

Heliad Equity Partners GmbH & Co. KGaA

Germany - Others



HAUCK & AUFHÄUSER
PRIVATBANKIERS SEIT 1796

Buy (old: Buy)

Price target: EUR 12.30 (old: EUR 10.00)

Price: EUR 7.44 **Next result:** Q2 NAV: 28.09.2018
Bloomberg: HPBK@GR **Market cap:** EUR 75.6 m
Reuters: HPBGn.DE **Enterprise Value:** EUR 77.3 m

13-August-18

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As a listed German investment company, **Heliad purchases minority stakes** in publicly listed and private small cap companies with a **focus on technology and digital brands in the DACH region.**

Seeing that Heliad managed to grow its NAV by 11% CAGR (Q1 2012 - Q1 2018), its **investment strategies prove to be value-creating:** Heliad seeks to (1) buy cheap and sell dear; (2) achieve optimal holding periods due to its evergreen structure; (3) support the development of its portfolio companies with its management expertise and its broad international network.

Hence, Heliad looks set to **grow its NAV going forward:** The prosperous outlook on its portfolio companies FinTech, MagForce, DEAG and CYAN, which are all covered by H&A, and the current value of all other listed companies provide a **fair NAV of € 15.40/share** and an upside of 41% to Heliad's current NAV of € 10.90/share.

Despite **Heliad's strong track record of value creation**, Heliad's shares trade at a discount of 24% (Q1 2018) to NAV. At current levels, the **market fully ignores the value of Heliad's private investments** as Heliad's market capitalization is approximately equivalent to the current NAV of its listed investments.

NB: In light of recent developments, the NAV discount has most likely increased to ~30% in Q2. Q2 NAV will be reported on September 28, 2018.

Thus, the **discount to NAV**, which may be attributable to the current management fee structure and the large exposure to FinTech (roughly 2/3rds of NAV), **seems too high.**

Heliad looks set to decrease its discount to NAV going forward: In line with management's diversification objectives, we would expect Heliad to **rebalance its portfolio.** According to conversations with management, the investment pipeline seems very promising.

What's more, Heliad looks to maintain its intended **3% dividend yield p. a. on average.** Shareholders should hence benefit especially in light of the expected re-rating of the stock, in our view.

Based on a SOTP-valuation and the application of a 20% discount to our fair NAV, we derive a new **PT of € 12.30 per share (old € 10.00) yielding 65% upside. BUY.**

Y/E 31.12 (EUR m)	2014	2015	2016	2017
Sales	0.0	0.0	0.0	0.0
Sales growth	n/a	n/a	n/a	n/a
EBITDA	-1.0	-5.5	-5.9	1.3
EBIT	17.2	21.7	-23.1	39.1
Net income	18.0	22.6	-22.0	39.1
Net debt	-23.8	-9.5	2.8	1.3
Net gearing	-29.4 %	-9.3 %	3.6 %	1.1 %
Net Debt/EBITDA	0.0	0.0	-0.5	1.0
EPS pro forma	1.87	5.75	-2.04	8.86
CPS	2.79	1.67	0.47	1.71
DPS	0.00	0.15	0.20	0.15
Dividend yield	0.0 %	1.9 %	2.6 %	1.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 10.08.2018



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 10.25 / 5.82

Price/Book Ratio: 0.6

Relative performance (SDAX):

3 months -15.1 %

6 months -18.1 %

12 months 18.4 %

Changes in estimates

		Sales	EBIT	EPS
2018	old:	0.0	0.0	-0.02
	Δ	-100.0%	-100.0%	-46.1%
2019	old:	0.0	0.0	-0.02
	Δ	-100.0%	-100.0%	-46.1%
2020	old:	0.0	0.0	-0.02
	Δ	-100.0%	-100.0%	-46.1%

Key share data:

Number of shares: (in m pcs) 9.7

Authorised capital: (in € m) 4.7

Book value per share: (in €) 12.1

Ø trading volume: (12 months) 1,045

Major shareholders:

FinLab AG 45.0 %

Free Float 40.0 %

VP Fund Solutions 15.0 %

Liechtenstein

Company description:

Heliad is a German investment company which focuses on minority investments into listed as well as private companies with a technology focus.

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Company Background

Heliad Equity Partners GmbH & Co. KGaA, founded in 2000, is a listed German **investment company** that purchases minority stakes in publicly listed and unlisted companies. The company mainly targets small cap growth companies (sales of € 1-50m) in German speaking countries and invests € 2.5-10m per company on average. The portfolio is clustered into the two segments technology (79% of NAV) and digital brands (21% of NAV).

Heliad portfolio overview

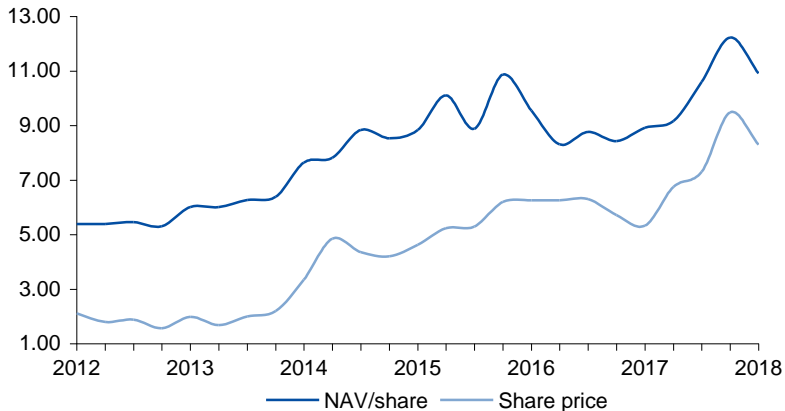
	TECHNOLOGY FinTech, IT-Security, Blockchain 79 %		DIGITAL BRANDS Platforms, Private Label 21 %	
LISTED 74 %	Fintech group cyan	magforce MAX 21	SLEEPZ elumeo	DEAG rezelelement
PRIVATE 26 %	TIANI muume		URBANARA springlane	libify ALPHAPET my better life stapp

Source: Company data

Heliad has managed to strongly grow its NAV in the past (11% CAGR Q1 2012 - Q1 2018) which proves its **investment strategies to be value-creating**. These strategies include:

- **Buying cheap and selling dear:** Heliad takes stakes in undervalued innovative and high-growth targets that deliver return multiples of 2-5x mainly through exits and dividends. Exits include IPOs, trade sales, and the direct sale of shares in listed entities.
- **Flexible buy and sell strategy:** Due to its evergreen structure, Heliad can achieve optimal holding periods. Typically, the company holds its stakes for 2-5 years. Unlike traditional closed-ended investment funds, an evergreen fund has no end date and capital can be raised, repaid, or transferred at any time.
- **Hands-on approach:** With its broad international network and management expertise, Heliad actively supports the development of its portfolio companies.

NAV development since 2012



Source: Company data, Hauck & Aufhäuser

The long standing track record gives confidence in management's ability to increase NAV further going forward. The team has **ample experience in multiple industries:**

- **Thomas Hanke, CEO** at Heliad, contributes specialist know-how in strategic management, fintech, e-commerce, IT, and investor relations. Prior engagements: Fintech Group AG (Head of Business Development & Investments), FINLAB AG, Palmers Textil AG
- **Theo Woik, Investment Director**, specializes in fintech, software, IT, and due diligence processes. Prior engagements: ViewPoint Capital Partners, Dresdner Bank AG
- **Gunter Greiner, Investment Director (Inv. D.)**, is an expert in listed equities, clean tech, EV, investor relations, and restructuring. Prior engagements: Family office (CIO), VCH (Inv. D.), eolutions (Inv. D.), KST (Inv. D.), Invesco

Heliad is a partnership limited by shares under German law (GmbH & Co. KGaA). The structure involves a general partner (GP) as well as several limited partners (LP), i. e. shareholders. The GP, Heliad Management GmbH, is fully owned by Heliad's major shareholder FinLab AG.

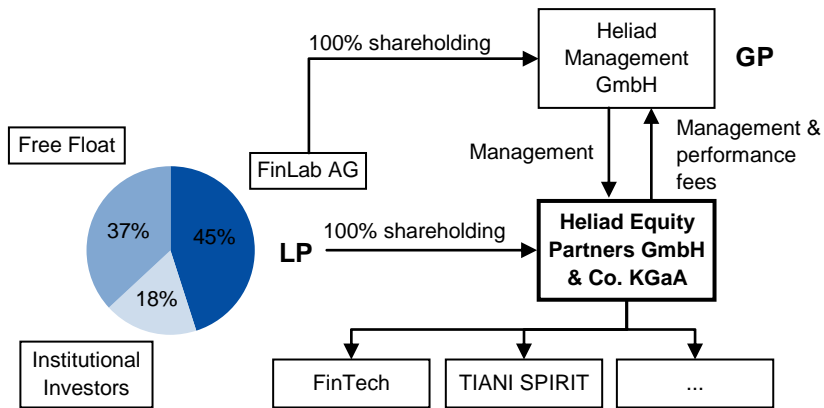
The GP receives a management compensation for its services consisting of:

- A **fixed management fee** of 2.5% p. a. on the previous year's IFRS balance sheet equity value of Heliad plus any potential sales taxes. Most of the operating costs are covered by the management fee. (See chart on next page.)
- A **performance fee** of 20% on the realized earnings before taxes (HGB EBT) plus any potential sales taxes. Hence, a payout is only possible when realized profits through successful exits (i. e. no revaluations in later investment rounds) exceed the last book value of the asset.

Heliad has a rather **concentrated shareholder structure** with FinLab AG holding 45% of total shares. FinLab AG, which is also covered by H&A, is an investment firm in the financial services technology sector. Approximately 18% of shares are held by institutional investors. Thus, the remaining 37% are held in free float.

Heliad Equity Partners GmbH & Co. KGaA

Heliad Equity Partners GmbH & Co. KGaA structure



Source: Company data, Hauck & Aufhäuser

Portfolio

Heliad holds a portfolio of 15 companies which account for a NAV of € 104m per Q1 2018 or € 10.70/share as calculated and reported by the company. Roughly 3/4^{ths} of NAV are attributable to shareholdings in listed companies and cash & equivalents. Hence, only 1/4th is related to rather illiquid investments in private companies.

Heliad's **great share in liquid assets** allows the company to **flexibly take advantage of new investment opportunities**.

In fact, Heliad reduced some of its listed shareholdings to fund new investments in the publicly listed companies Sleepz (24%) and elumeo (8%), and the private company Urbanara (26%) in 2017.

This year, Heliad bought pre-IPO shares in CYAN (<3%). Thus, Heliad took further actions to **diversify its holdings in line with its strategy** to become less reliant on its largest investment FinTech Group AG (63% of NAV in Q1 2018).

By and large, **Heliad's core portfolio looks well on track**. In Q1 2018, NAV decreased 11% qoq due to a plunge in Heliad's major investments. Judging by the recent development of major holdings, NAV should remain flat in Q2 2018. We expect a strong recovery for the rest of the year driven by a positive development of Heliad's key investments.

Heliad's most relevant portfolio companies in 2018 are described in greater detail below:

FinTech Group AG (Q1 18: m/cap € 486m; Heliad stake 14%; NAV € 66m)

FinTech Group, which is also covered by H&A, is a German-based financial technology company and a **leader in the German brokerage market**. Following a major repositioning which was accompanied by Heliad, the company operates in two segments today:

- **Online brokerage business** (77% of sales / 42% EBIT margin): Through its subsidiary Flatex, the group offers online brokerage services to **~230k B2C clients** and facilitates over 10m securities transactions a year.
- **White label banking** (23% of sales / 20% EBIT margin): The unit offers banking licences outsourcing, reporting systems, core banking systems, trading systems, and market maker systems to **>100 B2B customers** like private and special purpose banks, start-ups or innovative companies.

We expect FinTech to grow its top-line by 14% CAGR 2017-2020E and its bottom-line by 29% CAGR 2017-2020E. FinTech's **success story** is based on its three distinctive competitive advantages:

- **Price and cost leadership:** FinTech's state-of-the-art, proprietary financial technology platform allows the company to offer disruptive low flat fees at the lowest cost per trade compared to its peers (€ 1.44 vs € 3.00 CPTs) given its lower overhead and manual interaction. Furthermore, FinTech has its own settlement and banking licenses.
- **Unmatched product portfolio:** Thanks to the high flexibility of the leading online brokerage platform, FinTech is well-equipped to include trading products ranging from stocks to Exchange Traded Products (ETPs).

- **Strong management with a flawless track record:** With ample expertise in multiple segments such as banking, technology, and finance, senior management managed to achieve many key milestones including the profitability turnaround and entering ETP partnerships with Morgan Stanley and Goldman Sachs.

FinTech is the **only large online broker in Germany which is not owned by a large bank** such as Deutsche Bank, Comdirekt or CoBa. Thus, FinTech appears to be an **appealing target for a foreign bank** looking to establish itself in the German brokerage market.

Up to date, FinTech Group AG has already generated a **3.6x return multiple (total, realized + unrealized) which should pick up even further this year.**

After being on the road with FinTech's management in the end of June, we are confident that the company **should benefit from the current market volatility** as volatile times boost trading activity **and deliver another record year despite a recent drop in share price.**

Our **€ 43 PT** is based on FCFY 2020E and implies an upside of 58%. Heliad's stake of 13.5% hence has an implied fair value of € 101.6m which is equivalent to Heliad's entire reported NAV. This implies that the rest of the portfolio is valued at zero and thus suggests **substantial upside to Heliad's NAV.**

Y/E 31.12 (EUR m)	2014	2015	2016	2017E	2018E	2019E	2020E
Sales	17.1	75.2	95.0	107.0	125.8	141.9	158.3
Sales growth	20 %	339 %	26 %	13 %	18 %	13 %	12 %
EBITDA	3.9	19.7	30.6	31.7	44.9	53.1	61.1
EBIT	3.2	17.2	25.5	26.0	38.8	46.4	54.0
Net income	-7.7	-1.7	8.4	16.8	26.3	31.0	36.1
Net debt	-35.4	-0.6	-26.8	-45.2	-70.7	-100.8	-136.0
Net gearing	-39.3 %	-240.1 %	-59.5 %	-68.5 %	-269.4 %	-233.8 %	-207.3 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.42	0.88	0.97	0.96	1.50	1.77	2.06
CPS	1.70	-3.43	-8.81	1.03	1.57	1.77	2.06
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	97.1 %	82.0 %	73.2 %	71.0 %	74.2 %	74.6 %	74.8 %
EBITDA margin	22.7 %	26.3 %	32.2 %	29.6 %	35.7 %	37.4 %	38.6 %
EBIT margin	18.8 %	23.0 %	26.8 %	24.3 %	30.8 %	32.7 %	34.1 %
ROCE	5.0 %	10.7 %	11.4 %	11.6 %	15.8 %	16.9 %	17.5 %
EV/sales	18.8	5.6	4.4	3.9	3.1	2.6	2.1
EV/EBITDA	82.5	21.3	13.7	13.2	8.7	6.8	5.4
EV/EBIT	99.9	24.3	16.4	16.1	10.1	7.8	6.1
PER	63.8	30.0	27.2	27.6	17.6	15.0	12.8
Adjusted FCF yield	1.9 %	3.8 %	5.4 %	4.8 %	7.6 %	9.1 %	11.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 28.06.2018

MagForce AG (Q1 18: m/cap € 152m; Heliad stake 3%; NAV € 5m)

MagForce is an **innovative nanotechnology company** which developed a unique cancer treatment method using nanoparticles. In essence, Nanotherm therapy can either thermally destroy cancer cells or sensitise the tumour to additional treatments (e. g. chemotherapy, radiotherapy).

More precisely, NanoActivator, MagForce's **proprietary hardware device**, creates an alternating magnetic field which causes nanoparticles that have previously been injected into the tumour to oscillate and thus produces heat. Physicians can determine the exact treatment parameters taking into account tumour size, location and distribution of nanoparticles by means of NanoPlan, MagForce's **own software solution.**

Compared to traditional treatment options (e. g. surgery, radiation, chemotherapy), the Nanotherm therapy has only **minimal side effects** while it **significantly extends patient lifetime.** The treatment affects the tumour from within and **avoids surrounding healthy tissue.**

MagForce primarily targets glioblastoma (brain cancer) in Europe and possibly soon in the US as well as prostate cancer, first in the US and prospectively in Europe. **Milestones in the commercialisation plan include:**

- **Glioblastoma Europe:** MagForce is the **only company to have a Europe-wide approved therapy to treat brain cancer based on nanotechnology**. Accordingly, we expect additional collaborations with European clinics (besides clinics in Germany and Poland) to be announced going forward. Hence, **commercialisation income is seen to gradually ramp up to € 20-30m by 2025**.
- **Prostate US:** In February 2018, MagForce **obtained the long-awaited IDE approval from the FDA** giving way to clinical trials in prostate cancer patients. With patient recruitment in progress, we expect MagForce to be well-positioned to perform **first commercial treatments in Q4 2019E** following the expected FDA clearance.
- **Glioblastoma US:** On the back of the existing clinical data from the European trials, MagForce aims to obtain US approval for its Nanotherm therapy against glioblastoma by 2019/20E.

Positive news flow on further progress with regards to the prostate cancer clinical study in the US and collaborations with additional European clinics for glioblastoma treatment should help to realise value going forward. Hence, we derive a **PT of € 12.50** based on DCF.

Heliad's stake of 3.4% has an implied fair value of € 11m and **thus looks set to drive further value creation for Heliad shareholders**.

Y/E 31.12 (EUR m)	2016	2017	2018E	2019E	2020E	2021E	2022E
Sales	0.5	0.7	0.9	4.9	31.5	49.8	77.1
Sales growth	-82 %	51 %	31 %	421 %	543 %	58 %	144 %
EBITDA	-6.6	-6.7	-6.9	-4.2	15.3	32.7	52.9
EBIT	-7.5	-7.4	-7.9	-5.2	14.3	27.5	47.5
Net income	-7.2	-5.7	-5.0	-3.2	7.8	15.2	26.4
Net debt	-0.6	4.3	-9.8	4.4	7.0	-7.7	-25.7
Net gearing	-3.9 %	33.0 %	-49.4 %	26.4 %	28.8 %	-19.4 %	-55.8 %
Net Debt/EBITDA	0.0	-0.6	0.0	-1.0	0.5	0.0	0.0
EPS pro forma	-0.28	-0.22	-0.19	-0.12	0.29	0.58	1.00
CPS	-0.29	-0.29	-0.37	-0.48	0.04	0.55	1.21
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser Close price as of: 24.06.2018

Tiani Spirit (Q1 18: Heliad stake 35%; NAV € 8m)

The Austrian software development company Tiani provides **solutions for the standardized exchange of mainly healthcare data**. Tiani's products are based on internationally recognized 'Integrating the Healthcare Enterprise' (IHE) guidelines. IHE promotes interoperability within the entire healthcare system.

Tiani's key product is the software solution Spirit Electronic Health Record (SpiritEHR). It serves as an electronic patient folder and allows patients and healthcare providers such as hospitals, physicians, and family doctors to **file, search for, and access data** including lab reports and MRT images **from any location and system** while **complying with information governance and patient approval**.

Tiani maintains **complementary partnerships** with Cisco Systems, Virgin, CSC, CGI, März, Xevit, Grapevine World, and more. Grapevine World, for example, looks to establish a decentralized, borderless ecosystem for the standardized exchange of healthcare data on the back of Tiani's software solution.

Heliad Equity Partners GmbH & Co. KGaA

With this and further projects lined up, we expect Tiani to generate sales of € >10m and turn profitable in 2018E. Heliad's current CEO Thomas Hanke, who previously engaged as the Head of Investments & Business Development at FinTech, now holds a management position at Tiani and **should help the company to accelerate strategically**, in our view.

In light of all of this, 2019E could be a suitable time for Tiani to **get listed on the stock market. After the IPO, Heliad will record its stake in Tiani at current market values which should exceed the total investment value of € 8m (equity + debt, eH&A) that is currently shown on the balance sheet, in our view.**

With only limited information available on Tiani's financials, we do not conduct a detailed valuation on the company but account for its total investment value.

Valuation

Based on a sum-of-the-parts valuation, we value Heliad on the forward-looking NAV of its portfolio companies FinTech, MagForce, CYAN and DEAG, which are all covered by H&A, plus the current values of all other listed and unlisted companies as well as net cash and equivalents. **The new NAV of € 149.40m or € 15.40/share provides 41% upside to the current NAV (Q1 2018).**

Because of the limited transparency on private companies and the larger risk exposure stemming from many early stage investments, we conservatively do not account for any upside potential coming from private companies.

Since investment companies typically trade at a discount to their NAV, we apply a holding discount of 20% which leads to a **PT of € 12.30**. The applied 20% discount accounts for a decrease in the NAV discount (24% in Q1 2018) as we expect management to realize profits and further diversify the investment portfolio going forward. It may be that Heliad's management and performance fees explain the discount as well.

Valuation	Implied FV	Heliad share	Implied fair NAV	Implied fair NAV/share
FinTech	752.5	13.5%	101.6	10.45
Magforce	325	3.4%	11.0	1.13
DEAG	92	3.0%	2.8	0.28
CYAN	277.2	1.0%	2.8	0.29
elumeo	43.7	7.5%	3.3	0.34
SLEEPZ AG	13.7	23.9%	3.3	0.34
MAX 21	24.1	3.0%	0.7	0.07
Listed portfolio	1,169.5		125.37	12.90
Others			20.4	2.10
Net cash & equivalents			3.6	0.37
Total fair NAV			149.40	15.37
<i>Holding discount</i>			20.0%	20.0%
Fair value			119.5	12.29
<i>Upside</i>			65%	65%

Source: Company data; Hauck & Aufhäuser

In light of all of this, the upside should lie in the improvements in the NAV discount and the valuation potential of Heliad's largest investments:

- **FinTech:** Given FinTech's prospects of strong trading activity and net adds in its online brokerage business, we expect another record year. The PT of € 43 based on FCFY 2020E translates into a fair value of € 101.6m for Heliad's 13.5% share and provides an upside to FinTech's current NAV of 64%.
- **MagForce:** In light of expected positive news flow on prostate cancer treatments in the US and glioblastoma therapy in Europe, we derive a PT of € 12.50 based on DCF. This translates into a fair value of € 11m for Heliad's stake of 3.4% and implies 160% upside to MagForce's current NAV.

News Flow

Redressing the balance

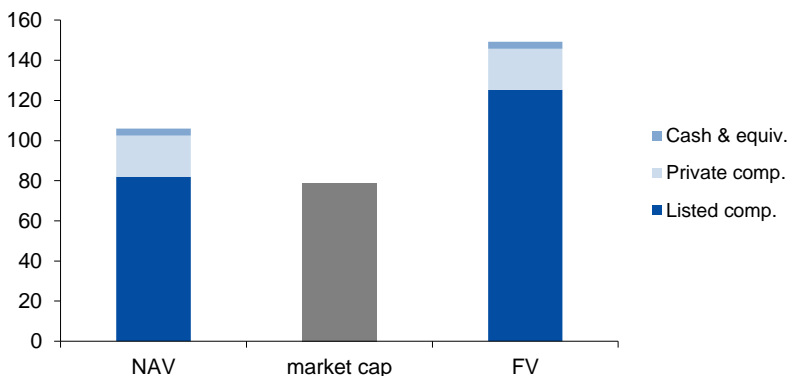
Heliad looks set to further **diversify its portfolio** which should lead to a **reduced NAV discount** going forward. According to management, there are many **interesting deals available** in its core segments technology and digital brands. Generally, Heliad seeks to execute 3-5 major transactions p. a.

Get more, pay less

At current levels (Q1 2018), Heliad's market capitalisation of € 79m is nearly equivalent to its listed investment's value of € 82m. Thus, the **market does not seem to assign any value to Heliad's private portfolio companies** which make up roughly 1/4th of the entire portfolio value.

On the same note, **discount to NAV seems too high** as it approximately totals the current value of Heliad's private holdings plus net cash and equivalents. Despite Heliad's management fee structure and its large position in FinTech, this should be unjustified, in our view. On average, listed private equity firms in Europe show NAV discounts of approximately 6% (LPX group Q1 2018).

NAV Q1 vs market cap Q1 vs FV (€ m)



Source: Company data, Hauck & Aufhäuser

Hence, we expect NAV discount to come down going forward. As we include Heliad's private holdings at their current values and its listed investments FinTech, MagForce, DEAG and CYAN at their fair values according to our complementary research, we see a **significant upside of 65% to Heliad's current market capitalisation**.

Heliad will report its Q2 NAV on September 28, 2018. In light of current developments, we expect the NAV discount to amount to ~30% in Q2 **providing a great entry opportunity on valuation**.

In light of the re-rating of the stock, shareholders should benefit from Heliad's intention to keep its **sustainable dividend yield of 3% p. a. on average**. Over the past three years, Heliad managed to pay an average dividend yield of 3.14% p. a. despite adding nine new investments to its portfolio.

Financials

Profit and loss (EUR m)	2014	2015	2016	2017
Sales	0.0	0.0	0.0	0.0
Sales growth	n/a	n/a	n/a	n/a
Cost of sales	0.0	0.0	0.0	0.0
Gross profit	0.0	0.0	n/a	n/a
Sales and marketing	0.0	0.0	0.0	0.0
General and administration	5.3	6.3	5.6	3.5
Research and development	0.0	0.0	0.0	0.0
Other operating income	16.5	10.7	3.6	19.6
Other operating expenses	12.3	10.0	3.8	14.7
Unusual or infrequent items	0.0	0.0	0.0	0.0
EBITDA	-1.0	-5.5	-5.9	1.3
Depreciation	0.0	0.0	0.0	0.0
EBITA	-1.0	-5.5	-5.9	1.3
Amortisation of goodwill	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.7	4.8	19.7	9.3
Impairment charges	18.9	32.1	2.5	47.1
EBIT (inc revaluation net)	17.2	21.7	-23.1	39.1
Interest income	1.0	1.2	0.8	0.5
Interest expenses	0.0	0.0	0.0	0.1
Other financial result	0.3	0.1	0.1	0.1
Financial result	1.3	1.2	0.9	0.5
Recurring pretax income from continuing operations	18.5	23.0	-22.2	39.6
Extraordinary income/loss	0.0	0.0	0.0	0.0
Earnings before taxes	18.5	23.0	-22.2	39.6
Taxes	0.5	0.4	-0.2	0.5
Net income from continuing operations	18.0	22.6	-22.0	39.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0
Net income	18.0	22.6	-22.0	39.1
Minority interest	0.0	0.0	0.0	0.0
Net profit (reported)	18.0	22.6	-22.0	39.1
Average number of shares	9.6	9.5	9.5	9.7
EPS reported	1.87	2.37	-2.31	4.02

Profit and loss (common size)	2014	2015	2016	2017
Sales	n/a	n/a	n/a	n/a
Cost of sales	n/a	n/a	n/a	n/a
Gross profit	n/a	n/a	n/a	n/a
Sales and marketing	n/a	n/a	n/a	n/a
General and administration	n/a	n/a	n/a	n/a
Research and development	n/a	n/a	n/a	n/a
Other operating income	n/a	n/a	n/a	n/a
Other operating expenses	n/a	n/a	n/a	n/a
Unusual or infrequent items	n/a	n/a	n/a	n/a
EBITDA	neg.	neg.	neg.	n/a
Depreciation	n/a	n/a	n/a	n/a
EBITA	neg.	neg.	neg.	n/a
Amortisation of goodwill	n/a	n/a	n/a	n/a
Amortisation of intangible assets	n/a	n/a	n/a	n/a
Impairment charges	n/a	n/a	n/a	n/a
EBIT (inc revaluation net)	n/a	n/a	neg.	n/a
Interest income	n/a	n/a	n/a	n/a
Interest expenses	n/a	n/a	n/a	n/a
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	n/a	n/a	n/a	n/a
Recurring pretax income from continuing operations	n/a	n/a	neg.	n/a
Extraordinary income/loss	n/a	n/a	n/a	n/a
Earnings before taxes	n/a	n/a	neg.	n/a
Tax rate	2.5 %	1.7 %	1.1 %	1.3 %
Net income from continuing operations	n/a	n/a	neg.	n/a
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %
Net income	n/a	n/a	neg.	n/a
Minority interest	n/a	n/a	n/a	n/a
Net profit (reported)	n/a	n/a	neg.	n/a

Source: Company data, Hauck & Aufhäuser

Heliad Equity Partners GmbH & Co. KGaA

Balance sheet (EUR m)	2014	2015	2016	2017
Intangible assets	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0	0.0
Financial assets	48.1	78.0	79.1	117.3
FIXED ASSETS	48.1	78.0	79.1	117.3
Inventories	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.0
Other current assets	9.9	15.5	4.2	4.9
Liquid assets	23.8	9.5	0.3	0.4
Deferred taxes	0.0	0.0	0.1	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0
CURRENT ASSETS	33.7	25.0	4.5	5.3
TOTAL ASSETS	81.8	103.1	83.6	122.6
SHAREHOLDERS EQUITY	80.9	102.0	79.8	119.7
MINORITY INTEREST	0.0	0.0	0.0	0.0
Long-term debt	0.0	0.0	0.9	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0
Other provisions	0.8	0.9	0.7	1.1
Non-current liabilities	0.8	0.9	1.6	1.1
short-term liabilities to banks	0.0	0.0	2.2	1.7
Accounts payable	0.0	0.1	0.1	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.1	0.1	0.1	0.1
Deferred taxes	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0
Current liabilities	0.1	0.1	2.3	1.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	81.8	103.1	83.6	122.6

Balance sheet (common size)	2014	2015	2016	2017
Intangible assets	0.0 %	0.0 %	0.0 %	0.0 %
Property, plant and equipment	0.0 %	0.0 %	0.0 %	0.0 %
Financial assets	58.8 %	75.7 %	94.6 %	95.7 %
FIXED ASSETS	58.8 %	75.7 %	94.6 %	95.7 %
Inventories	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	0.0 %	0.0 %	0.0 %	0.0 %
Other current assets	12.1 %	15.1 %	5.0 %	4.0 %
Liquid assets	29.1 %	9.2 %	0.3 %	0.3 %
Deferred taxes	0.0 %	0.0 %	0.1 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	41.2 %	24.3 %	5.4 %	4.3 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	98.8 %	99.0 %	95.4 %	97.6 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.0 %	0.0 %	1.1 %	0.0 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	1.0 %	0.9 %	0.8 %	0.9 %
Non-current liabilities	1.0 %	0.9 %	1.9 %	0.9 %
short-term liabilities to banks	0.0 %	0.0 %	2.6 %	1.3 %
Accounts payable	0.0 %	0.1 %	0.1 %	0.0 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	0.1 %	0.1 %	0.1 %	0.1 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	0.1 %	0.1 %	2.8 %	1.4 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Heliad Equity Partners GmbH & Co. KGaA

Cash flow statement (EUR m)	2014	2015	2016	2017
Net profit/loss	18.0	22.6	-22.0	39.1
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0
Amortisation of intangible assets	-18.2	-27.3	17.2	-37.8
Others	-10.8	-0.6	1.6	-4.0
Cash flow from operations before changes in w/c	-11.0	-5.2	-3.2	-2.7
Increase/decrease in inventory	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0
Increase/decrease in accounts payable	0.0	0.0	0.0	0.0
Increase/decrease in other working capital positions	9.7	-0.4	-0.4	-0.6
Increase/decrease in working capital	9.7	-0.4	-0.4	-0.6
Cash flow from operating activities	-1.3	-5.6	-3.5	-3.3
CAPEX	0.0	0.0	0.0	0.0
Payments for acquisitions	10.1	28.8	14.2	16.4
Financial investments	0.0	0.0	0.0	0.0
Income from asset disposals	28.2	21.5	8.0	19.9
Cash flow from investing activities	18.1	-7.3	-6.1	3.5
Cash flow before financing	16.7	-12.9	-9.7	0.2
Increase/decrease in debt position	0.0	0.0	2.2	-0.5
Purchase of own shares	0.0	0.0	0.0	0.0
Capital measures	-1.6	0.0	0.0	2.0
Dividends paid	0.0	1.4	1.9	1.4
Others	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0
Cash flow from financing activities	-1.6	-1.4	0.3	0.0
Increase/decrease in liquid assets	15.2	-14.3	-9.4	0.2
Liquid assets at end of period	23.8	9.5	0.1	0.4

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2014	2015	2016	2017
Domestic	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a
Rest of Europe	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a
TTL	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Heliad Equity Partners GmbH & Co. KGaA

Key ratios (EUR m)	2014	2015	2016	2017
P&L growth analysis				
Sales growth	n/a	n/a	n/a	n/a
EBITDA growth	-125.9 %	430.9 %	6.0 %	-122.7 %
EBIT growth	69.8 %	26.4 %	-206.3 %	-269.6 %
EPS growth	64.7 %	26.6 %	-197.3 %	-274.1 %
Efficiency				
Total operating costs / sales	n/a	n/a	n/a	n/a
Sales per employee	n/a	n/a	n/a	n/a
EBITDA per employee	n/a	n/a	n/a	n/a
Balance sheet analysis				
Avg. working capital / sales	neg.	neg.	neg.	neg.
Inventory turnover (sales/inventory)	n/a	n/a	n/a	n/a
Trade debtors in days of sales	n/a	n/a	n/a	n/a
A/P turnover [(A/P*365)/sales]	n/a	n/a	n/a	n/a
Cash conversion cycle (days)	n/a	n/a	n/a	n/a
Cash flow analysis				
Free cash flow	-1.3	-5.6	-3.5	-3.3
Free cash flow/sales	n/a	n/a	n/a	n/a
FCF / net profit	neg.	neg.	neg.	neg.
Capex / depn	0.0 %	0.0 %	0.1 %	0.0 %
Capex / maintenance capex	neg.	neg.	0.0 %	neg.
Capex / sales	n/a	n/a	n/a	n/a
Security				
Net debt	-23.8	-9.5	2.8	1.3
Net Debt/EBITDA	0.0	0.0	-0.5	1.0
Net debt / equity	neg.	neg.	0.0	0.0
Interest cover	999.0	999.0	0.0	663.1
Dividend payout ratio	0.0 %	6.3 %	100.0 %	3.7 %
Asset utilisation				
Capital employed turnover	0.0	0.0	0.0	0.0
Operating assets turnover	0.0	0.0	0.0	0.0
Plant turnover	n/a	n/a	n/a	n/a
Inventory turnover (sales/inventory)	n/a	n/a	n/a	n/a
Returns				
ROCE	22.3 %	23.5 %	-24.7 %	38.0 %
ROE	22.3 %	22.1 %	-27.5 %	32.7 %
Other				
Interest paid / avg. debt	n/a	n/a	0.6 %	2.5 %
No. employees (average)	0	0	0	0
Number of shares	9.6	9.5	9.5	9.7
DPS	0.0	0.2	0.2	0.2
EPS reported	1.87	2.37	-2.31	4.02
Valuation ratios				
P/BV	0.9	0.7	0.9	0.6
EV/sales	n/a	n/a	n/a	n/a
EV/EBITDA	-48.9	-11.6	-13.1	57.7
EV/EBITA	-48.9	-11.6	-13.1	57.7
EV/EBIT	3.0	3.0	-3.3	2.0
EV/FCF	-38.6	-11.5	-21.7	-23.3
Adjusted FCF yield	565.4 %	-142.4 %	542.1 %	-92.4 %
Dividend yield	0.0 %	1.9 %	2.6 %	1.9 %

Source: Company data, Hauck & Aufhäuser

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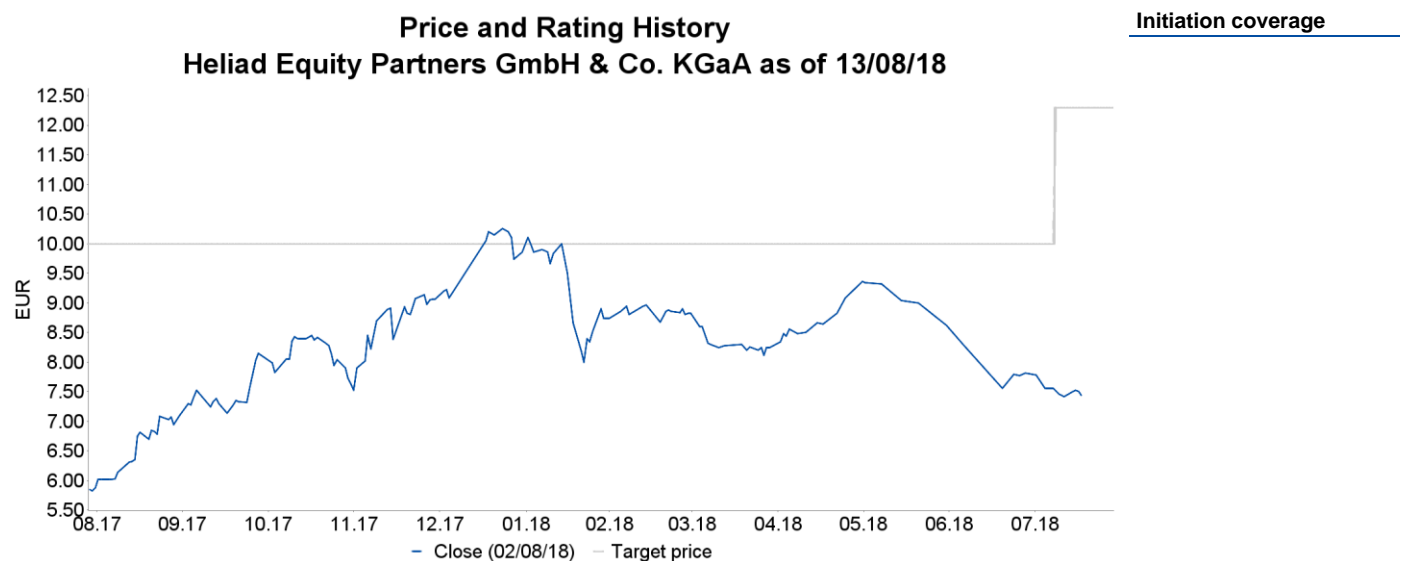
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Company	Disclosure
Heliad Equity Partners GmbH & Co. KGaA	2, 6

Historical target price and rating changes for Heliad Equity Partners GmbH & Co. KGaA in the last 12 months



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