Market capitalization

(EUR)	β = 0.8	Diskontierungszinssatz				
		4.4%	5.4%	6.4%	7.4%	8.4%
2.0%		20.4	18.4	17.3	16.5	15.8
2.5%		21.5	18.9	17.5	16.6	15.9
3.0%		23.3	19.5	17.8	16.7	16.0
3.5%		27.2	20.4	18.2	16.9	16.1
4.0%		40.2	22.0	18.7	17.2	16.2

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