

## Company Flash Note

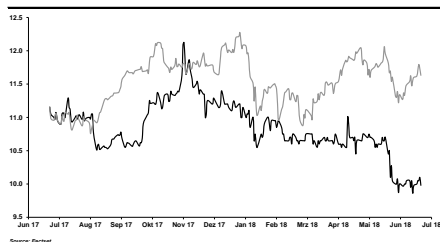
## Reason: Company newsflow

23 July 2018

<b>Accumulate</b>			
<i>Recommendation unchanged</i>			
<b>Share price: EUR</b>	<b>9.98</b>		
<i>closing price as of 20/07/2018</i>			
<b>Target price: EUR</b>	<b>11.50</b>		
<i>Target Price unchanged</i>			
<b>Upside/Downside Potential</b>	<b>15.2%</b>		
<i>Reuters/Bloomberg</i> SYZG.DE/SYZGY			
<b>Market capitalisation (EURm)</b>	<b>135</b>		
Current N° of shares (m)	14		
<b>Free float</b>	<b>49%</b>		
Daily avg. no. trad. sh. 12 mth	4		
Daily avg. trad. vol. 12 mth (m)	156.28		
Price high/low 12 months	9.86 / 12.13		
Abs Perfs 1/3/12 mths (%)	-1.19/-6.29/-10.53		
<b>Key financials (EUR)</b>	<b>12/17</b>	<b>12/18e</b>	<b>12/19e</b>
Sales (m)	61	68	76
EBITDA (m)	6	8	10
EBITDA margin	10.2%	11.9%	12.6%
EBIT (m)	4	6	7
EBIT margin	6.8%	9.0%	9.7%
Net Profit (adj.)(m)	5	5	5
ROCE	4.0%	5.8%	6.7%
Net debt/(cash) (m)	15	17	19
Net Debt Equity	0.3	0.3	0.3
Net Debt/EBITDA	2.4	2.1	2.0
Int. cover(EBITDA/Fin.int)	(10.0)	(14.2)	(16.7)
EV/Sales	2.7	2.2	2.0
EV/EBITDA	27.0	18.7	16.1
EV/EBITDA (adj.)	30.2	19.9	16.9
EV/EBIT	40.7	24.7	20.9
P/E (adj.)	29.2	28.9	25.1
P/BV	2.7	2.4	2.4
OpFCF yield	-0.3%	2.0%	2.3%
Dividend yield	3.8%	3.4%	3.9%
EPS (adj.)	0.39	0.35	0.40
BVPS	4.18	4.13	4.19
DPS	0.38	0.34	0.39

### Shareholders

WPP Plc 50%; TBF Global Asset Management GmbH 3%; Knoesel & Ronge Vermögensverwaltung GmbH & Co. KG 1.72%;



### Analyst(s)

Simon Heilmann  
simon.heilmann@equinet-ag.de  
+49 69 58 997 413

Christian Bruns, CFA  
christian.bruns@equinet-ag.de  
+49 69 58997 415

## SYZGY with positive sales, and margin improvement despite slight mismatch to our estimates

At first glance a more or less solid set of prelim figures from SYZGY, with sales slightly better (EUR 16.8m / +2.3%) and EBIT slightly weaker than what we expected EUR 1.69m /-1,2%). EBT came in weaker (EUR 1.77m /-5.2%) due to a much lower financial result (+84k vs. +116k equinet). The company's Net income before minorities (EUR 1.40m / -3.8%) benefitted from lower taxes, but was nevertheless below our estimate. EPS came in better than our assumption (+11%) with EUR 0.10 due to lower minorities. After a transition year 2017, the company seems to be on good path of margin recovery with ~300BP yoy, hence we stick to our Accumulate rating and our TP of EUR 11.50.

### SYZGY AG - Review Q2 2018

EUR m	Q2 2018	Q2 2017	% YoY	equinet	Delta vs actual
<b>Revenues</b>	<b>16.799</b>	<b>15.485</b>	<b>8.5%</b>	<b>16.420</b>	<b>2.3%</b>
<b>EBIT</b>	<b>1.69</b>	<b>1.10</b>	<b>53.4%</b>	<b>1.71</b>	<b>-1.2%</b>
EBIT Margin	10.1%	7.1%	294 BP	10.4%	-35 BP
<b>EBT</b>	<b>1.77</b>	<b>1.51</b>	<b>17.7%</b>	<b>1.87</b>	<b>-5.2%</b>
EBT Margin	10.6%	9.7%	83 BP	11.4%	-83 BP
<b>Net income*</b>	<b>1.40</b>	<b>1.10</b>	<b>28.0%</b>	<b>1.46</b>	<b>-3.8%</b>
<b>EPS</b>	<b>0.10</b>	<b>0.11</b>	<b>-9.1%</b>	<b>0.09</b>	<b>11.1%</b>

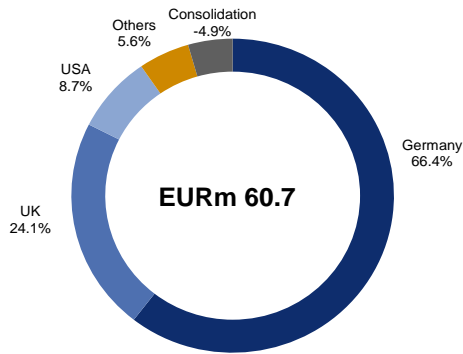
\*before minorities

Source: SYZGY AG, Factset, equinet Research

✓ According to the company, in particular the German business entities performed quite well (main focus for SYZ going forward). We assume that the "out of one hand strategy" combined with the acquired company different as digital consulting company could have supported the current results positively (next to higher margins than SYZ's core business). We believe that the company succeeded in offsetting possible weaker results of other subsidiaries (UK/US) and expect the positive trend in margins to continue. In terms of FY18 guidance SYZ expects a double-digit sales growth (equinet 12.7% yoy) with an EBIT margin in the upper single-digit range (equinet 9%). We stick to our Accumulate rating and our TP of EUR 11.50.

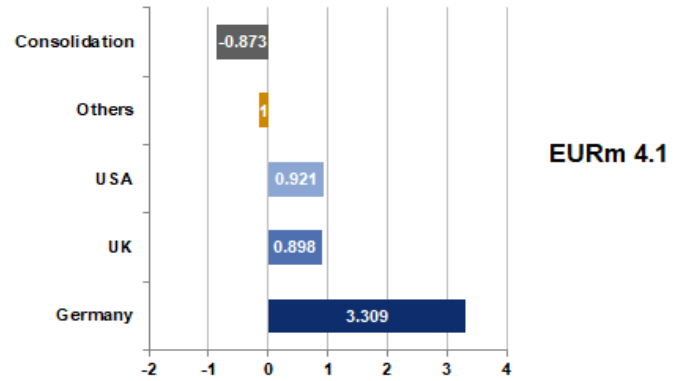
## Investment case in six charts

Exhibit 1: Sales split 2017



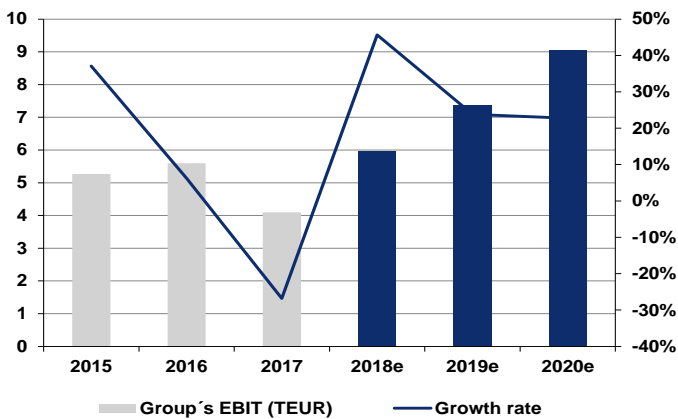
Source: SYZYGY, equinet Research

Exhibit 2: EBIT split 2017



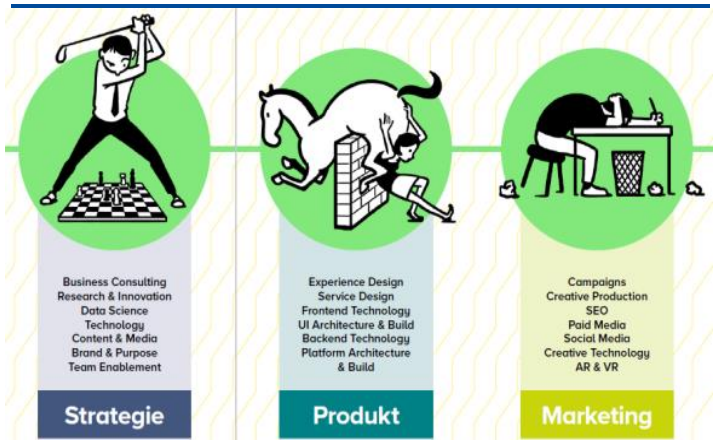
Source: SYZYGY, equinet Research

Exhibit 3: EBIT development and growth rates



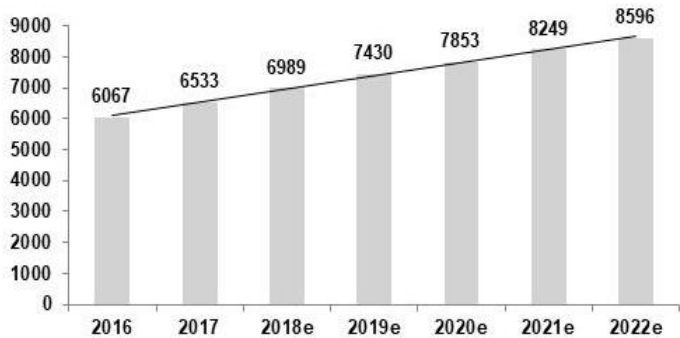
Source: SYZYGY, equinet Research

Exhibit 4: Changed business, new pillars, new focus



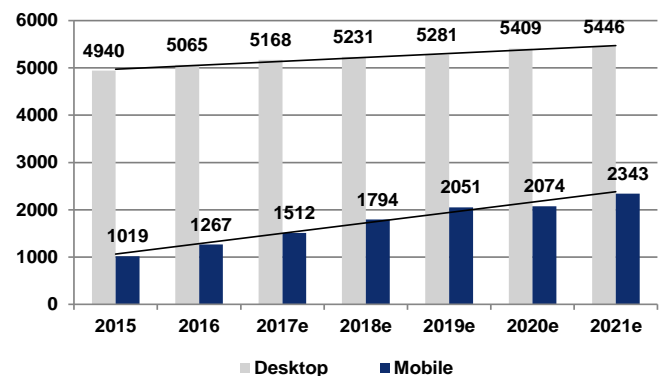
Source: SYZYGY, equinet Research

Exhibit 5: Market revenue forecast in TEUR for digital advertising Germany looks positive for SYZ



Source: Statista, equinet Research

Exhibit 6: Two growing markets - Sales split Germany Desktop vs. Mobile in digital advertising in TEUR



Source: SYZYGY, equinet Research

**SYZYGY AG : Summary tables**

<b>PROFIT &amp; LOSS (EURm)</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
<b>Sales</b>	<b>47.1</b>	<b>57.3</b>	<b>64.3</b>	<b>60.7</b>	<b>68.4</b>	<b>76.0</b>
Cost of Sales & Operating Costs	-42.4	-51.0	-57.2	-55.2	-60.7	-66.9
Non Recurrent Expenses/Income	0.4	0.1	0.3	0.7	0.5	0.4
<b>EBITDA</b>	<b>5.1</b>	<b>6.4</b>	<b>7.4</b>	<b>6.2</b>	<b>8.2</b>	<b>9.6</b>
<b>EBITDA (adj.)*</b>	<b>4.7</b>	<b>6.3</b>	<b>7.1</b>	<b>5.5</b>	<b>7.7</b>	<b>9.2</b>
Depreciation	-0.8	-1.1	-1.5	-1.4	-1.5	-1.8
<b>EBITA</b>	<b>4.2</b>	<b>5.4</b>	<b>5.9</b>	<b>4.8</b>	<b>6.7</b>	<b>7.8</b>
<b>EBITA (adj)*</b>	<b>3.8</b>	<b>5.3</b>	<b>5.6</b>	<b>4.1</b>	<b>6.2</b>	<b>7.4</b>
Amortisations and Write Downs	-0.4	-0.1	-0.3	-0.7	-0.5	-0.4
<i>of which PPA amortisation</i>	<i>-0.4</i>	<i>-0.1</i>	<i>-0.3</i>	<i>-0.7</i>	<i>-0.5</i>	<i>-0.4</i>
<b>EBIT</b>	<b>3.8</b>	<b>5.3</b>	<b>5.6</b>	<b>4.1</b>	<b>6.2</b>	<b>7.4</b>
<b>EBIT (adj.)*</b>	<b>3.8</b>	<b>5.3</b>	<b>5.6</b>	<b>4.1</b>	<b>6.2</b>	<b>7.4</b>
Net Financial Interest	1.1	1.1	0.8	0.6	0.6	0.6
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	1.0	0.8	0.5	0.8	0.4	0.2
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings Before Tax (EBT)</b>	<b>6.0</b>	<b>7.2</b>	<b>6.9</b>	<b>5.5</b>	<b>7.2</b>	<b>8.1</b>
Tax	-1.3	-2.4	-1.8	-1.3	-1.8	-2.1
<i>Tax rate</i>	<i>21.0%</i>	<i>32.8%</i>	<i>26.5%</i>	<i>23.5%</i>	<i>24.5%</i>	<i>25.2%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.3	0.2	0.1	-0.8	-0.8	-0.7
<b>Net Profit (reported)</b>	<b>5.1</b>	<b>5.1</b>	<b>5.2</b>	<b>3.5</b>	<b>4.7</b>	<b>5.4</b>
<b>Net Profit (adj.)</b>	<b>4.4</b>	<b>4.6</b>	<b>5.0</b>	<b>5.0</b>	<b>4.7</b>	<b>5.4</b>
<b>CASH FLOW (EURm)</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Cash Flow from Operations before change in NWC	10.3	5.3	7.0	4.5	7.4	7.1
Change in Net Working Capital	4.1	-7.7	-1.1	0.3	-0.4	-0.5
<b>Cash Flow from Operations</b>	<b>14.4</b>	<b>-2.4</b>	<b>5.9</b>	<b>4.8</b>	<b>7.0</b>	<b>6.6</b>
Capex	-1.4	-1.1	-1.2	-5.3	-4.3	-3.5
Net Financial Investments	-3.9	-1.7	3.3	1.4	0.0	0.0
<b>Free Cash Flow</b>	<b>9.1</b>	<b>-5.2</b>	<b>8.1</b>	<b>0.9</b>	<b>2.7</b>	<b>3.1</b>
Dividends	-3.2	-3.6	-4.4	-4.7	-4.8	-4.3
Other (incl. Capital Increase & share buy backs)	-0.2	0.0	0.0	0.0	0.0	0.0
<b>Change in Net Debt</b>	<b>5.7</b>	<b>-8.8</b>	<b>3.6</b>	<b>-3.8</b>	<b>-2.1</b>	<b>-1.2</b>
NOPLAT	2.7	3.7	3.9	2.9	4.3	5.2
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Net Tangible Assets	2.8	2.8	2.5	6.5	8.7	10.0
Net Intangible Assets (incl. Goodwill)	25.9	25.6	34.6	59.5	59.6	59.6
Net Financial Assets & Other	0.0	0.0	0.0	0.2	0.2	0.1
<b>Total Fixed Assets</b>	<b>28.7</b>	<b>28.4</b>	<b>37.0</b>	<b>66.2</b>	<b>68.5</b>	<b>69.7</b>
Inventories	0.0	0.0	0.0	0.0	0.0	-1.3
Trade receivables	16.0	18.6	18.5	20.3	21.6	23.3
Other current assets	25.7	26.6	18.7	11.1	11.1	12.3
Cash (-)	-13.0	-3.8	-6.6	-7.0	-4.5	-3.0
<b>Total Current Assets</b>	<b>54.8</b>	<b>49.1</b>	<b>43.8</b>	<b>38.4</b>	<b>37.1</b>	<b>37.3</b>
<b>Total Assets</b>	<b>83.5</b>	<b>77.5</b>	<b>80.9</b>	<b>105</b>	<b>106</b>	<b>107</b>
Shareholders Equity	50.9	50.9	49.5	56.4	55.8	56.5
Minority	0.1	0.3	0.3	-0.4	0.3	1.0
Total Equity	51.0	51.2	49.8	55.9	56.1	57.6
Long term interest bearing debt	-8.6	-10.7	-7.1	6.9	5.9	4.9
Provisions	8.2	7.1	8.7	9.2	9.2	9.2
Other long term liabilities	0.1	0.1	0.2	0.4	0.4	0.4
<b>Total Long Term Liabilities</b>	<b>-0.3</b>	<b>-3.4</b>	<b>1.8</b>	<b>16.5</b>	<b>15.5</b>	<b>14.5</b>
Short term interest bearing debt	12.0	13.0	14.0	15.0	16.0	17.0
Trade payables	11.5	7.8	7.4	7.8	8.2	7.8
Other current liabilities	2.4	3.5	3.2	3.0	3.0	3.0
<b>Total Current Liabilities</b>	<b>25.8</b>	<b>24.3</b>	<b>24.7</b>	<b>25.8</b>	<b>27.3</b>	<b>27.8</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>76.5</b>	<b>72.1</b>	<b>76.2</b>	<b>98.2</b>	<b>98.9</b>	<b>99.9</b>
<b>Net Capital Employed</b>	<b>56.6</b>	<b>62.4</b>	<b>63.6</b>	<b>86.8</b>	<b>89.9</b>	<b>93.2</b>
<b>Net Working Capital</b>	<b>-2.3</b>	<b>5.4</b>	<b>6.5</b>	<b>6.1</b>	<b>6.5</b>	<b>7.1</b>
<b>GROWTH &amp; MARGINS</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
<i>Sales growth</i>	<i>34.4%</i>	<i>21.7%</i>	<i>12.1%</i>	<i>-5.6%</i>	<i>12.7%</i>	<i>11.2%</i>
<b>EBITDA (adj.)* growth</b>	<b>71.4%</b>	<b>35.2%</b>	<b>11.8%</b>	<b>-22.0%</b>	<b>38.9%</b>	<b>19.7%</b>
<i>EBITA (adj.)* growth</i>	<i>90.0%</i>	<i>37.1%</i>	<i>6.2%</i>	<i>-26.8%</i>	<i>50.5%</i>	<i>19.8%</i>
<i>EBIT (adj.)* growth</i>	<i>90.0%</i>	<i>37.1%</i>	<i>6.2%</i>	<i>-26.8%</i>	<i>50.5%</i>	<i>19.8%</i>

**SYZYGY AG : Summary tables**

<b>GROWTH &amp; MARGINS</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Net Profit growth	35.4%	5.5%	7.4%	0.2%	-6.6%	15.0%
EPS adj. growth	35.4%	5.5%	7.4%	-1.5%	-10.6%	15.0%
DPS adj. growth	12.0%	25.0%	5.7%	2.7%	-11.8%	15.5%
EBITDA (adj)* margin	9.9%	11.0%	11.0%	9.1%	11.2%	12.1%
EBITA (adj)* margin	8.2%	9.2%	8.7%	6.8%	9.0%	9.7%
EBIT (adj)* margin	8.2%	9.2%	8.7%	6.8%	9.0%	9.7%
<b>RATIOS</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Net Debt/Equity	-0.2	0.0	0.0	0.3	0.3	0.3
Net Debt/EBITDA	-1.9	-0.2	0.0	2.4	2.1	2.0
Interest cover (EBITDA/Fin.interest)	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
Capex/D&A	112.9%	96.2%	65.6%	252.7%	214.7%	159.1%
Capex/Sales	2.9%	1.9%	1.8%	8.7%	6.3%	4.6%
NWC/Sales	-5.0%	9.4%	10.0%	10.1%	9.6%	9.3%
ROE (average)	8.8%	9.1%	9.9%	9.4%	8.3%	9.5%
ROCE (adj.)	10.2%	10.9%	9.0%	4.0%	5.8%	6.7%
WACC	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
ROCE (adj.)/WACC	1.3	1.4	1.1	0.5	0.7	0.9
<b>PER SHARE DATA (EUR)***</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Average diluted number of shares	12.7	12.7	12.7	13.5	13.5	13.5
EPS (reported)	0.35	0.37	0.39	0.39	0.35	0.40
EPS (adj.)	0.35	0.37	0.39	0.39	0.35	0.40
BVPS	4.01	4.01	3.90	4.18	4.13	4.19
DPS	0.28	0.35	0.37	0.38	0.34	0.39
<b>VALUATION</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
EV/Sales	1.5	1.9	2.3	2.7	2.2	2.0
EV/EBITDA	14.1	17.3	20.1	27.0	18.7	16.1
<b>EV/EBITDA (adj.)*</b>	<b>15.2</b>	<b>17.5</b>	<b>20.9</b>	<b>30.2</b>	<b>19.9</b>	<b>16.9</b>
EV/EBITA	16.8	20.7	25.1	35.0	22.8	19.8
<b>EV/EBITA (adj.)*</b>	<b>18.5</b>	<b>21.0</b>	<b>26.4</b>	<b>40.7</b>	<b>24.7</b>	<b>20.9</b>
EV/EBIT	18.5	21.0	26.4	40.7	24.7	20.9
<b>EV/EBIT (adj.)*</b>	<b>18.5</b>	<b>21.0</b>	<b>26.4</b>	<b>40.7</b>	<b>24.7</b>	<b>20.9</b>
<b>P/E (adj.)</b>	<b>18.3</b>	<b>24.1</b>	<b>29.6</b>	<b>29.2</b>	<b>28.9</b>	<b>25.1</b>
P/BV	1.6	2.2	3.0	2.7	2.4	2.4
Total Yield Ratio	4.6%	4.0%	3.2%	3.6%	3.2%	3.6%
EV/CE	2.7	3.3	3.4	2.3	2.0	2.0
OpFCF yield	16.1%	-3.1%	3.2%	-0.3%	2.0%	2.3%
OpFCF/EV	18.3%	-3.2%	3.2%	-0.3%	1.8%	2.0%
Payout ratio	80.8%	95.8%	94.3%	98.4%	97.1%	97.5%
Dividend yield (gross)	4.4%	4.0%	3.2%	3.8%	3.4%	3.9%
<b>EV AND MKT CAP (EURm)</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Price** (EUR)	6.36	8.82	11.61	11.27	9.98	9.98
Outstanding number of shares for main stock	12.7	12.7	12.7	13.5	13.5	13.5
<b>Total Market Cap</b>	<b>81</b>	<b>112</b>	<b>147</b>	<b>152</b>	<b>135</b>	<b>135</b>
<b>Net Debt</b>	<b>-10</b>	<b>-1</b>	<b>0</b>	<b>15</b>	<b>17</b>	<b>19</b>
<i>o/w Cash &amp; Marketable Securities (-)</i>	<i>-13</i>	<i>-4</i>	<i>-7</i>	<i>-7</i>	<i>-5</i>	<i>-3</i>
<i>o/w Gross Debt (+)</i>	<i>3</i>	<i>2</i>	<i>7</i>	<i>22</i>	<i>22</i>	<i>22</i>
<b>Other EV components</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Enterprise Value (EV adj.)</b>	<b>71</b>	<b>111</b>	<b>148</b>	<b>167</b>	<b>152</b>	<b>155</b>

Source: Company, equinet Bank estimates.

**Notes**

\* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

\*\*Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Media/Broadcasting & Entertainment

Company Description: SYZYGY AG is an international digital full service agency with focus on strategy consulting, marketing and web product solutions headquartered in Bad Homburg, Germany. The company has also offices in Frankfurt, Berlin, Munich, New York and Warsaw. The company employs around 600 permanent employees.

## Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
1&1DRILLISCHAG	Sen	66.00	Buy		Manz AG	Rüzgar	37.00	Neutral	2/3
2GEnergy	Rüzgar	23.50	Accumulate	2/3/5	MAXAutomation SE	Becker	6.70	Buy	2/3
Aareal Bank	Häßler	42.00	Neutral		Merck	Berzhanin	112.00	Buy	
adidas	Josefson	228.00	Accumulate		Merkur Bank	Häßler	10.00	Buy	2/7
Adler Modemaerkte	Josefson	6.35	Buy	7	Metro AG	Bruns	17.00	Buy	2
ADLER Real Estate	Mayer	18.00	Buy		MLP	Häßler	7.50	Buy	2/3
Aixtron	Sen	14.00	Buy	2/3	MTU Aero Engines	Rüzgar	148.00	Reduce	2
Allianz	Häßler	200.00	Neutral		Munich Re	Häßler	210.00	Accumulate	
Axel Springer	Josefson	67.00	Accumulate		Nemetschek SE	Mildner	47.00	Reduce	5
Bayer	Berzhanin	118.00	Buy		Norma Group	Schuldt	62.00	Neutral	
Baywa	Bruns	33.00	Buy	2/7	OHB SE	Rüzgar	40.00	Neutral	7
BB Biotech	Berzhanin	73.00	Buy	7	OVB Holding AG	Häßler	20.00	Neutral	2/5/7
Biotest	Berzhanin	25.00	Neutral	2/3	Patrizia	Mayer	18.00	Neutral	
BMW	Schuldt	95.00	Buy		Pfeiffer Vacuum	Sen	162.00	Buy	5
Brenntag	Hinkel	59.80	Buy	2	Procredit Holding	Häßler	15.00	Buy	2/3/5
Ceconomy AG	Bruns	8.00	Neutral		PSISOFTWAREAG	Mildner	20.00	Buy	2/3
comdirect	Häßler	11.20	Neutral		Puma	Josefson	565.00	Buy	
Commerzbank	Häßler	13.00	Neutral		PWO	Schuldt	52.00	Buy	2/3
Continental	Schuldt	270.00	Buy		Rheinmetall	Rüzgar	118.00	Neutral	
CORESTATE Capital Holding S.A.	Mayer	72.00	Buy	2/5	RIB Software	Mildner	25.00	Buy	2/3
CTS Eventim	Heilmann	37.50	Reduce		RTL Group	Josefson	72.00	Accumulate	
Daimler AG	Schuldt	71.00	Buy		S&TAG	Sen	27.00	Buy	2/3
Daldrup & Soehne	Becker	13.50	Buy	2/3/5	SAF-Holland	Schuldt	17.00	Neutral	
Demire	Mayer	4.55	Buy	2/5	Schaeffler	Tanzer	14.30	Buy	
Deutsche Bank	Häßler	14.00	Buy		Schaltbau Holding AG	Becker	32.70	Buy	2/7
Deutsche EuroShop	Mayer	30.00	Neutral		SCOUT24	Heilmann	45.00	Neutral	2
Deutsche Pfandbriefbank	Häßler	14.50	Accumulate		Siegfried Holding AG	Berzhanin	338.00	Neutral	7
Deutsche Telekom	Sen	13.30	Neutral		Siemens Healthineers AG	Rüzgar	39.00	Neutral	2
Duerr	Augustin	114.00	Buy		SLM Solutions	Sen	24.00	Sell	
DWS	Häßler	34.00	Buy		SMT Scharf AG	Rüzgar	17.50	Neutral	2/3
EringKlinger	Schuldt	7.00	Sell		Software AG	Mildner	30.00	Sell	
elumeo SE	Josefson	10.90	Accumulate		Stabilus	Tanzer	91.00	Buy	
Epigenomics AG	Berzhanin	3.70	Buy	2/3	Suedzucker	Bruns	11.70	Reduce	
Euromicron AG	Becker	11.40	Buy	2/3/5	SuessMicroTec	Sen	13.80	Accumulate	2/3
Evonik	Hinkel	39.00	Buy		Surteco	Mildner	30.50	Buy	2/3
Eyemaxx Real Estate	Mayer	18.00	Buy	2/5/7	Symrise AG	Hinkel	67.00	Neutral	
Ferratum	Häßler	23.00	Buy		Syzygy AG	Heilmann	11.50	Accumulate	2/3
Fielmann	Heilmann	55.00	Reduce		TAKKTAG	Bruns	18.50	Neutral	2
First Sensor AG	Becker	27.00	Accumulate	7	Talanx Group	Häßler	39.00	Buy	
Freenet	Sen	36.00	Buy	2	Technotrans	Becker	45.70	Neutral	2/3
FuchsPetrolub	Hinkel	48.00	Neutral		TELECOLUMBUS	Sen	9.70	Buy	
Gea Group	Augustin	33.00	Neutral		Telefonica Deutschland	Sen	3.40	Sell	
Gerrheimer AG	Rüzgar	69.00	Neutral		United Internet	Sen	63.00	Buy	
Gerry Weber	Josefson	5.75	Reduce		Vapiano	Bruns	26.50	Buy	2/7
Gesco	Becker	34.80	Buy	2/3	va-Q-tec	Sen	17.00	Neutral	2/3
GFT Technologies	Mildner	15.50	Buy	2/3	Viscom	Rüzgar	28.00	Buy	2/3
Gigaset	Sen	0.85	Accumulate	2/3	Volkswagen	Schuldt	162.00	Neutral	
Grenke	Häßler	90.00	Neutral		Wacker Neuson SE	Becker	27.20	Neutral	
Hannover Re	Häßler	110.00	Neutral		windeln.de	Josefson	3.10	Buy	2
Heidelberg Pharma	Berzhanin	3.50	Accumulate	2/3	XINGSE	Heilmann	305.00	Buy	
Heidelberger Druck	Augustin	3.60	Buy		Zalando	Josefson	44.50	Neutral	
HELLA GmbH & Co. KGaA	Tanzer	55.00	Accumulate						
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	81.00	Buy						
Hypoport AG	Häßler	176.00	Accumulate	2/7					
INDUS Holding AG	Becker	64.50	Neutral						
Intershop Communications AG	Mildner	1.85	Accumulate	2/7					
K+S AG	Hinkel	24.40	Neutral						
Koenig & Bauer	Augustin	72.00	Neutral						
Krones AG	Augustin	123.00	Accumulate						
KWS SAAT	Hinkel	348.00	Buy						
Lanxess	Hinkel	83.00	Buy						
Leoni	Schuldt	57.00	Neutral						
Linde	Hinkel	176.00	Neutral						
Logwin	Mildner	148.00	Neutral	2/3					

\* =Coverage suspended

Source: equinet Recommendations

## Notice according to § 34 b (German) Securities Trading Act ("Wertpapierhandelsgesetz")

This document is issued by Equinet Bank AG ("Equinet Bank"). It has been prepared by its authors independently of the Company, and none of Equinet Bank, the Company or its shareholders has independently verified any of the information given in this document.

Equinet Bank possesses relations to the covered companies as detailed in the table on the previous page. Additional information and disclosures will be made available upon request and/or can be looked up on our website <http://www.Equinet-Bank-ag.de>

1 - Equinet Bank and/or its affiliate(s) hold(s) more than 5% of the share capital of this company calculated under computational methods required by German law.

2 - Equinet Bank acts as a designated sponsor for this company, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Equinet Bank receives a commission from the company for the provision of the designated sponsor services.

3 – The designated sponsor services include a contractually agreed provision of research services.

4 – Within the last twelve months, Equinet Bank was involved as a lead or co-lead manager in the public offering of securities which are/whose issuer is the subject of this report.

5 – Within the last twelve months, Equinet Bank and/or its affiliate(s) provided investment banking- and/or other consultancy services for this company and/or its shareholders.

6 - Equinet Bank and/or its affiliate(s) has/have other substantial financial interests in relation to this issuer.

7 – Equinet Bank has entered into an agreement with this company about the preparation of research reports and – in return – receives a compensation.

Companies of the Equinet Bank group and/or its directors, officers and employees or clients may take positions in, and may make purchases and/or sales as principal or agent in the securities or related financial instruments discussed in our reports. The Equinet Bank group may provide investment banking and other services to and/or serve as directors of the companies referred to in our reports.

In compliance with Para 5 Sec. 4 of the Ordinance on the Analysis of Financial Instruments (FinAnV) Equinet Bank has realized additional internal and organizational measures, such as specific research guidelines, to prevent or manage conflicts of interest.

Neither the company nor its employees are allowed to receive donations from third parties with a special interest in the content of the analysis.

The salary of the research analysts of Equinet Bank AG does not depend on the investment banking transactions of the company. Nevertheless, this does not rule out the payment of a bonus which depends on the overall financial performance of the bank.

Particular care is taken that the individual performance of each research analyst of Equinet Bank AG is not being assessed by a manager of another business division with similar or same interests.

To assure a highest degree of transparency Equinet Bank AG regularly provides - on a quarterly basis – a summary according to Para 5 Sec. 4 No. 3 of the Ordinance on the Analysis of Financial Instruments (FinAnV). It informs about the overall analysts recommendations and sets them in a relationship to those companies, for which Equinet Bank provided investment banking services within the last twelve months. This summary is published via our website <http://www.Equinet-Bank-ag.de>.

Furthermore, we refer to our conflict of interest policy as well as the German Securities Trading Act (WpHG) and the Ordinance on the Analysis of Financial Instruments (FinAnV) provided in the download area of our website <http://www.Equinet-Bank-ag.de>.

### Remarks

#### Recommendation System

Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.

Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon

Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

#### Basis of Valuation

Equinet Bank uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

#### Share prices

Share prices in this analysis are the German closing prices of the last trading day before the publication.

#### Sources

Equinet Bank has made any effort to carefully research all information contained in the analysis. The information on which the analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant press as well as the company which is the subject of the analysis. Only that part of the research note is made available to the issuer, who is the subject of the analysis, which is necessary to properly reconcile with the facts. Should this result in considerable changes a reference is made in the research note.

#### Actualizations

Opinions expressed in this analysis are our current opinions as of the issuing date indicated on this document. We do not commit ourselves in advance to whether and in which intervals updates are made.



## DISCLAIMER

THE PREPARATION OF THIS DOCUMENT IS SUBJECT TO REGULATION BY GERMAN LAW. THIS DOCUMENT IS BEING SUPPLIED TO YOU SOLELY IN YOUR CAPACITY AS A PROFESSIONAL INSTITUTIONAL INVESTOR FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE. NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO AUSTRALIA, CANADA OR JAPAN OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN AUSTRALIA, CANADA OR JAPAN OR TO ANY RESIDENT THEREOF.

THE DELIVERY OF THIS RESEARCH REPORT TO U.S. PERSONS IN THE UNITED STATES OF AMERICA IS MADE BY AND UNDER THE RESPONSIBILITY OF GSN NA, INC. (REGISTERED WITH THE SEC). THIS RESEARCH REPORT IS ONLY INTENDED FOR PERSONS WHO QUALIFY AS MAJOR U.S. INSTITUTIONAL INVESTORS, AS DEFINED IN SECURITIES EXCHANGE ACT RULE 15A-6, AND DEAL WITH GSN NA, INC. HOWEVER, THE DELIVERY OF THIS RESEARCH REPORT OR SUMMARY TO ANY U.S. PERSON SHALL NOT BE DEEMED A RECOMMENDATION OF GSN NA, INC. TO EFFECT ANY TRANSACTIONS IN THE SECURITIES DISCUSSED HEREIN OR AN ENDORSEMENT OF ANY OPINION EXPRESSED HEREIN. GSN NA, INC. MAY FURNISH UPON REQUEST ALL INVESTMENT INFORMATION AVAILABLE TO IT SUPPORTING ANY RECOMMENDATIONS MADE IN THIS RESEARCH REPORT. ALL TRADES WITH U.S. RECIPIENTS OF THIS RESEARCH SHALL BE EXECUTED THROUGH GSN NA, INC.

THIS DOCUMENT IS FOR DISTRIBUTION IN THE U.K. ONLY TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (ii) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, NAMELY HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED UPON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS OR TO RESIDENTS OF OTHER JURISDICTIONS MAY ALSO BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. BY ACCEPTING THIS REPORT YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS. YOU SHALL INDEMNIFY EQUINET BANK AGAINST ANY DAMAGES, CLAIMS, LOSSES, AND DETRIMENTS RESULTING FROM OR IN CONNECTION WITH THE UNAUTHORIZED USE OF THIS DOCUMENT.

This report is for informational purposes only and has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. This publication is intended to provide information to assist institutional investors in making their own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed and recommendations made herein may not be suitable for all investors: readers must exercise their own independent judgment as to the suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status and financial position.

The information herein is believed by Equinet Bank to be reliable and has been obtained from sources believed to be reliable, but Equinet Bank makes no representation as to the accuracy or completeness of such information. The information given in this report is subject to change without notice; it may be incomplete or condensed and it may not contain all material information concerning the Company. Opinions expressed herein may differ or be contrary to opinions expressed by other business areas of the Equinet Bank group as a result of using different assumptions and criteria. Equinet Bank is under no obligation to update or keep the information current. Equinet Bank provides data concerning the future development of securities in the context of its usual research activity. However, if a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results. Neither the author nor Equinet Bank accepts any liability whatsoever for any loss howsoever arising from any use of this publication or its contents or otherwise arising in connection herewith, except as provided for under applicable regulations.

Equinet Bank shall only be liable for any damages intentionally caused or which result from any gross negligence of Equinet Bank. Further Equinet Bank shall be liable for the breach of a material obligation of Equinet Bank, however, limited to the amount of the typical foreseeable which shall in no event exceed the amount of EUR 10,000. German law shall be applicable and court of jurisdiction for all disputes shall be Frankfurt/Main (Germany).

**Competent Supervisory Authority:**  
Bundesanstalt für Finanzdienstleistungsaufsicht  
-BaFin- (Federal Financial Supervisory Authority)  
Graurheindorfer Straße 108, 53117 Bonn and  
Marie-Curie-Str. 24-28, 60439 Frankfurt am Main

Recommendation history for SYZYGY AG

Date	Recommendation	Target price	Price at change date
30. Apr 18	Accumulate	11.50	10.60
24. Okt 17	Accumulate	12.00	11.04
27. Apr 17	Neutral	11.50	10.46
20. Okt 16	Neutral	13.00	12.85
22. Apr 16	Buy	13.00	9.60

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Simon Heilmann (since 30/03/2016)





## ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

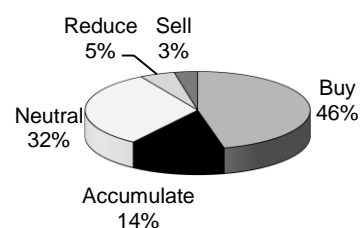
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

### Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to a change of analyst covering the stock or a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

### Equinet Bank Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

Date and time of production: 23 July 2018: 8:00 CET

First date and time of dissemination: 23 July 2018: 8:05 CET

## Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ("ESN"). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ("related investments"). These reports are prepared for the clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members or in the local disclaimer of the Members or contacting directly the Members. Research is available through the ESN Members sales representative. ESN will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. Only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc. (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document. For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members, on the "interests" and "conflicts" of the analysts and on each "company recommendation history", please visit the ESN website ([http://www.esnpartnership.eu/research\\_and\\_database\\_access/insite](http://www.esnpartnership.eu/research_and_database_access/insite)), or refer to the local disclaimer of the Members, or contact directly the Members:

[www.bancaakros.it](http://www.bancaakros.it) regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

[www.caixabi.pt](http://www.caixabi.pt) regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

[www.cmcioms.com](http://www.cmcioms.com) regulated by the AMF - Autorité des marchés financiers

[www.equinet-ag.de](http://www.equinet-ag.de) regulated by the BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht

[www.ibg.gr](http://www.ibg.gr) regulated by the HCMC - Hellenic Capital Market Commission

[www.nibc.com](http://www.nibc.com) regulated by the AFM - Autoriteit Financiële Markten

[www.op.fi](http://www.op.fi) regulated by the Financial Supervision Authority

[www.valores.gvcgaesco.es](http://www.valores.gvcgaesco.es) regulated by the CNMV - Comisión Nacional del Mercado de Valores

## Members of ESN (European Securities Network LLP)



**Banca Akros S.p.A.**  
Viale Eginardo, 29  
20149 MILANO  
Italy  
Phone: +39 02 43 444 389  
Fax: +39 02 43 444 302



**Caixa-Banco de Investimento**  
Avenida João XXI, 63  
1000-300 Lisboa  
Portugal  
Phone: +351 21 313 73 00  
Fax: +351 21 389 68 98



**CM - CIC Market Solutions**  
6, avenue de Provence  
75441 Paris  
Cedex 09  
France  
Phone: +33 1 53 48 81 93



**equinet Bank AG**  
Gräfrstraße 97  
60487 Frankfurt am Main  
Germany  
Phone: +49 69 - 58997 - 212  
Fax: +49 69 - 58997 - 299



**GVC Gaesco Beka, SV, SA**  
C/ Marques de Villamagna 3  
28001 Madrid  
Spain  
Phone: +34 91 436 7813



**Investment Bank of Greece**  
32 Aigialeias Str & Paradissou,  
151 25 Maroussi,  
Greece  
Phone: +30 210 81 73 383



**NIBC Bank N.V.**  
Gustav Mahlerlaan 348  
P.O.Box 235  
1082 ME Amsterdam  
The Netherlands  
Phone: +31 20 550 8500  
Fax: +31 20 626 8064



**OP Corporate Bank plc**  
P. O. Box 308  
Teollisuuskatu 1, 00013 Helsinki  
Finland  
Phone: +358 10 252 011  
Fax: +358 10 252 2703

