

## Investment Research

Reason: Re-Initiation of Coverage

4 April 2016

**Buy**

Recommendation unchanged

**Share price: EUR 1.88**

closing price as of 01/04/2016

**Target price: EUR 2.30**from Target Price: EUR **1.60**

Reuters/Bloomberg

APME.F/APM.GY

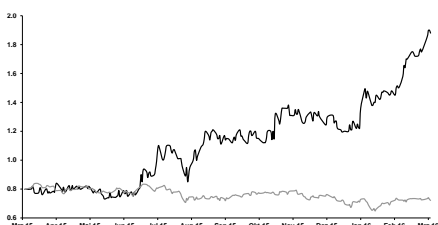
Daily avg. no. trad. sh. 12 mth	144,323
Daily avg. trad. vol. 12 mth (m)	273.73
Price high 12 mth (EUR)	1.90
Price low 12 mth (EUR)	0.73
Abs. perf. 1 mth	30.9%
Abs. perf. 3 mth	46.0%
Abs. perf. 12 mth	154.4%

**Market capitalisation (EURm)** 39

Current N° of shares (m) 21

**Free float** 50%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	56	62	67
EBITDA (m)	1	(0)	1
EBITDA margin	1.0%	nm	1.8%
EBIT (m)	0	(1)	1
EBIT margin	0.4%	nm	1.3%
Net Profit (adj.)(m)	(0)	(1)	1
ROCE	-2.4%	21.5%	-19.5%
Net debt/(cash) (m)	(23)	(21)	(22)
Net Debt Equity	-1.4	-1.4	-1.4
Net Debt/EBITDA	-42.1	118.6	-18.4
Int. cover(EBITDA/Fin.int)	(2.8)	0.9	(6.1)
EV/Sales	0.1	0.4	0.3
EV/EBITDA	13.3	nm	17.2
EV/EBITDA (adj.)	13.3	nm	17.2
EV/EBIT	29.5	nm	24.2
P/E (adj.)	nm	nm	nm
P/BV	1.7	2.8	2.7
OpFCF yield	4.9%	-1.3%	1.5%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.00)	(0.04)	0.02
BVPS	0.75	0.66	0.70
DPS	0.00	0.00	0.00



Source: Factset — AD PEPPER — Stoxx Media (Rebased)

Shareholders: EMA B.V. (M. Oschmann) 41%; Own Shares 7%; Euroserve Media (M. Oschmann) 2.00%;

For company description please see summary table footnote

**Nothing ventured, nothing gained**

Re-initiation of coverage with Buy and TP EUR 2.30

**Final results 2015:**

Final results 2015 from Thursday last week bring no further surprises following the preliminary figures. APM (ad pepper media) performed a successful turnaround in 2015 after several disappointing years.

Our assumption regarding turnaround from our fundamental report from January 2014, (Page 8) has therefore been confirmed. We still believe in a strong online ad market, which we expect to remain in an above-proportionate growth state in the years to come. APM reported a strong revenue increase of 18.5% yoy to EUR 56m, which was significantly higher than expected (our and consensus forecast). Gross profit was flat yoy (EUR 16m). Restructuring measures yielded in 1 year:

- operating cost reduction by 22%
- Headcount down by 30%
- Clear focus on the strength of APM, compared with recognizable aims for their specific business and the company's future.

EBIT came in at EUR 268k (margin +0.4% after -8.3% in FY14), which was better than our forecast of EUR 149k and consensus of EUR 145k. The net profit is for the first time after 2010, organically positive with 135k (before minority interest)

- ✓ **Solid market perspectives:** Driven by the ongoing increasing internet traffic and thus online advertising expenditures, we believe, that APM is able to participate with its broad product portfolio on this development.
- ✓ **Outlook 2016:** Consistent management action brought APM back to the success track. We believe 2016 will be another challenging year for ad pepper after their reorganization. FY16 profitability should improve through the elimination of further restructuring charges (good progress regarding OPEX discipline), but could may suffer under margin pressure. Positive tailwind from solid key financials and M&A fantasy could be triggers for 2016/2017.
- ✓ **Conclusion & Action:** All in all APM has delivered a strong performance for 2015 and is now harvesting its success. With the net cash level of EUR 1.10 per share, our DCF points at a fair value of EUR 2.30 per share. As the peer group does still not yield meaningful results, we solely on the DCF valuation and maintain our 'Buy' recommendation.

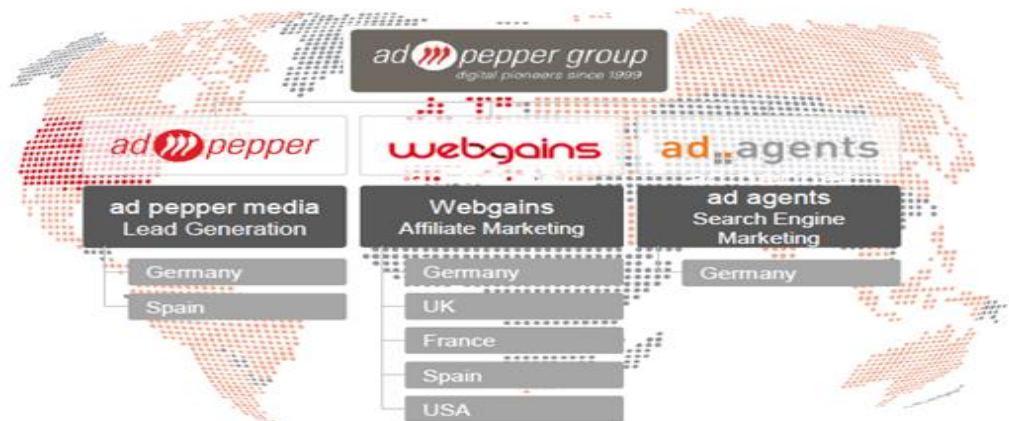
**Analyst(s): Simon Heilmann**  
**+49 69 58 997 413**  
**simon.heilmann@equinet-ag.de**

**For important disclosure information, please refer to the disclaimer page of this report**

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## Investment Case



\* Figure 1: Source: ad pepper

The ad pepper media group (APM) is one of the leading international performance marketing groups with a broad product portfolio with a particular focus on their self-developed lead generation technology and a significant affiliate marketing business. The company acts as mediator between publishers on the one side and advertisers on the other side, offering mainly performance-based pricing models. APM develops digital solutions for customers including: British Airways, Burberry, Hertz, Levi's or Sony in over 50 countries worldwide through its seven subsidiaries in five European countries and in the U.S. As seen in figure one, the group consists of three divisions, ad pepper media, Webgains and ad agents.

### ■ **Company history and their progress in restructuring:**

APM was founded in 1999 in Nuremberg - Germany and went public in the year 2000. In 2006, the group acquired the UK based affiliate network "Webgains" and the segment "ad agents" in April 2007. Spread over the year 2008, APM sold there company shares of dMarc Broadcasting (8%) and Falk eSolutions (25,1%) successfully, with a positive result from each business. In 2011 the company launched its real-time bidding platform adExplorer under the roof of ad pepper media. In Q4 2013 the ad pepper group disposed with profit its ad server subsidiary Emediate and its sematic targeting entity Crystal Semantic, as well as Globase in Q3/2015.

### ■ **Business segments by strategic focus:**

"ad pepper media" (11% of sales) is an ad network which brings advertisers and publishers together. All products below are based on a list of over 15 million managed profiles, thus enabling advertisers to find and contact their wished specific target groups.

- **"iClick"** as a performance marketing solution to direct traffic to advertisers' websites, by placing banners on relevant websites. Marketers which are using iClick, will only pay if users click on their placed advertisements and not for each time an advertisement is just displayed.
- **"iLead"** is a product for the generation of leads through a mix of online delivery channels such as e-mail marketing, banners, surveys, polls, or social media\*. Leads are filtered before they are sent to the client in order to ensure best quality. iLead uses a performance based payment model, so that clients pay per generated lead.
- **"Mailpepper"** is a full-service provider, offering a comprehensive range of email-related services combined with consultancy. The creative preparation of an advertising medium, as well as the selection of the most suitable mail channel, is the added value they provide for their customers.

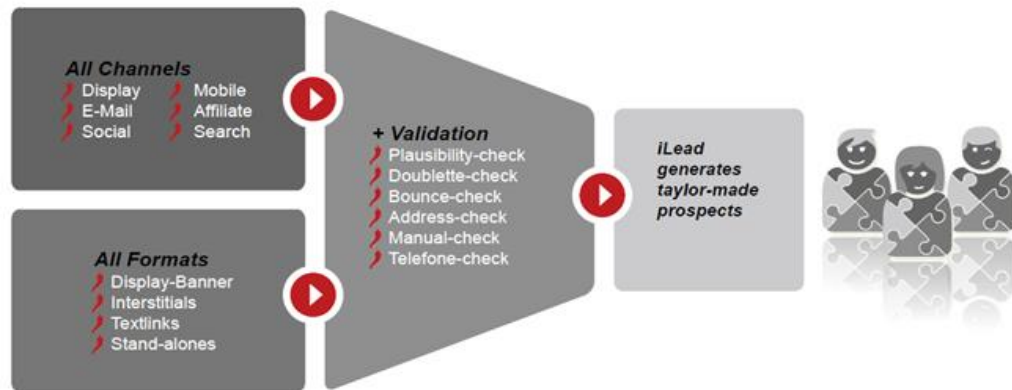


Figure 2: Source: ad pepper

“Webgains” (73% of sales) is an affiliate network with offices in the Germany, UK, France, the Netherlands, the US and Spain, which provides a platform where affiliates allow ads on their websites and receive a percentage of sales generated in this way. It is one of Europe’s leading international affiliate networks (160k affiliates) and, according to the company, one of the most efficient e-commerce platforms in the market.

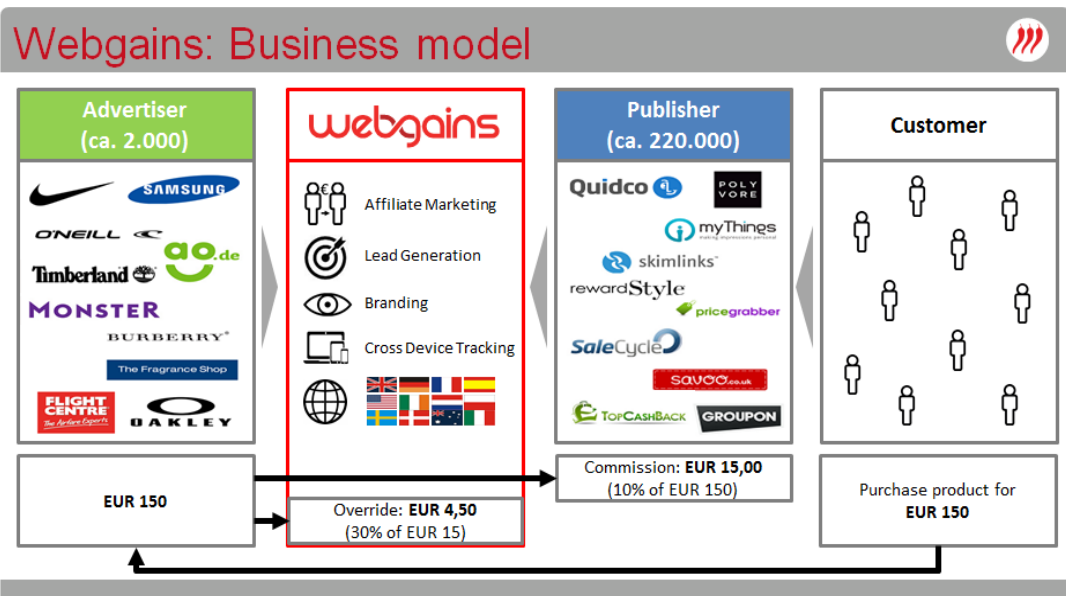


Figure 3: Source: ad pepper



Figure 4: Source: ad pepper

- Advertisers for example Nike get free advertising space and will only pay for proven results (e.g. pay per sale)
- Advertisers can promote a product to a vast audience, giving their brands more exposure and recognition
- For Publishers, affiliate marketing provides an easy way to create additional sources of income
- Webgains takes care of the execution stages, giving advertiser/publisher to no bother during the procedure
- Consumers provide important information concerning the latest trends and demands

“ad agents” (16% of sales) the division is specializes in search engine marketing (SEM), search engine optimization (SEO) and performance marketing. ad agents helps customers that run websites or internet shops to be found easily through search engines like Google. APM holds a 60% stake in ad agents.



Figure 5: Source: iglouwebdesign.com



Figure 7: Source: akseo.com

### ■ **Business model after conversion and new core focus:**

At the beginning of 2015, the APM-management had guided an operating turnaround. After a long period of negative developments and a business model without a recognizable red thread, ad pepper seems to be back on the success track. These changes are the result of a consequent cost cutting program and a clear focus on the strength of ad pepper, compared with recognizable aims for their business and the company's future.

Company's business model was realigned with a strong focus on webgains, a division that is under the Top 20 of Europe's leading international affiliate networks which, provides a platform where affiliates allow advertising on their websites: The former sales driver ad pepper media, an advertising network which brings advertisers and publishers together, has been developing increasingly negative over the last five years (55% of sales in 2010 to 11% in 2015). We don't believe in a substantial change /or growth in the industry sector and gross margins here, given low entry barriers (e.g. search engine marketing) and the competitive pressure by a large number of smaller players is high.

We could imagine, that the management at this point, could readjust the business model and will reinforce with an additional acquisition along the value chain. This could be a smart move, not only against the background that APM has still a big cash amount (22m) by zero debt, but also that on publishers site, where the higher gross profit margins were earned. The currently ongoing share buyback process (0.7m to max. 10%) could be another indication for that. Nothing has yet been announced about a future dividend yield strategy, but we remain in contact to the management on that topic.

### ■ **Shareholder structure:**

As seen in the figure of page 8, the biggest shareholder with 41% is the EMA B.V. Behind that holding company stands the entrepreneur Hans Müller and his Müller-Medien-Gruppe. The company holds for example “Das Örtliche”, “Radio Gong” and the “Gelbe Seiten”. Furthermore Müller is involved in several online-media businesses like “billiger.de and ad pepper.

■ **Financials: Revenues should increase by sustaining margin pressure**

Comparison Table							
EUR ('000)	FY 2014	FY 2015	yoy	equinet	Δ	consensus	Δ
Revenue	47,281	56,009	18.5%	52,124	7.5%	52,100	7.5%
Gross Profit	16,131	15,844	-1.8%	15,850	0.0%	15,280	3.7%
EBITDA	-3,729	539	-114.5%	429	25.6%	420	28.3%
EBITDA margin	-7.9%	1.0%	-112.2%	0.8%	16.9%	0.8%	19.4%
EBIT	-3,940	244	-106.2%	149	63.8%	145	68.3%
EBIT margin	-8.3%	0.4%	-105.2%	0.3%	52.4%	0.3%	56.5%
EPS Basic	-0.12	0.0%	-100.0%	0.01	-100.0%	0.12	-0.12%

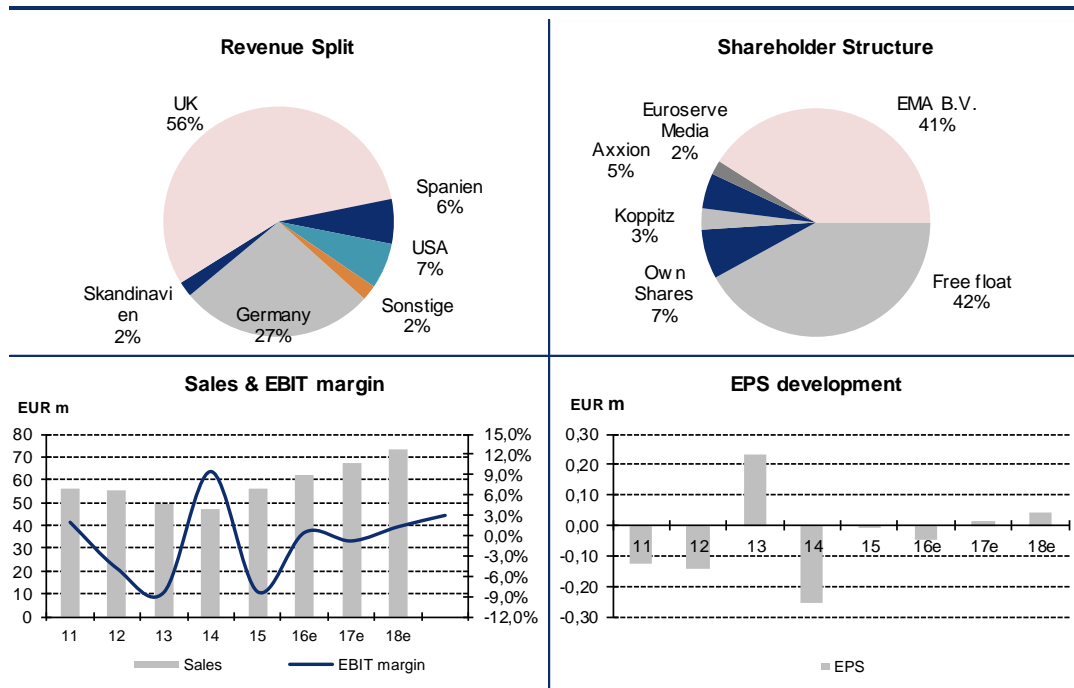
Source: Ad Pepper, equinet Research

APM reported a strong revenue increase of 18.5% yoy to EUR 56m, which was significantly higher than expected (our and consensus forecast). Gross profit was flat yoy (EUR 16m). Restructuring measures yielded over one year period:

- **operating cost reduction by 22%**
- **Headcount down by 30%**
- **Clear focus on the strength of ad pepper, compared with recognizable aims for their specific business and the company's future.**

EBIT came in at EUR 268k (margin +0.4% after -8,3%), which was better than our forecast of EUR 149k and consensus of EUR 145k. The net profit is for the first time after 2010, organically positive with 135k (before minority interest). In FY2016 we expect revenue of around EUR 62m representing top line growth of ca. 10%. We see positive momentum in the next couple of years with EBIT margin improving up to 5.6% by 2020e. This should be mainly driven by positive order intakes from the two strongly growing divisions Webgains and ad agents coupled with economies of scale.

**At a Glance**



Sources: Company data, equinet Research



## ■ **Conclusion & Outlook 2016:**

*Consistent management action brings APM now back to the success track. Due to the solid business development and a successful restructuring (management has already sold or closed non-core business units) and focus on core business, we believe that ad Pepper continue in a positive direction. Positive tailwind from solid key financials and a strong investor in the background with Michael Oschmann, will support the company by reaching its goals. FY16 profitability should improve through the elimination of further restructuring charges (good progress regarding OPEX discipline). As a result of the increasing internet traffic, online and mobile advertising became the fastest growing marketing mediums of the last 5 years; however with decreasing gross profit margins. M&A fantasy could be a trigger for 2016/2017. Management reported a positive outlook for the company with double digit revenue growth over all segments, as well as for the budgets and revenues in digital advertising in the whole market. Driven by the increasing internet traffic with growing internet usage - where number of internet users is constantly increasing, online advertising expenditures in Western Europe grew at a CAGR '14-18 of 20%. We believe that APM is able to participate on this development: All in all APM has delivered a very strong performance and is now harvesting its success.*

## **Valuation**

**We have based our price target determination solely on our DCF calculation. This is due to the fact that the peer group comparison does not lead to meaningful results. We therefore derive our target price of EUR 2.30 from our DCF model. Nevertheless, we have listed the most comparable companies below.**

### **Peer group analysis**

- **Composition of the peer group:** There is a multitude of national and international competitors in the online advertising market. Although they vary in size and pursued business model, the best comparable peers in our view are:
  - **Hi-Media** offers website publishing, online advertising and e-payment solutions.
  - **SinnerSchrader** operates as the biggest German digital agency with a bright portfolio of five segment among others in web analytics, E-Commerce Platforms, Mobile Applications, SEA and Social Media / Dialogue
  - **Tradedoubler** operates a performance-based ad network and affiliate network.
  - **Tomorrow Focus** offers e-commerce, advertising and technology services, including content creation in some cases.
  - **ValueClick** operates in online advertising (display advertising, lead generation, email marketing), affiliate marketing, comparison shopping, and technology.
- **Comparability:** In our view, Hi-Media and Tomorrow Focus offer somewhat lower comparability because they are not only active in the advertising business, but also in the content/publishing business. We consider Tradedoubler SinnerScharder and ValueClick as better comparable peers based on their business models.

## DCF valuation

**Sales development:** We believe that APM should deliver a sale CAGR 2016-2020e of 8.4%, which is mainly supported by growing internet usage - where number of internet users is constantly increasing. As markets mature, our average sales growth rate should fade to 4% in Phase II, while we have applied a long-term assumption of 2.0%.

**Profitability:** For FY16e we forecast an EBIT of EUR -500k, resulting from the decline of company's gross profit margins by at the same time increasing top line growth. After hard cost savings in 2015 with reducing headcount etc., we assume that operational costs will raise. As risk factors for that we assumed: **Legal risks:** prohibition of internet cookies (higher complicity to collect geo and personal data); private data protection; possible prohibition of profile building (EU-Gov.) **Personal risks:** hard struggle for the best "IT&Online"-talents inside and outside of APM. **R&D risks:** New innovative techniques to handle the above mentioned legal risks and to be competitive.

Already in 2017 we expect a positive result with an EBIT of 870k and 4.7m until 2020e. We model the EBIT margin to move from -0.8% to 5.6% (2016-2020e). Over the cycle, we assume the company to be capable of conserving a 4.5% EBIT margin which is our assumption for Phase II and Phase III of the DCF. This assumes that the competitive landscape and the market structure do not fundamentally change. **WACC:** Using beta of 1.32 and an equity ratio of 100%, we reckon a WACC of 10.1%.

**Fair Value:** DCF Valuation: Based on our DCF, we see APM's fair value at EUR 2.3.

### Discounted Cash Flow model

EUR m	2016	2017	Phase I 2018	2019	2020	2021	2022	Phase II 2023	2024	2025	Phase III 2026
<b>Sales</b>	<b>61.8</b>	<b>67.2</b>	<b>73.3</b>	<b>78.4</b>	<b>83.7</b>	<b>88.7</b>	<b>93.5</b>	<b>97.6</b>	<b>101.4</b>	<b>103.4</b>	<b>105.5</b>
Sales growth	10.3%	8.7%	9.0%	7.1%	6.7%	5.9%	5.5%	4.4%	3.8%	2.0%	2.0%
<b>EBIT</b>	<b>(0.5)</b>	<b>0.9</b>	<b>2.2</b>	<b>3.5</b>	<b>4.7</b>	<b>4.0</b>	<b>4.2</b>	<b>4.5</b>	<b>4.6</b>	<b>4.7</b>	<b>4.8</b>
EBIT margin	-0.8%	1.3%	3.0%	4.4%	5.6%	4.5%	4.5%	4.6%	4.5%	4.5%	4.5%
<b>Tax</b>	<b>0.2</b>	<b>(0.3)</b>	<b>(0.7)</b>	<b>(1.0)</b>	<b>(1.4)</b>	<b>(1.2)</b>	<b>(1.3)</b>	<b>(1.3)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.4)</b>
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
<b>NOPAT</b>	<b>(0.4)</b>	<b>0.6</b>	<b>1.5</b>	<b>2.4</b>	<b>3.3</b>	<b>2.8</b>	<b>3.0</b>	<b>3.1</b>	<b>3.2</b>	<b>3.3</b>	<b>3.3</b>
<b>Depreciation</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>
in % of Sales	0.5%	0.5%	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
<b>Capex</b>	<b>(0.4)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.6)</b>	<b>(0.6)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.7)</b>
in % of Sales	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
<b>Provision delta</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>
in % of Sales	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
<b>Change in working capital</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>
in % of Sales	0.6%	0.5%	0.5%	0.4%	0.4%	0.4%	0.3%	0.3%	0.2%	0.1%	0.0%
<b>Other current assets delta</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>(0.0)</b>	<b>0.0</b>
in % of Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Free Cash Flow</b>	<b>(0.0)</b>	<b>0.9</b>	<b>1.9</b>	<b>2.8</b>	<b>3.7</b>	<b>3.2</b>	<b>3.4</b>	<b>3.4</b>	<b>3.5</b>	<b>3.5</b>	<b>3.4</b>
FCF growth	nm	nm	109.5%	47.3%	30.9%	-13.3%	4.7%	2.8%	2.0%	-1.0%	-2.8%
<b>Present Value FCF</b>	<b>(0.0)</b>	<b>0.8</b>	<b>1.5</b>	<b>2.0</b>	<b>2.3</b>	<b>1.8</b>	<b>1.8</b>	<b>1.6</b>	<b>1.5</b>	<b>1.4</b>	<b>16.3</b>

PV Phase I	6.5	MCap	38.2	Targ. equity ratio	100%
PV Phase II	8.1	Risk premium	5.00%	Beta	1.32
PV Phase III	16.3	Risk free rate	3.50%	WACC	10.10%
Enterprise value	31.0				
- Interest bearing debt*	0.0				
+ Cash and liquid assets	22.7				
- Minorities	5.1				
+ Capital increase	-1.2				
Implied Mcap	47.4				
Number of shares	20.6				
Implied value per share	2.30				

Sensitivity Analysis	Growth rate Phase III				
	1.0%	1.5%	2.0%	2.5%	3.0%
9.60%	2.31	2.36	2.41	2.47	2.55
9.85%	2.26	2.30	2.35	2.41	2.48
10.10%	2.21	2.25	2.30	2.35	2.41
10.35%	2.17	2.21	2.25	2.30	2.35
10.61%	2.13	2.16	2.20	2.25	2.30

\* Including pension provisions

Source: equinet Research



<b>GROWTH &amp; MARGINS</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Net Profit growth	n.m.	n.m.	n.m.	n.m.	n.m.	101.4%
EPS adj. growth	n.m.	n.m.	n.m.	n.m.	n.m.	101.4%
DPS adj. growth						
EBITDA (adj)* margin	10.0%	n.m.	1.0%	n.m.	1.8%	3.6%
EBITA (adj)* margin	9.5%	-8.2%	0.8%	-0.5%	1.6%	3.4%
EBIT (adj)* margin	9.5%	n.m.	0.4%	n.m.	1.3%	3.0%
<b>RATIOS</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Net Debt/Equity	-0.9	-1.3	-1.4	-1.4	-1.4	-1.4
Net Debt/EBITDA	-4.4	5.5	-42.1	118.6	-18.4	-9.4
Interest cover (EBITDA/Fin.interest)	n.m.	15.9	n.m.	0.9	n.m.	n.m.
Capex/D&A	149.6%	158.3%	68.0%	134.4%	133.5%	115.8%
Capex/Sales	0.8%	0.7%	0.3%	0.7%	0.7%	0.7%
NWC/Sales	-1.8%	-4.5%	-6.5%	-6.5%	-6.5%	-6.5%
ROE (average)	23.4%	-27.0%	-0.1%	-5.4%	3.6%	6.9%
ROCE (adj.)	-1173.1%	268.2%	-2.4%	21.5%	-19.5%	-43.7%
WACC	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%
ROCE (adj.)/WACC	n.m.	26.6	-0.2	2.1	-1.9	-4.3
<b>PER SHARE DATA (EUR)***</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Average diluted number of shares	21.2	21.2	21.5	21.1	20.8	20.8
EPS (reported)	0.23	-0.26	0.00	-0.04	0.02	0.05
EPS (adj.)	0.23	-0.26	0.00	-0.04	0.02	0.05
BVPS	1.15	0.75	0.75	0.66	0.70	0.74
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<b>VALUATION</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
EV/Sales	n.m.	n.m.	0.1	0.4	0.3	0.4
EV/EBITDA	n.m.	0.2	13.3	n.m.	17.2	10.1
<b>EV/EBITDA (adj.)*</b>	<b>n.m.</b>	<b>0.2</b>	<b>13.3</b>	<b>n.m.</b>	<b>17.2</b>	<b>10.1</b>
EV/EBITA	-0.4	0.2	17.0	-75.1	19.2	10.7
<b>EV/EBITA (adj.)*</b>	<b>-0.4</b>	<b>0.2</b>	<b>17.0</b>	<b>-75.1</b>	<b>19.2</b>	<b>10.7</b>
EV/EBIT	n.m.	0.2	29.5	n.m.	24.2	12.2
<b>EV/EBIT (adj.)*</b>	<b>n.m.</b>	<b>0.2</b>	<b>29.5</b>	<b>n.m.</b>	<b>24.2</b>	<b>12.2</b>
<b>P/E (adj.)</b>	<b>4.9</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>38.0</b>
P/BV	1.0	1.2	1.7	2.8	2.7	2.5
Total Yield Ratio	0.0%	0.0%	0.0%	3.0%	0.0%	0.0%
EV/CE	4.9	0.4	n.m.	n.m.	n.m.	n.m.
OpFCF yield	17.5%	-22.2%	4.9%	-1.3%	1.5%	3.6%
OpFCF/EV	-224%	665%	18.9%	-2.3%	2.8%	5.3%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EV AND MKT CAP (EURm)</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Price** (EUR)	1.14	0.90	1.30	1.88	1.88	1.88
Outstanding number of shares for main stock	21.2	21.2	21.3	21.0	20.6	20.6
<b>Total Market Cap</b>	<b>24</b>	<b>19</b>	<b>28</b>	<b>39</b>	<b>39</b>	<b>39</b>
<b>Net Debt</b>	<b>-22</b>	<b>-21</b>	<b>-23</b>	<b>-21</b>	<b>-22</b>	<b>-25</b>
<i>o/w Cash &amp; Marketable Securities (-)</i>	-22	-21	-23	-21	-22	-25
<i>o/w Gross Debt (+)</i>	0	0	0	0	0	0
<b>Other EV components</b>	<b>-4</b>	<b>1</b>	<b>2</b>	<b>5</b>	<b>5</b>	<b>12</b>
<b>Enterprise Value (EV adj.)</b>	<b>-2</b>	<b>-1</b>	<b>7</b>	<b>23</b>	<b>21</b>	<b>26</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: Ad pepper media is one of the leading independent international online advertisement agents. With 16 offices in five European countries and the USA, ad pepper facilitates online campaigns for thousands of clients in more than 50 countries worldwide.

<b>PROFIT &amp; LOSS (EURm)</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
<b>Sales</b>	<b>49.6</b>	<b>47.3</b>	<b>56.0</b>	<b>61.8</b>	<b>67.2</b>	<b>73.3</b>
Cost of Sales & Operating Costs	-44.7	-51.0	-55.5	-62.0	-66.0	-70.6
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>5.0</b>	<b>-3.7</b>	<b>0.5</b>	<b>-0.2</b>	<b>1.2</b>	<b>2.6</b>
<b>EBITDA (adj.)*</b>	<b>5.0</b>	<b>-3.7</b>	<b>0.5</b>	<b>-0.2</b>	<b>1.2</b>	<b>2.6</b>
Depreciation	-0.2	-0.1	-0.1	-0.1	-0.1	-0.1
<b>EBITA</b>	<b>4.7</b>	<b>-3.9</b>	<b>0.4</b>	<b>-0.3</b>	<b>1.1</b>	<b>2.5</b>
<b>EBITA (adj)*</b>	<b>4.7</b>	<b>-3.9</b>	<b>0.4</b>	<b>-0.3</b>	<b>1.1</b>	<b>2.5</b>
Amortisations and Write Downs	0.0	-0.1	-0.2	-0.2	-0.2	-0.3
<i>of which PPA amortisation</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<b>EBIT</b>	<b>4.7</b>	<b>-3.9</b>	<b>0.2</b>	<b>-0.5</b>	<b>0.9</b>	<b>2.2</b>
<b>EBIT (adj.)*</b>	<b>4.7</b>	<b>-3.9</b>	<b>0.2</b>	<b>-0.5</b>	<b>0.9</b>	<b>2.2</b>
Net Financial Interest	0.3	0.2	0.2	0.2	0.2	0.2
Other Financials	0.3	0.1	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	-1.6	0.0	0.0	0.0	0.0
<b>Earnings Before Tax (EBT)</b>	<b>5.3</b>	<b>-5.2</b>	<b>0.4</b>	<b>-0.3</b>	<b>1.0</b>	<b>2.4</b>
Tax	-0.2	-0.1	-0.3	-0.2	-0.2	-0.5
<i>Tax rate</i>	<i>3.7%</i>	<i>n.m.</i>	<i>69.5%</i>	<i>n.m.</i>	<i>18.4%</i>	<i>20.3%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.1	-0.1	-0.2	-0.3	-0.3	-0.8
<b>Net Profit (reported)</b>	<b>5.0</b>	<b>-5.4</b>	<b>0.0</b>	<b>-0.8</b>	<b>0.5</b>	<b>1.0</b>
<b>Net Profit (adj.)</b>	<b>5.0</b>	<b>-5.4</b>	<b>0.0</b>	<b>-0.8</b>	<b>0.5</b>	<b>1.0</b>
<b>CASH FLOW (EURm)</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Cash Flow from Operations before change in NWC	3.5	-5.2	0.0	-0.5	0.7	1.5
Change in Net Working Capital	1.2	1.2	1.5	0.4	0.4	0.4
<b>Cash Flow from Operations</b>	<b>4.6</b>	<b>-3.9</b>	<b>1.5</b>	<b>-0.1</b>	<b>1.1</b>	<b>1.9</b>
Capex	-0.4	-0.3	-0.2	-0.4	-0.5	-0.5
Net Financial Investments	0.6	2.9	0.0	0.0	0.0	0.0
<b>Free Cash Flow</b>	<b>4.8</b>	<b>-1.3</b>	<b>1.4</b>	<b>-0.5</b>	<b>0.6</b>	<b>1.4</b>
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	1.2	0.1	0.7	-0.8	0.4	0.9
<b>Change in Net Debt</b>	<b>6.0</b>	<b>-1.3</b>	<b>2.1</b>	<b>-1.3</b>	<b>1.0</b>	<b>2.3</b>
NOPLAT	4.5	-4.0	0.1	-0.7	0.7	1.7
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
Net Tangible Assets	0.2	0.2	0.2	0.2	0.2	0.2
Net Intangible Assets (incl. Goodwill)	0.3	0.4	0.3	0.5	0.6	0.6
Net Financial Assets & Other	6.1	0.6	0.3	0.3	0.3	0.3
<b>Total Fixed Assets</b>	<b>6.6</b>	<b>1.2</b>	<b>0.8</b>	<b>0.9</b>	<b>1.0</b>	<b>1.1</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	7.1	7.7	10.0	10.8	11.8	12.8
Other current assets	0.7	0.7	0.5	0.6	0.7	0.8
Cash (-)	-21.9	-20.6	-22.7	-21.4	-22.5	-24.7
<b>Total Current Assets</b>	<b>29.6</b>	<b>29.1</b>	<b>33.2</b>	<b>32.9</b>	<b>34.9</b>	<b>38.3</b>
<b>Total Assets</b>	<b>36.3</b>	<b>30.3</b>	<b>34.0</b>	<b>33.8</b>	<b>35.9</b>	<b>39.4</b>
Shareholders Equity	24.3	16.0	16.0	14.0	14.4	15.3
Minority	0.2	0.3	0.5	0.8	1.2	2.0
Total Equity	24.6	16.3	16.5	14.8	15.6	17.3
Long term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	2.6	2.6	2.4	2.6	2.6	2.8
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Long Term Liabilities</b>	<b>2.6</b>	<b>2.6</b>	<b>2.4</b>	<b>2.6</b>	<b>2.6</b>	<b>2.8</b>
Short term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	8.0	9.9	13.6	14.8	16.1	17.6
Other current liabilities	1.2	1.5	1.5	1.6	1.6	1.7
<b>Total Current Liabilities</b>	<b>9.1</b>	<b>11.4</b>	<b>15.1</b>	<b>16.4</b>	<b>17.7</b>	<b>19.2</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>36.3</b>	<b>30.3</b>	<b>34.0</b>	<b>33.8</b>	<b>35.9</b>	<b>39.4</b>
<b>Net Capital Employed</b>	<b>5.2</b>	<b>-1.7</b>	<b>-3.8</b>	<b>-4.1</b>	<b>-4.3</b>	<b>-4.6</b>
<b>Net Working Capital</b>	<b>-0.9</b>	<b>-2.1</b>	<b>-3.6</b>	<b>-4.0</b>	<b>-4.4</b>	<b>-4.8</b>
<b>GROWTH &amp; MARGINS</b>	<b>12/2013</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016e</b>	<b>12/2017e</b>	<b>12/2018e</b>
<i>Sales growth</i>	<i>-9.8%</i>	<i>-4.7%</i>	<i>18.5%</i>	<i>10.3%</i>	<i>8.7%</i>	<i>9.0%</i>
<b>EBITDA (adj.)* growth</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>114.2%</b>
<b>EBITA (adj.)* growth</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>126.6%</b>
<b>EBIT (adj)* growth</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>150.1%</b>

## Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
2GEnergy	Schäfer	24.00	Buy	2/3/5	Lufthansa	Rothenbacher	20.00	Buy	
4SC	Miemietz	18.00	Buy	7	Manz AG	Kruchevska	33.00	Neutral	2/3/5
Aareal Bank	Häßler	35.00	Buy		MAXAutomation AG	Schmidt	7.00	Accumulate	2/3/5
Adler Modemaerkte	Josefson	11.00	Accumulate	5/7	Merck	Miemietz	96.00	Neutral	
Ad pepper	Heilmann	2.30	Buy	2/3	Merkur Bank	Häßler	7.80	Buy	7
adidas	Josefson	108.00	Buy		MLP	Häßler	3.50	Buy	2/3
Aixtron	Kruchevska	4.00	Accumulate	2/3	MTU	Rothenbacher	95.00	Buy	2
Allianz	Häßler	190.00	Buy		Munich Re	Häßler	180.00	Neutral	
Axel Springer	Josefson	55.00	Neutral		Nemetschek AG	Droste	41.00	Neutral	
BASF	Schäfer	95.00	Accumulate		NexusAG	Droste	20.00	Buy	5
Bayer	Miemietz	120.00	Buy		Norma Group	Schmidt	60.00	Buy	
BayWa	Schäfer	33.00	Neutral	5	OHB SE	Kruchevska	20.00	Neutral	7
BB Biotech	Miemietz	57.60	Buy	7	OVH Holding AG	Häßler	18.00	Buy	2/3
Beiersdorf	Schäfer	64.00	Sell		Patrizia AG	Häßler	26.00	Accumulate	
Biotech	Miemietz	18.00	Buy	2/3	Pfeiffer Vacuum	Sen	92.00	Neutral	
BMW	Schmidt	96.00	Accumulate		PSI	Schäfer	13.00	Accumulate	2/3
Cenit	Droste	20.00	Buy	2/3	Rheinmetall	Rau*	79.00	Buy	
comdirect	Häßler	10.00	Neutral		RIB Software	Rothenbacher	12.00	Buy	2/3/5
Commerzbank	Häßler	12.00	Buy		RTL Group	Josefson	75.00	Reduce	
Continental	Schmidt	240.00	Buy		RWE	Schäfer	13.00	Neutral	
CTS Eventim	Josefson	33.00	Neutral		SAF-Holland	Schmidt	16.00	Buy	7
CytotoolsAG	Miemietz	5.50	Neutral	2/3	Siegfried Holding AG	Miemietz	192.00	Buy	
Daimler AG	Schmidt	98.00	Buy		SLM Solutions	Sen	27.50	Buy	4
Daldrup & Soehne	Schäfer	15.00	Accumulate	2/3/5	SMT Scharf AG	Schmidt	11.00	Neutral	2/3
Deutsche Bank	Häßler	17.00	Neutral		Software AG	Droste	26.00	Neutral	
Deutsche Boerse	Häßler	79.00	Neutral		SuessMicroTec	Kruchevska	8.50	Accumulate	2/3
Deutsche EuroShop	Rothenbacher	42.00	Accumulate		Surteco	Schmidt	26.00	Buy	2/3
Deutsche Pfandbriefbank	Häßler	12.30	Buy		Symrise AG	Schäfer	36.00	Neutral	
Deutsche Telekom	Rothenbacher	30.00	Buy		Syzygy AG	Heilmann	10.00	Buy	2/3
Deutz AG	Sen	15.50	Neutral		Talanx Group	Häßler	32.00	Accumulate	
DMGMori Seiki AG	Schmidt	2.80	Neutral		Technotrans	Kruchevska	21.00	Buy	2/3
Draegerwerk AG & Co. KGaA	Schmidt	37.00	Buy		United Internet	Sen	55.00	Buy	
Drillisch	Rau*	98.00	Neutral		VIB Vermoegen	Rothenbacher	16.50	Neutral	
E.ON	Sen	41.00	Neutral		Viscom	Kruchevska	16.50	Buy	2/3/5
Elmos Semiconductor	Schäfer	10.50	Accumulate		Volkswagen	Schmidt	104.00	Reduce	
ErlingKlinger	Kruchevska	15.00	Buy		Vossloh	Rau*	74.00	Buy	
elumeo SE	Schmidt	21.00	Neutral		WCM AG	Rothenbacher	3.10	Buy	2/3
Epigenomics AG	Josefson	27.00	Buy	4	Wilex	Miemietz	4.80	Buy	2/3
Euromicron AG	Miemietz	5.00	Buy	2/3	Wincor Nixdorf	Sen	50.00	Accumulate	2
Evonik	Droste	13.00	Buy	2/3	Zumtobel Group AG	Kruchevska	22.00	Buy	2/3
Ferratum	Schäfer	34.00	Accumulate						
Fraport	Häßler	29.00	Buy	5					
Freenet	Rothenbacher	60.00	Buy						
FuchsPetrolub	Sen	36.00	Buy	2					
GEA Group	Schäfer	37.00	Neutral						
Gesco	Rau*	49.00	Buy						
GFT Technologies	Schmidt	68.00	Neutral	2/3					
Gigaset	Droste	28.00	Buy	2/3					
Grand City Properties	Sen	under review	under review	2/3					
Grenkeleasing AG	Häßler	20.00	Neutral						
Hannover Re	Häßler	155.00	Neutral						
Heidelberger Druck	Häßler	88.00	Sell						
Henkel	Rau*	3.40	Buy						
HHLA	Schäfer	82.00	Neutral						
Hugo Boss	Rothenbacher	13.00	Neutral						
Jenoptik	Josefson	77.00	Buy						
K+S AG	Rau*	14.00	Neutral						
Kontron	Schäfer	22.00	Accumulate						
Krones AG	Sen	5.50	Buy						
KTGAgrar	Rau*	104.00	Neutral						
KUKA	Schäfer	21.00	Buy	2/3/4/5					
Lanxess	Schmidt	73.00	Reduce						
Leoni	Schäfer	54.00	Neutral						
Linde	Schmidt	25.00	Neutral						
Logwin	Schäfer	160.00	Neutral						
	Rothenbacher	2.00	Neutral	2/3					

\* = Coverage suspended

Source: equinet Recommendations

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## Remarks

### Recommendation System

- Buy - The stock is expected to generate a total return of over 15% during the next 12 months time horizon.
- Accumulate - The stock is expected to generate a total return of 5% to 15% during the next 12 months time horizon.
- Hold - The stock is expected to generate a total return of -5% to 5% during the next 12 months time horizon
- Reduce - The stock is expected to generate a total return of -15% to -5% during the next 12 months time horizon
- Sell - The stock is expected to generate a total return below -15% 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 unless stated otherwise in the research report.

### 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

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

### Recommendation history for AD PEPPER

Date	Recommendation	Target price	Price at change date
04. Apr 16	Buy	2.30	1.88
23. Nov 15	Buy	1.60	1.36
18. Aug 15	Buy	1.40	1.01
26. Mrz 14	Buy	1.70	1.15
13. Jan 14	Buy	1.85	1.31
21. Mai 13	Buy	1.50	0.90

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 24/03/2016)





## European Coverage of the Members of ESN

<b>Aerospace &amp; Defense</b>	<b>Mem(*)</b>	Bcp	CBI	Fuchs Petrolub	EQB	Rallye	CIC	Arcadis	SNS
Airbus Group	CIC	Bnp Paribas	CIC	Henkel	EQB	Unipol Gruppo Finanziario	BAK	Aspo	POH
Carbures Europe Sa	BKF	Bper	BAK	Holland Colours	SNS	<b>Food &amp; Beverage</b>	<b>Mem(*)</b>	Huhtamäki	POH
Dassault Aviation	CIC	Bpi	CBI	K+S Ag	EQB	Acomo	SNS	Kendrion	SNS
Finmeccanica	BAK	Caixabank	BKF	Kemira	POH	Atria	POH	Nedap	SNS
Latecoere	CIC	Commerzbank	EQB	Lanxess	EQB	Baywa	EQB	Pöyry	POH
Lisi	CIC	Credem	BAK	Linde	EQB	Bonduelle	CIC	Prelios	BAK
Mtu	EQB	Credit Agricole Sa	CIC	Nanogate Ag	EQB	Campari	BAK	Saf-Holland	EQB
Ohb Se	EQB	Creval	BAK	Symrise Ag	EQB	Coca Cola Hbc Ag	IBG	Saft	CIC
Safran	CIC	Deutsche Bank	EQB	Tikkurila	POH	Corbion	SNS	Serge Ferrari Group	CIC
Thales	CIC	Deutsche Pfandbriefbank	EQB	<b>Electronic &amp; Electrical Equipment</b>	<b>Mem(*)</b>	Danone	CIC	Siegfried Holding Ag	EQB
Zodiac Aerospace	CIC	Eurobank	IBG	Alstom	CIC	Ebro Foods	BKF	Wendel	CIC
<b>Airlines</b>	<b>Mem(*)</b>	Ing Group	SNS	Areva	CIC	Enervit	BAK		
Air France Klm	CIC	Intesa Sanpaolo	BAK	Euromicron Ag	EQB	Fleury Michon	CIC		
Finnair	POH	Medio banca	BAK	Gemalto	CIC	Forfarmers	SNS		
Lufthansa	EQB	Merkur Bank	EQB	Ingenico	CIC	Heineken	SNS		
<b>Automobiles &amp; Parts</b>	<b>Mem(*)</b>	National Bank Of Greece	IBG	Kontron	EQB	Hkscan	POH		
Bittium Corporation	POH	Natixis	CIC	Legrand	CIC	Ktg Agrar	EQB		
Bmw	EQB	Nordea	POH	Neways Electronics	SNS	Lanson-Bcc	CIC		
Brembo	BAK	Piraeus Bank	IBG	Nexans	CIC	Laurent Perrier	CIC		
Continental	EQB	Societe Generale	CIC	Pkc Group	POH	Ldc	CIC		
Daimler Ag	EQB	Ubi Banca	BAK	Rexel	CIC	Naturex	CIC		
Eiringsklinger	EQB	Unicredit	BAK	Schneider Electric Se	CIC	Olvi	POH		
Faurecia	CIC	<b>Basic Resources</b>	<b>Mem(*)</b>	Vaisala	POH	Parmalat	BAK		
Ferrari	BAK	Acerinox	BKF	Viscom	EQB	Pemod Ricard	CIC		
Fiat Chrysler Automobiles	BAK	Altri	CBI	<b>Financial Services</b>	<b>Mem(*)</b>	Raisio	POH		
Landi Renzo	BAK	Arcelormittal	BKF	Anima	BAK	Refrescogerber	SNS		
Leoni	EQB	Corticeira Amorim	CBI	Athex Group	IBG	Remy Cointreau	CIC		
Michelin	CIC	Ence	BKF	Azimut	BAK	Unilever	SNS		
Nokian Tyres	POH	Europac	BKF	Banca Generali	BAK	Vidrala	BKF		
Norma Group	EQB	Metka	IBG	Banca Ifis	BAK	Vilmorin	CIC		
Piaggio	BAK	Metsä Board	POH	Banca Sistema	BAK	Viscofan	BKF		
Pirelli & C.	BAK	Mytilneos	IBG	Bb Biotech	EQB	Vranken Pommeroy Monopole	CIC		
Plastic Omnium	CIC	Outokumpu	POH	Binckbank	SNS	Wessanen	SNS		
Sogefi	BAK	Portucel	CBI	Bolsas Y Mercados Espanoles Sa	BKF	<b>Food &amp; Drug Retailers</b>	<b>Mem(*)</b>		
Stern Groep	SNS	Semapa	CBI	Capman	POH	Ahold	SNS		
Volkswagen	EQB	Ssab	POH	Christian Dior	CIC	Carrefour	CIC		
<b>Banks</b>	<b>Mem(*)</b>	Stora Enso	POH	Cir	BAK	Casino Guichard-Perrachon	CIC		
Aareal Bank	EQB	Surteco	EQB	Comdirect	EQB	Dia	BKF		
Aktia	POH	Tubacex	BKF	Corp. Financiera Alba	BKF	Jeronimo Martins	CBI		
Alpha Bank	IBG	Upm-Kymmene	POH	Deutsche Boerse	EQB	Kesko	POH		
Banca Carige	BAK	<b>Biotechnology</b>	<b>Mem(*)</b>	Deutsche Forfait	EQB	Marr	BAK		
Banca Mps	BAK	4Sc	EQB	Eq	POH	Metro	CIC		
Banco Popolare	BAK	Cytotools Ag	EQB	Euronext	CIC	Sligro	SNS		
Banco Popular	BKF	Epigenomics Ag	EQB	Ferratum	EQB	Sonae	CBI		
Banco Sabadell	BKF	Vliex	EQB	Finecobank	BAK	<b>General Industrials</b>	<b>Mem(*)</b>		
Banco Santander	BKF	<b>Chemicals</b>	<b>Mem(*)</b>	Grenkeleasing Ag	EQB	2G Energy	EQB		
Bankia	BKF	Air Liquide	CIC	Mip	EQB	Aalberts	SNS		
Bankinter	BKF	Basf	EQB	Ovb Holding Ag	EQB	Accell Group	SNS		
Bbva	BKF	Evonik	EQB	Patrizia Ag	EQB	Ahlstrom	POH		

<b>General Retailers</b>	<b>Mem(*)</b>	Seb Sa	CIC	Hannover Re	EQB	Vbh Holding	EQB	Gl Events	CIC
Banzai	BAK	<b>Industrial Engineering</b>	<b>Mem(*)</b>	Mapfre Sa	BKF	Vicat	CIC	Havas	CIC
Beter Bed Holding	SNS	Accsys Technologies	SNS	Munich Re	EQB	Vinci	CIC	Impresa	CBI
Elumeo Se	EQB	Aixtron	EQB	Nn Group Nv	SNS	Yit	POH	Ipsos	CIC
Fielmann	EQB	Ansaldo Sts	BAK	Sampo	POH	<b>Media</b>	<b>Mem(*)</b>	Jcdecaux	CIC
Folli Follie Group	IBG	Biesse	BAK	Talanx Group	EQB	Alma Media	POH	Lagardere	CIC
Fourtis Holdings	IBG	Cargotec Corp	POH	Unipolsai	BAK	Atresmedia	BKF	M6-Metropole Television	CIC
Groupe Fnac Sa	CIC	Cnh Industrial	BAK	<b>Materials, Construction &amp; Infrastructure</b>	<b>Mem(*)</b>	Axel Springer	EQB	Mediaset	BAK
Inditex	BKF	Danieli	BAK	Abertis	BKF	Brill	SNS	Mediaset Espana	BKF
Jumbo	IBG	Datalogic	BAK	Acs	BKF	Cofina	CBI	Nextradiotv	CIC
Macintosh	SNS	Deutz Ag	EQB	Aena	BKF	Cts Eventim	EQB	Notorious Pictures	BAK
Rapala	POH	Dmg Mori Seiki Ag	EQB	Aeroports De Paris	CIC	Editoriale L'Espresso	BAK	Nrj Group	CIC
Stockmann	POH	Duro Felguera	BKF	Astaldi	BAK	Gameloft	CIC	Publicis	CIC
<b>Healthcare</b>	<b>Mem(*)</b>	Emak	BAK	Atlantia	BAK	Gl Events	CIC	Rcs Mediagroup	BAK
Amplifon	BAK	Exel Composites	POH	Ballast Nedam	SNS	Havas	CIC	Relx	SNS
Bayer	EQB	Gesco	EQB	Bilfinger Se	EQB	Impresa	CBI	Rti Group	EQB
Biotest	EQB	Ima	BAK	Boskalis Westminster	SNS	Ipsos	CIC	Sanoma	POH
Diasorin	BAK	Interpump	BAK	Buzzi Unicem	BAK	Jcdecaux	CIC	Solocal Group	CIC
Fresenius	EQB	Kone	POH	Caverion	POH	Lagardere	CIC	Spir Communication	CIC
Fresenius Medical Care	EQB	Konecranes	POH	Cramo	POH	M6-Metropole Television	CIC	Syzygy Ag	EQB
Gerresheimer Ag	EQB	Kuka	EQB	Eiffage	CIC	Mediaset	BAK	Talentum	POH
Korian-Medica	CIC	Max Automation Ag	EQB	Eliaktor	IBG	Mediaset Espana	BKF	Telegraaf Media Groep	SNS
Merck	EQB	Metso	POH	Eitel	POH	Nextradiotv	CIC	Teleperformance	CIC
Oriola-Kd	POH	Outotec	POH	Ezentis	BKF	Notorious Pictures	BAK	Tf1	CIC
Orion	POH	Pfeiffer Vacuum	EQB	Fcc	BKF	Nrj Group	CIC	Ubisoft	CIC
Orpea	CIC	Ponsse	POH	Ferrovial	BKF	Publicis	CIC	Vivendi	CIC
Pihlajalinn	POH	Prima Industrie	BAK	Fraport	EQB	Rcs Mediagroup	BAK	Wolters Kluwer	SNS
Recordati	BAK	Prysmian	BAK	Heidelberg Cement Ag	CIC	Relx	SNS	<b>Oil &amp; Gas Producers</b>	<b>Mem(*)</b>
Rhoen-Klinikum	EQB	Reesink	SNS	Heijmans	SNS	Rti Group	EQB	Eni	BAK
<b>Hotels, Travel &amp; Tourism</b>	<b>Mem(*)</b>	Sabaf	BAK	Hochtief	EQB	Sanoma	POH	Galp Energia	CBI
Accor	CIC	Smt Scharf Ag	EQB	Imerys	CIC	Solocal Group	CIC	Gas Plus	BAK
Autogrill	BAK	Technotrans	EQB	Italcementi	BAK	Spir Communication	CIC	Hellenic Petroleum	IBG
Beneteau	CIC	Valmet	POH	Lafargeholcim	CIC	Syzygy Ag	EQB	Maurel Et Prom	CIC
Elior	CIC	Wärtsilä	POH	Lemminkäinen	POH	Talentum	POH	Motor Oil	IBG
Europcar	CIC	Zardoya Otis	BKF	Maire Tecnimont	BAK	Telegraaf Media Groep	SNS	Neste Corporation	POH
I Grandi Viaggi	BAK	<b>Industrial Transportation</b>	<b>Mem(*)</b>	Mota Engil	CBI	Teleperformance	CIC	Petrobras	CBI
Ibersol	CBI	Bollere	CIC	Obrascon Huarte Lain	BKF	Tf1	CIC	Qgep	CBI
Intralot	IBG	Caf	BKF	Ramirent	POH	Ubisoft	CIC	Repsol	BKF
Kotipizza	POH	Ctt	CBI	Royal Bam Group	SNS	Vivendi	CIC		
Melia Hotels International	BKF	Deutsche Post	EQB	Sacyr	BKF	Wolters Kluwer	SNS		
Nh Hotel Group	BKF	Hhla	EQB	Saint Gobain	CIC	<b>Oil &amp; Gas Producers</b>	<b>Mem(*)</b>		
Opap	IBG	Logwin	EQB	Salini Impregilo	BAK	Eni	BAK		
Snowworld	SNS	<b>Insurance</b>	<b>Mem(*)</b>	Sias	BAK	Galp Energia	CBI		
Sonae Capital	CBI	Aegon	SNS	Sonae Industria	CBI	Gas Plus	BAK		
Trigano	CIC	Allianz	EQB	Srv	POH	Hellenic Petroleum	IBG		
<b>Household Goods</b>	<b>Mem(*)</b>	Axa	CIC	Sto Se & Co. Kga	EQB	Maurel Et Prom	CIC		
Bic	CIC	Banca Mediolanum	BAK	Thermador Groupe	CIC	Motor Oil	IBG		
De Longhi	BAK	Cattolica Assicurazioni	BAK	Titan Cement	IBG	Neste Corporation	POH		
Fila	BAK	Delta Lloyd	SNS	Trevi	BAK	Petrobras	CBI		
Osram Licht Ag	EQB	Generali	BAK	Uponor	POH	Qgep	CBI		

<b>Oil Services</b>	<b>Mem(*)</b>	<b>Software &amp; Computer Services</b>	<b>Mem(*)</b>				
Bourbon	CIC	Affecto	POH	Asml	SNS	Hera	BAK
Cgg	CIC	Akka Technologies	CIC	Besi	SNS	Iberdrola	BKF
Fugro	SNS	Alten	CIC	Elmos Semiconductor	EQB	Iren	BAK
Saipem	BAK	Altran	CIC	Ericsson	POH	Public Power Corp	IBG
Sbm Offshore	SNS	Amadeus	BKF	Gigaset	EQB	Red Electrica De Espana	BKF
Technip	CIC	Assystem	CIC	Nokia	POH	Ren	CBI
Tecnicas Reunidas	BKF	Atos	CIC	Okmetic	POH	Rwe	EQB
Tenaris	BAK	Basware	POH	Roodmicrotec	SNS	Snam	BAK
Vallourec	CIC	Cenit	EQB	Slm Solutions	EQB	Terna	BAK
Vopak	SNS	Comptel	POH	Stmicroelectronics	BAK		
<b>Personal Goods</b>	<b>Mem(*)</b>						
Adidas	EQB	Ctac	SNS	Suess Microtec	EQB		
Adler Modemaerkte	EQB	Digia	POH	Teleste	POH		
Amer Sports	POH	Docdata	SNS	<b>Telecommunications</b>	<b>Mem(*)</b>		
Basic Net	BAK	Econocom	CIC	Acotel	BAK		
Beiersdorf	EQB	Ekinops	CIC	Bouygues	CIC		
Cie Fin. Richemont	CIC	Engineering	BAK	Cellnex Telecom	BKF		
Geox	BAK	Esi Group	CIC	Deutsche Telekom	EQB		
Gerry Weber	EQB	Exprivia	BAK	Drillisch	EQB		
Hermes Intl.	CIC	F-Secure	POH	Elisa	POH		
Hugo Boss	EQB	Gft Technologies	EQB	Eutelsat Communications Sa	CIC		
Interparfums	CIC	Ict Automatisering	SNS	Freenet	EQB		
Kering	CIC	Indra Sistemas	BKF	Iliad	CIC		
Luxottica	BAK	Nemetschek Ag	EQB	Kpn Telecom	SNS		
Lvmh	CIC	Nexus Ag	EQB	Nos	CBI		
Marimekko	POH	Novabase	CBI	Numericable-Sfr	CIC		
Moncler	BAK	Ordina	SNS	Oi	CBI		
Puma	EQB	Psi	EQB	Orange	CIC		
Safilo	BAK	Reply	BAK	Ote	IBG		
Salvatore Ferragamo	BAK	Rib Software	EQB	Ses	CIC		
Sarantis	IBG	Seven Principles Ag	EQB	Telecom Italia	BAK		
Swatch Group	CIC	Software Ag	EQB	Telefonica	BKF		
Tod'S	BAK	Tie Kinetix	SNS	Teliasonera	POH		
<b>Real Estate</b>	<b>Mem(*)</b>	Tieto	POH	United Internet	EQB		
Beni Stabili	BAK	Tomtom	SNS	Vodafone	BAK		
Citycon	POH	<b>Utilities</b>	<b>Mem(*)</b>				
Deutsche Euroshop	EQB	Visiativ	CIC	A2A	BAK		
Grand City Properties	EQB	Wincor Nixdorf	EQB				
Hispania Activos Inmobiliarios	BKF	<b>Support Services</b>	<b>Mem(*)</b>	Acciona	BKF		
Igd	BAK	Asiakastieto Group	POH	Acea	BAK		
Realia	BKF	Batenburg	SNS	Albioma	CIC		
Sponda	POH	Bureau Veritas S.A.	CIC	Direct Energie	CIC		
Technopolis	POH	Dpa	SNS	E.On	EQB		
Vib Vermoegen	EQB	Edenred	CIC	Edp	CBI		
Wcm Ag	EQB	Ei Towers	BAK	Edp Renováveis	CBI		
<b>Renewable Energy</b>	<b>Mem(*)</b>	Fiera Milano	BAK	Enagas	BKF		
Daldrup & Soehne	EQB	Imtech	SNS	Endesa	BKF		
Enel Green Power	BAK	Lassila & Tikanoja	POH	Enel	BAK		
Gamesa	BKF	Openjobmetis	BAK	Falck Renewables	BAK		
		<b>Technology Hardware &amp; Equipment</b>	<b>Mem(*)</b>	Fortum	POH		
		Asm International	SNS	Gas Natural Fenosa	BKF		

LEGEND: BAK: Banca Akros; BKF: Beka Finance; CIC: CM CIC Market Solutions; CBI: Caixa-Banca de Investimento; EQB: Equinet bank; IBG: Investment Bank of Greece; POH: Pohjola Bank; SNS: SNS Securities  
as of 1<sup>st</sup> March 2016

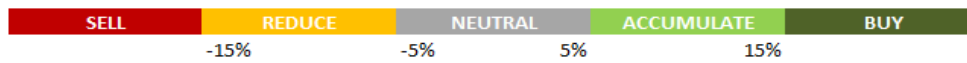
## List of ESN Analysts (\*\*)

Ari Agopyan	CIC	+33 1 53 48 80 63	ari.agopyan@cmcic.fr	Konstantinos Manolopoulos	IBG	+30 210 817 3388	kmanolopoulos@ibg.gr
Artur Amaro	CBI	+351 213 89 6822	artur.amaro@caixabi.pt	Dario Michi	BAK	+39 02 4344 4237	dario.michi@bancaakros.it
Helena Barbosa	CBI	+351 21 389 6831	helena.barbosa@caixabi.pt	Marietta Miemietz CFA	EQB	+49-69-58997-439	marietta.miemietz@equinet-ag.de
Javier Bernat	BKF	+34 91 436 7816	javierbernat@bekafinance.com	José Mota Freitas, CFA	CBI	+351 22 607 09 31	mota.freitas@caixabi.pt
Dimitris Birbos	IBG	+30 210 81 73 392	dbirbos@ibg.gr	Benedikt Orzelek	EQB	+49 69 58997431	benedikt.orzelek@equinet-ag.de
Agnès Blazy	CIC	+33 1 53 48 80 67	agnes.blazy@cmcic.fr	Henri Parkkinen	POH	+358 10 252 4409	henri.parkkinen@pohjola.fi
Charles Edouard Boissy	CIC	+33 01 53 48 80 81	charlesedouard.boissy@cmcic.fr	Adrian Pehl, CFA	EQB	+49 69 58997 438	adrian.pehl@equinet-ag.de
Rafael Bonardell	BKF	+34 91 436 78 171	rbonardell@bekafinance.com	Victor Peiro Pérez	BKF	+34 91 436 7812	vpeiro@bekafinance.com
Louise Boyer	CIC	+33 1 53 48 80 68	louise.boyer@cmcic.fr	Francis Prêtre	CIC	+33 4 78 92 02 30	francis.pretre@cmcic.fr
Giada Cabrino, CIIA	BAK	+39 02 4344 4092	giada.cabrino@bancaakros.it	Francesco Previtera	BAK	+39 02 4344 4033	francesco.previtera@bancaakros.it
Arnaud Cadart	CIC	+33 1 53 48 80 86	arnaud.cadart@cmcic.fr	Jari Raisanen	POH	+358 10 252 4504	jari.raisanen@pohjola.fi
Nicolas Catani	POH	+358 10 252 8780	nicolas.catani@pohjola.com	Hannu Rauhalu	POH	+358 10 252 4392	hannu.rauhalu@pohjola.fi
Pierre Chedeville	CIC	+33 1 53 48 80 97	pierre.chedeville@cmcic.fr	Matias Rautonmaa	POH	+358 10 252 4408	matias.rautonmaa@pohjola.fi
Emmanuel Chevalier	CIC	+33 1 53 48 80 72	emmanuel.chevalier@cmcic.fr	Eric Ravary	CIC	+33 1 53 48 80 71	eric.ravary@cmcic.fr
David Consalvo	CIC	+33 1 53 48 80 64	david.consalvo@cmcic.fr	Iñigo Recio Pascual	BKF	+34 91 436 7814	irecio@bekafinance.com
Edwin de Jong	SNS	+312 0 5508569	edwin.dejong@snssecurities.nl	Gerard Rijk	SNS	+31 (0)20 550 8572	Gerard.Rijk@snssecurities.nl
Martijn den Drijver	SNS	+312 0 5508636	martijn.dendrijver@snssecurities.nl	André Rodrigues	CBI	+351 21 389 68 39	andre.rodrigues@caixabi.pt
Christian Devismes	CIC	+33 1 53 48 80 85	christian.devismes@cmcic.fr	Jean-Luc Romain	CIC	+33 1 53 48 80 66	jeanluc.romain@cmcic.fr
Andrea Devita, CFA	BAK	+39 02 4344 4031	andrea.devita@bancaakros.it	Jochen Rothenbacher, CEFA	EQB	+49 69 58997 415	jochen.rothenbacher@equinet-ag.de
Sebastian Droste	EQB	+49 69 58 99 74 34	sebastian.droste@equinet-ag.de	Vassilis Roumantzis	IBG	+30 2108173394	vroumantzis@ibg.gr
Enrico Esposti, CIIA	BAK	+39 02 4344 4022	enrico.esposti@bancaakros.it	Sonia Ruiz De Garibay	BKF	+34 91 436 7841	sgaribay@bekafinance.com
Rafael Fernández de Heredia	BKF	+34 91 436 78 08	rfernandez@bekafinance.com	Antti Saari	POH	+358 10 252 4359	antti.saari@pohjola.fi
Gabriele Gambarova	BAK	+39 02 43 444 289	gabriele.gambarova@bancaakros.it	Paola Saglietti	BAK	+39 02 4344 4287	paola.saglietti@bancaakros.it
Eduardo García Arguelles	BKF	+34 914 367 810	egarcia@bekafinance.com	Francesco Sala	BAK	+39 02 4344 4240	francesco.sala@bancaakros.it
Alexandre Gérard	CIC	+33 1 53 48 80 93	alexandre.gerard@cmcic.fr	Michael Schaefer	EQB	+49 69 58997 419	michael.schaefer@equinet-ag.de
Claudio Giacomello, CFA	BAK	+39 02 4344 4269	claudio.giacomello@bancaakros.it	Holger Schmidt, CEFA	EQB	+49 69 58 99 74 32	holger.schmidt@equinet-ag.de
Philipp Häßler, CFA	EQB	+49 69 58997 414	philipp.haessler@equinet-ag.de	Pekka Spolander	POH	+358 10 252 4351	pekka.spolander@pohjola.fi
Marcell Houben	SNS	+31 20 550 8649	Marcell.houben@snssecurities.nl	Kimmo Stenvall	POH	+358 10 252 4561	kimmo.stenvall@pohjola.fi
Carlos Jesus	CBI	+351 21 389 6812	carlos.jesus@caixabi.pt	Natalia Svyyrou-Svyyriadi	IBG	+30 210 81 73 384	nsviriadi@ibg.gr
Mark Josefson	EQB	+4969-58997-437	mark.josefson@equinet-ag.de	Luigi Tramontana	BAK	+39 02 4344 4239	luigi.tramontana@bancaakros.it
Jean-Michel Köster	CIC	+33 1 53 48 80 92	jeanmichel.koster@cmcic.fr	Johan van den Hooven	SNS	+312 0 5508518	johan.vandenhooven@snssecurities.nl
Victoria Kruchevska (CFA,FRM)	EQB	+49 69 5 89 97 416	victoria.kruchevska@equinet-ag.de	Kévin Woringor	CIC	+33 1 53 48 80 69	kevin.woringor@cmcic.fr
Jean-Christophe Lefèvre-Mouleng	CIC	+33 1 53 48 80 65	jeanchristophe.lefevre-mouleng@cmcic.fr				

(\*\*) excluding: strategists, macroeconomists, heads of research not covering specific stocks, credit analysts, technical analysts

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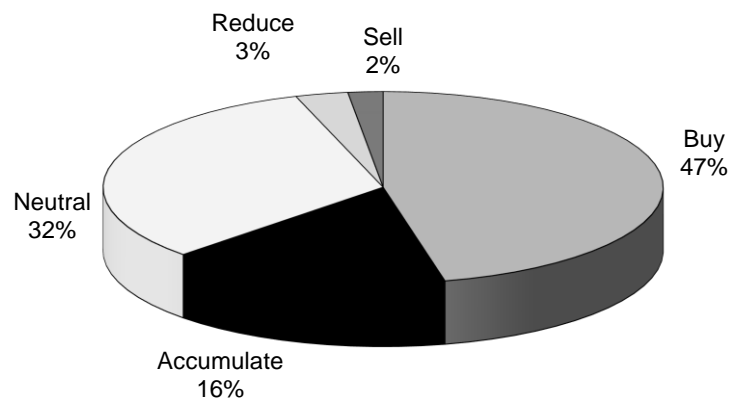
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### Meaning of each recommendation or rating:

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Equinet Bank Ratings Breakdown



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## 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



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



**BEKA Finance**  
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  
Tel: +30 210 81 73 383



**Caixa-Banco de Investimento**  
Rua Barata Salgueiro, nº 33  
1269-057 Lisboa  
Portugal  
Phone: +351 21 313 73 00  
Fax: +351 21 389 68 98



**Pohjola Bank plc**  
P.O.Box 308  
FI- 00013 Pohjola  
Finland  
Phone: +358 10 252 011  
Fax: +358 10 252 2703



**CM - CIC Market Solutions**  
6, avenue de Provence  
75441 Paris  
Cedex 09  
France  
Phone: +33 1 53 48 80 78  
Fax: +33 1 53 48 82 25



**SNS Securities N.V.**  
Nieuwezijds Voorburgwal 162  
P.O.Box 235  
1000 AE Amsterdam  
The Netherlands  
Phone: +31 20 550 8500  
Fax: +31 20 626 8064

