

## Investment Research

Reason: Company Results

19 August 2013

### Buy

Recommendation unchanged

**Share price: EUR 0.81**

closing price as of 16/08/2013

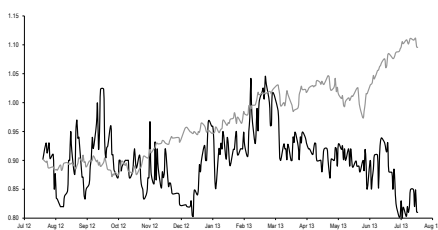
**Target price: EUR 1.50**

Target Price unchanged

Reuters/Bloomberg	APME.F/APM GY
Daily avg. no. trad. sh. 12 mth	79,430
Daily avg. trad. vol. 12 mth (m)	6.43
Price high 12 mth (EUR)	1.05
Price low 12 mth (EUR)	0.80
Abs. perf. 1 mth	-12.0%
Abs. perf. 3 mth	-10.0%
Abs. perf. 12 mth	-12.0%

<b>Market capitalisation (EURm)</b>	17
Current N° of shares (m)	21
<b>Free float</b>	41%

Key financials (EUR)	12/12	12/13e	12/14e
Sales (m)	55	54	60
EBITDA (m)	(4)	(1)	0
EBITDA margin	nm	nm	0.6%
EBIT (m)	(5)	(2)	0
EBIT margin	nm	nm	0.2%
Net Profit (adj.)(m)	(5)	(2)	(0)
ROCE	-624.7%	-192.7%	2.0%
Net debt/(cash) (m)	(16)	(14)	(14)
Net Debt Equity	-0.9	-0.8	-0.8
Net Debt/EBITDA	3.8	11.5	-36.3
Int. cover(EBITDA/Fin.int)	4.2	5.2	(1.5)
EV/Sales	nm	0.0	0.1
EV/EBITDA	0.5	nm	9.5
EV/EBITDA (adj.)	0.5	nm	9.5
EV/EBIT	0.5	nm	29.2
P/E (adj.)	nm	nm	nm
P/BV	1.0	1.0	1.1
OpFCF yield	-14.0%	-10.6%	-4.4%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.25)	(0.08)	(0.02)
BVPS	0.86	0.77	0.75
DPS	0.00	0.00	0.00



Shareholders: Board Members 48%; Own Shares 8%; Grabacap ApS 3%;

For company description please see summary table footnote

## Final Q2 figures – on track for an operating turnaround

Last Friday ad pepper reported final Q2 2013 results in line with preliminaries. While 1H Gross profit grew slightly yoy the company managed to further reduce OPEX, which were even impacted by one-off expenses from the exit of certain operations. The improvement in net profit gives a clear indication of the company's progress as regards the optimisation of its cost structure. ad pepper further announced a new key customer for the core segment, which we expect to show positive effects on earnings from Q4 onwards. We continue to forecast a positive EBITDA for 2014 and keep our Buy rating with a TP of EUR 1.50.

- ✓ **Results:** On Friday ad pepper reported final H1 results in line with preliminary figures. Sales declined by 5.6% yoy to a level of EUR 25.1m, but were impacted by the shift towards direct billing in the ad agents segment. As the shift is neutral on the gross profit level, we regard it as a better indicator for the company's operating performance. It grew by 3.4% yoy to EUR 11.1m, reflecting an increase in gross margin by 380bps. ad pepper also managed to further improve its OPEX, which declined by c. EUR 0.2m to EUR -11.8m, while also being burdened by one-off expenses of EUR 0.35m. EBIT thus amounted to EUR -0.7m, compared to EUR -1.2m in H1 2012, while EPS improved to EUR -0.03 from EUR -0.06 (1H 2012).
- ✓ **Segments:** Sales in the core segment ad pepper media declined slightly by -3.3% yoy to a level of EUR 9.7m. The company has further reported that it has exited its Dutch operations, while one-off expenses of EUR 0.35m were also attributable to personnel adjustment measures in Denmark. The Webgains division again grew strongly at 17% and should have benefitted from Nike, which has been gained as a new customer a year ago. As already mentioned, sales in the ad agents division were again affected from the shift towards direct billing via Google.
- ✓ **Further customer gains:** ad pepper reported that it has gained 'markt.de' as a new customer. With c. 45m page impressions it is one of Germany's leading classified portals, reaching some 4.5m users a month. Following this new contract the number of unique users ad pepper media can reach with its campaigns rises to some 20m. Here we expect positive impulses starting from Q4. In a brief chat ad pepper mentioned that another internationally leading company could be gained as further customer for the Webgains division.
- ✓ **Guidance:** The company did not give any quantitative guidance. However it mentioned that, as a result of its optimised cost structure it expects another yoy improvement in earnings for the second half of 2013.
- ✓ **Conclusion:** Gross profit should have benefitted from a strong performance of the Webgains and the ad agents division. From Q4 2013 onwards we further expect the new customer gain to support earnings in the core segment. The reduction in OPEX indicates that ad pepper is well on track with its restructuring process. We thus continue to expect a positive EBITDA for 2014. As a turnaround to sustainable profitability should come along with attractive valuation multiples, we stick to our Buy recommendation with a TP of EUR 1.50.

Analyst(s): Philipp Rigtgers  
Adrian Pehl, CFA

+49 69 58997 413 philipp.rigtgers@equinet-ag.de  
+49 69 58997 438 adrian.pehl@equinet-ag.de



## Ad pepper: Summary tables

PROFIT & LOSS (EURm)	12/2010	12/2011	12/2012	12/2013e	12/2014e	12/2015e
<b>Sales</b>	<b>51.7</b>	<b>56.0</b>	<b>55.0</b>	<b>53.7</b>	<b>59.9</b>	<b>64.1</b>
Cost of Sales & Operating Costs	-49.9	-58.2	-59.2	-54.9	-59.5	-62.9
Non Recurrent Expenses/Income	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>1.7</b>	<b>-2.2</b>	<b>-4.2</b>	<b>-1.2</b>	<b>0.4</b>	<b>1.3</b>
<b>EBITDA (adj.)*</b>	<b>1.7</b>	<b>-2.2</b>	<b>-4.2</b>	<b>-1.2</b>	<b>0.4</b>	<b>1.3</b>
Depreciation	-0.3	-0.3	-0.2	-0.1	-0.1	-0.1
<b>EBITA</b>	<b>1.4</b>	<b>-2.5</b>	<b>-4.4</b>	<b>-1.4</b>	<b>0.3</b>	<b>1.1</b>
<b>EBITA (adj)*</b>	<b>1.4</b>	<b>-2.5</b>	<b>-4.4</b>	<b>-1.4</b>	<b>0.3</b>	<b>1.1</b>
Amortisations and Write Downs	-0.4	-0.2	-0.2	-0.2	-0.2	-0.2
<b>EBIT</b>	<b>1.0</b>	<b>-2.7</b>	<b>-4.6</b>	<b>-1.5</b>	<b>0.1</b>	<b>1.0</b>
<b>EBIT (adj.)*</b>	<b>1.0</b>	<b>-2.7</b>	<b>-4.6</b>	<b>-1.5</b>	<b>0.1</b>	<b>1.0</b>
Net Financial Interest	0.6	0.8	1.0	0.2	0.3	0.3
Other Financials	0.1	-0.2	-1.1	0.0	0.0	0.0
Associates	0.6	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.7	0.0	0.0	0.0	0.0	0.0
<b>Earnings Before Tax (EBT)</b>	<b>3.1</b>	<b>-2.2</b>	<b>-4.7</b>	<b>-1.3</b>	<b>0.4</b>	<b>1.3</b>
Tax	-0.6	-0.2	-0.4	-0.3	-0.3	-0.7
<i>Tax rate</i>	<i>18.1%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>n.m.</i>	<i>80.0%</i>	<i>55.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.3	-0.3	-0.2	-0.2	-0.5	-0.6
<b>Net Profit (reported)</b>	<b>2.2</b>	<b>-2.6</b>	<b>-5.3</b>	<b>-1.7</b>	<b>-0.5</b>	<b>-0.1</b>
<b>Net Profit (adj.)</b>	<b>2.2</b>	<b>-2.6</b>	<b>-5.3</b>	<b>-1.7</b>	<b>-0.5</b>	<b>-0.1</b>
<b>CASH FLOW (EURm)</b>	<b>12/2010</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>
Cash Flow from Operations before change in NWC	2.5	-3.0	-2.8	-1.4	-0.1	0.3
Change in Net Working Capital	-1.8	0.6	0.7	0.1	0.0	0.0
<b>Cash Flow from Operations</b>	<b>0.7</b>	<b>-2.4</b>	<b>-2.1</b>	<b>-1.3</b>	<b>-0.2</b>	<b>0.2</b>
Capex	-0.3	-0.3	-0.3	-0.5	-0.6	-0.6
Net Financial Investments	0.0	-2.9	1.1	0.0	0.0	0.0
<b>Free Cash Flow</b>	<b>0.5</b>	<b>-5.6</b>	<b>-1.3</b>	<b>-1.8</b>	<b>-0.8</b>	<b>-0.4</b>
Dividends	0.0	-1.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	0.2	-0.3	1.0	0.2	0.5	0.6
<b>Change in Net Debt</b>	<b>0.6</b>	<b>-7.0</b>	<b>-0.3</b>	<b>-1.6</b>	<b>-0.3</b>	<b>0.2</b>
NOPLAT	0.8	-3.0	-5.0	-1.8	0.0	0.4
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>	<b>12/2010</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>
Net Tangible Assets	0.4	0.4	0.4	0.7	1.1	1.4
Net Intangible Assets (incl. Goodwill)	0.5	0.3	0.1	0.1	0.1	0.1
Net Financial Assets & Other	4.1	7.2	6.1	6.1	6.1	6.1
<b>Total Fixed Assets</b>	<b>5.0</b>	<b>7.9</b>	<b>6.6</b>	<b>6.9</b>	<b>7.2</b>	<b>7.6</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	8.0	9.9	8.4	8.2	9.1	9.7
Other current assets	1.2	1.4	1.3	1.3	1.4	1.5
Cash (-)	-23.2	-16.2	-15.9	-14.3	-14.1	-14.3
<b>Total Current Assets</b>	<b>32.5</b>	<b>27.6</b>	<b>25.5</b>	<b>23.8</b>	<b>24.5</b>	<b>25.5</b>
<b>Total Assets</b>	<b>37.5</b>	<b>35.4</b>	<b>32.1</b>	<b>30.6</b>	<b>31.7</b>	<b>33.1</b>
Shareholders Equity	25.7	22.3	18.2	16.4	16.0	15.9
Minority	0.4	0.4	0.3	0.5	1.0	1.7
Total Equity	26.1	22.7	18.4	16.9	17.0	17.6
Long term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	3.3	2.4	4.3	4.4	4.4	4.5
Other long term liabilities	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Long Term Liabilities</b>	<b>3.3</b>	<b>2.4</b>	<b>4.3</b>	<b>4.4</b>	<b>4.4</b>	<b>4.5</b>
Short term interest bearing debt	0.0	0.0	0.0	0.0	0.0	0.0
Trade payables	6.4	8.9	8.1	8.0	8.9	9.6
Other current liabilities	1.7	1.4	1.3	1.3	1.4	1.4
<b>Total Current Liabilities</b>	<b>8.2</b>	<b>10.4</b>	<b>9.3</b>	<b>9.3</b>	<b>10.3</b>	<b>11.0</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>37.5</b>	<b>35.4</b>	<b>32.1</b>	<b>30.6</b>	<b>31.7</b>	<b>33.1</b>
<b>Net Capital Employed</b>	<b>6.1</b>	<b>8.8</b>	<b>6.9</b>	<b>7.0</b>	<b>7.4</b>	<b>7.8</b>
<b>Net Working Capital</b>	<b>1.6</b>	<b>1.0</b>	<b>0.3</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>
<b>GROWTH &amp; MARGINS</b>	<b>12/2010</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>
<i>Sales growth</i>	<i>10.2%</i>	<i>8.4%</i>	<i>-1.8%</i>	<i>-2.4%</i>	<i>11.5%</i>	<i>7.2%</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>225.1%</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>314.4%</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>683.8%</b>



## Ad pepper: Summary tables

<b>GROWTH &amp; MARGINS</b>	<b>12/2010</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>
Net Profit growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EPS adj. growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
DPS adj. growth	n.m.	n.m.				
EBITDA (adj)* margin	3.3%	n.m.	n.m.	n.m.	0.6%	2.0%
EBITA (adj)* margin	2.7%	-4.4%	-8.0%	-2.5%	0.5%	1.8%
EBIT (adj)* margin	2.0%	n.m.	n.m.	n.m.	0.2%	1.5%
<b>RATIOS</b>	<b>12/2010</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>
Net Debt/Equity	-0.9	-0.7	-0.9	-0.8	-0.8	-0.8
Net Debt/EBITDA	-13.5	7.3	3.8	11.5	-36.3	-11.3
Interest cover (EBITDA/Fin.interest)	n.m.	2.9	4.2	5.2	n.m.	n.m.
Capex/D&A	37.4%	50.0%	67.2%	205.7%	229.4%	236.7%
Capex/Sales	0.5%	0.5%	0.6%	1.0%	1.0%	1.0%
NWC/Sales	3.1%	1.8%	0.5%	0.3%	0.3%	0.3%
ROE (average)	9.5%	-11.0%	-26.0%	-10.1%	-2.8%	-0.4%
ROCE (adj.)	32.8%	-180.4%	-624.7%	-192.7%	2.0%	26.6%
WACC	9.3%	9.3%	9.3%	9.3%	9.3%	9.3%
ROCE (adj.)/WACC	3.5	-19.4	n.m.	n.m.	0.2	2.9
<b>PER SHARE DATA (EUR)**</b>	<b>12/2010</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>
Average diluted number of shares	21.3	21.1	21.2	21.2	21.2	21.2
EPS (reported)	0.11	-0.13	-0.25	-0.08	-0.02	0.00
EPS (adj.)	0.11	-0.13	-0.25	-0.08	-0.02	0.00
BVPS	1.21	1.06	0.86	0.77	0.75	0.75
DPS	0.05	0.00	0.00	0.00	0.00	0.00
<b>VALUATION</b>	<b>12/2010</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>
EV/Sales	0.3	0.0	n.m.	0.0	0.1	0.1
EV/EBITDA	8.3	n.m.	0.5	n.m.	9.5	3.8
<b>EV/EBITDA (adj.)*</b>	<b>8.3</b>	<b>n.m.</b>	<b>0.5</b>	<b>n.m.</b>	<b>9.5</b>	<b>3.8</b>
EV/EBITA	10.3	-1.1	0.5	-0.1	13.3	4.2
<b>EV/EBITA (adj.)*</b>	<b>10.3</b>	<b>-1.1</b>	<b>0.5</b>	<b>-0.1</b>	<b>13.3</b>	<b>4.2</b>
EV/EBIT	14.2	n.m.	0.5	n.m.	29.2	4.9
<b>EV/EBIT (adj.)*</b>	<b>14.2</b>	<b>n.m.</b>	<b>0.5</b>	<b>n.m.</b>	<b>29.2</b>	<b>4.9</b>
<b>P/E (adj.)</b>	<b>17.1</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>
P/BV	1.5	1.0	1.0	1.0	1.1	1.1
Total Yield Ratio	2.0%	-1.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	5.7	1.7	n.m.	0.2	2.9	2.9
OpFCF yield	1.1%	-12.2%	-14.0%	-10.6%	-4.4%	-2.3%
OpFCF/EV	2.9%	-96.5%	116%	-962%	-20.5%	-8.1%
Payout ratio	47.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EV AND MKT CAP (EURm)</b>	<b>12/2010</b>	<b>12/2011</b>	<b>12/2012</b>	<b>12/2013e</b>	<b>12/2014e</b>	<b>12/2015e</b>
Price** (EUR)	1.80	1.04	0.82	0.81	0.81	0.81
Outstanding number of shares for main stock	20.9	21.1	21.2	21.2	21.2	21.2
<b>Total Market Cap</b>	<b>38</b>	<b>22</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>17</b>
<b>Net Debt</b>	<b>-23</b>	<b>-16</b>	<b>-16</b>	<b>-14</b>	<b>-14</b>	<b>-14</b>
<i>o/w Cash &amp; Marketable Securities (-)</i>	<i>-23</i>	<i>-16</i>	<i>-16</i>	<i>-14</i>	<i>-14</i>	<i>-14</i>
<i>o/w Gross Debt (+)</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Other EV components</b>	<b>0</b>	<b>-3</b>	<b>-4</b>	<b>-3</b>	<b>1</b>	<b>2</b>
<b>Enterprise Value (EV adj.)</b>	<b>14</b>	<b>3</b>	<b>-2</b>	<b>0</b>	<b>4</b>	<b>5</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 ten European countries and the USA, ad pepper facilitates online campaigns for thousands of clients in more than 50 countries worldwide. In 2007, ad pepper reported sales of EUR 51m, EBIT of EUR 3.8m and net profit of EUR 2.6m.



Ad pepper

## Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
4SC	Miemietz	3.60	Buy	7	KHD HUMBOLDT WEDAG INTERNAT	Schmidt / Schul	7.60	Buy	
Aareal Bank	Häßler	21.00	Hold		Kontron	Pehl	4.50	Accumulate	
Adler Modemaerkte	Rigtters/ Faust	10.70	Buy	2/3/5	KronesAG	Schmidt	71.00	Accumulate	
Adpepper	Rigtters/ Pehl	1.50	Buy	2/3	KTGAgrar	Schäfer	16.00	Accumulate	2/3/5
adidas	Faust / Rigtters	90.00	Accumulate		KUKA	Schmidt	38.00	Accumulate	
Advanced Vision Technology	Schmidt	8.00	Buy		LANXESS	Demidova	52.00	Hold	
Aixtron	Pehl	7.00	Sell	2/3	Leoni	Schuldt	42.00	Buy	
Allianz	Häßler	120.00	Hold		Linde	Demidova	160.00	Accumulate	
Analytik Jena	Demidova	14.00	Hold	7	Loewe	Faust / Rigtters	Suspended	Suspended	2/5
BASF	Demidova	72.00	Hold		Logwin	Rothenbacher	1.60	Buy	2/3/5
BAUER AG	Schmidt	16.50	Reduce		Luftthansa	Rothenbacher	15.00	Hold	
Bayer	Miemietz	75.00	Accumulate		MAN	Schuldt	85.00	Hold	
BayWa	Schäfer	45.00	Buy	5	MAXAutomation AG	Schmidt	6.30	Buy	2/3/5
BB Biotech	Miemietz	115.00	Buy	7	Medion	Faust / Rigtters	13.00	Hold	
Beiersdorf	Demidova	52.00	Sell		Merck	Miemietz	133.00	Accumulate	
Berentzen	Faust / Rigtters	6.50	Hold	2/3	MIFA	Rigtters/ Faust	9.30	Buy	2/5
Beta Systems Software	Schuldt	2.60	Buy	2/3/5	MLP	Häßler	6.80	Buy	2/3
BILFINGER SE	Faust	80.00	Hold		Mobotix AG	Pehl	19.00	Accumulate	2/3
Biotest	Miemietz	70.00	Buy	2/3/5	MTU	Pehl	72.50	Accumulate	2
BMW	Schuldt	88.00	Buy		Munich Re	Häßler	150.00	Hold	
Celesio	Lieder	15.00	Sell		Nanogate AG	Demidova	29.00	Buy	2/3/5
Cenit	Pehl	11.00	Buy	2/3	PATRIZIA AG	Häßler	9.10	Buy	
comdirect	Häßler	6.60	Sell		Pfeiffer Vacuum	Pehl	78.00	Reduce	
Commerzbank	Häßler	10.00	Buy		Phoenix Solar	Freudenreich	Suspended	Suspended	
Continental	Schuldt	105.00	Reduce		Porsche	Schuldt	64.00	Hold	
Daimler AG	Schuldt	46.00	Reduce		Postbank	Häßler	32.00	Accumulate	
Daldrup & Soehne	Schäfer	15.00	Accumulate	2/3/5	PSI	Schäfer	15.50	Hold	2
Derby Cycle	Faust / Rigtters	32.00	Reduce	2/3/4/5	Puma	Faust / Rigtters	215.00	Hold	
Deutsche Bank	Häßler	40.00	Accumulate		Rheinmetall	Pehl	34.00	Reduce	
Deutsche Biogas	Schäfer	6.00	Buy	2/3/5	Rhoen-Klinikum	Lieder	22.50	Buy	
Deutsche Boerse	Häßler	48.00	Sell		RIB Software	Rothenbacher	6.50	Buy	2/3
Deutsche EuroShop	Rothenbacher	32.00	Hold		RWE	Schäfer	35.00	Hold	
Deutsche Forfait	Häßler	6.40	Buy	2/3/5	SAF-HOLLAND	Schuldt	13.00	Buy	7
Deutsche Post	Rothenbacher	22.00	Hold		Salzgitter	Freudenreich	36.00	Buy	
Deutsche Telekom	Pehl	10.00	Accumulate		Schuler AG	Schmidt	26.00	Buy	2/3
Deutz AG	Schmidt	6.50	Buy		Seven Principles AG	Pehl	5.50	Buy	2/3/5
Douglas Holding	Faust / Rigtters	38.00	Hold		Singulus Technologies	Freudenreich	1.60	Buy	4/5
Drägerwerk	Lieder	105.00	Accumulate		SKW Stahl	Freudenreich	23.00	Buy	
E.ON	Schäfer	14.00	Hold		SMA Solar Technology	Freudenreich	19.00	Sell	
EringKlinger	Schuldt	20.00	Reduce		SMTSCHARFAG	Schmidt	22.00	Hold	2/3
Epigenomics AG	Miemietz	4.00	Buy	2/3	SolarWorld	Freudenreich	0.05	Sell	
Euromicron AG	Pehl	24.00	Buy	2/3/5	Solutronic	Freudenreich	Under review	Not rated	2/3/5
Fielmann	Lieder	84.00	Accumulate		SuessMicroTec	Pehl	11.00	Buy	2/3
Fraport	Rothenbacher	56.00	Buy		Sunways	Freudenreich	Suspended	Suspended	2/3/5
Freenet	Pehl	21.00	Accumulate	2	SURTECO	Lieder	23.50	Buy	2/3
Fresenius	Lieder	104.00	Accumulate		Symrise AG	Demidova	26.00	Sell	
Fresenius Medical Care	Lieder	55.00	Accumulate		Talanx Group	Häßler	27.00	Accumulate	
Fuchs Petroleum	Demidova	48.00	Reduce		ThyssenKrupp	Freudenreich	18.00	Hold	
GEA Group	Schmidt	32.00	Buy		TUI	Rothenbacher	12.00	Buy	
Gerresheimer AG	Lieder	45.00	Hold		United Internet	Pehl	26.50	Hold	
GERRYWEBER	Rigtters/ Faust	40.00	Accumulate		Uzin Utz	Faust / Lieder	26.00	Buy	2/3
Gesco	Schmidt	80.00	Accumulate	2/3	VBH Holding	Faust	2.80	Hold	2/3
GFT Technologies	Schuldt	5.70	Buy	2/3	VIB Vermoegen	Rothenbacher	13.00	Buy	
Gigaset	Rigtters/ Pehl	1.00	Hold	2/3/5	Volkswagen	Schuldt	185.00	Buy	
Gildemeister	Schmidt	18.00	Accumulate		Vossloh	Schmidt	55.00	Sell	
Grenkeleasing AG	Häßler	50.00	Sell		Wacker Chemie	Freudenreich	58.00	Sell	
Hannover Re	Häßler	70.00	Buy		Wiflex	Miemietz	3.00	Buy	2/3
Heidelberger Druck	Schmidt	2.40	Buy		Wincor Nixdorf	Pehl	49.00	Hold	2
Henkel	Demidova	56.00	Sell						
HHLA	Rothenbacher	18.00	Hold						
Hochtief	Faust	69.00	Buy						
Hugo Boss	Faust / Rigtters	88.00	Hold						
i:FAOAG	Rothenbacher	15.50	Buy	2/3					
Integralis AG	Schäfer	6.75	Hold	2/3					
IVG Immobilien AG	Rothenbacher	0.05	Sell						
K+S AG	Schäfer	47.00	Buy						

Source: equinet Recommendations



Ad pepper

## 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.



Ad pepper

## 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 ESN 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 ESN NA, INC. HOWEVER, THE DELIVERY OF THIS RESEARCH REPORT OR SUMMARY TO ANY U.S. PERSON SHALL NOT BE DEEMED A RECOMMENDATION OF ESN NA, INC. TO EFFECT ANY TRANSACTIONS IN THE SECURITIES DISCUSSED HEREIN OR AN ENDORSEMENT OF ANY OPINION EXPRESSED HEREIN. ESN 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 ESN 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  
Lurgialle 12, 60439 Frankfurt am Main.



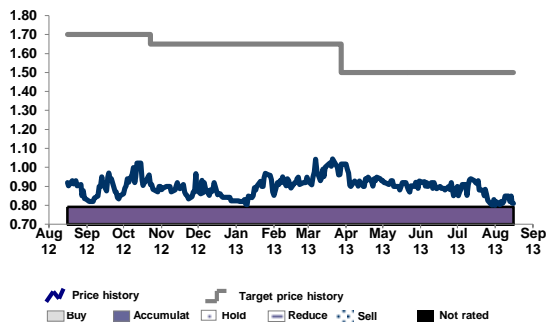
Ad pepper

Recommendation history for AD PEPPER

Date	Recommendation	Target price	Price at change date
21-May-13	Buy	1.50	0.90
23-Nov-12	Buy	1.65	0.83
19-Jul-12	Buy	1.70	0.99
09-May-12	Buy	1.65	1.11
13-Feb-12	Buy	1.80	1.44
20-Jul-11	Accumulate	1.90	1.74
08-Apr-11	Buy	2.40	1.79

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: Philipp Rigters (since 15/02/2010)



## 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**.

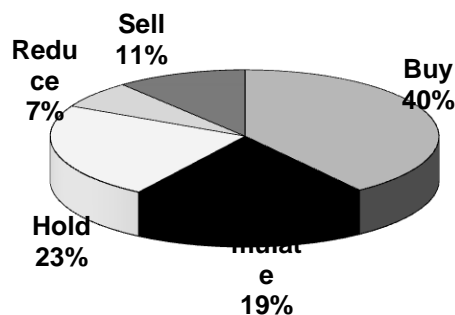
The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy, Accumulate (or Add), Hold, Reduce and Sell (in short: B, A, H, R, S)**.

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 20%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **10% to 20%** during the next 12 months time horizon
- **Hold:** the stock is expected to generate total return of **0% to 10%** during the next 12 months time horizon.
- **Reduce:** the stock is expected to generate total return of **0% to -10%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -10%** during the next 12 months time horizon
- **Rating Suspended:** the rating is suspended due to 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 or to a change of analyst covering the stock
- **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

Equinet Bank Ratings Breakdown



### History of ESN Recommendation System

**Since 18 October 2004**, the Members of ESN are using an Absolute Recommendation System (before was a Relative Rec. System) to rate any single stock under coverage.

**Since 4 August 2008**, the ESN Rec. System has been amended as follow.

- Time horizon changed to 12 months (it was 6 months)
- Recommendations Total Return Range changed as below:

#### TODAY



#### BEFORE





## 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 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 latest relevant published research on single stock or contact the analyst named on the front of the report/note. Research is available through your 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 and on each "company recommendation history", please visit the ESN website ([www.esnpartnership.eu](http://www.esnpartnership.eu)). For additional information and individual disclaimer please refer to [www.esnpartnership.eu](http://www.esnpartnership.eu) and to each ESN Member websites:

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

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

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

[www.cgdsecurities.com.br](http://www.cgdsecurities.com.br) regulated by the CVM - Comissão de Valores Mobiliários

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

[www.degroof.be](http://www.degroof.be) regulated by the FSMA - Financial Services and Markets Authority

[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.pohjola.com](http://www.pohjola.com) regulated by the Financial Supervision Authority

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

## 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**  
Gräfstraße 97  
60487 Frankfurt am Main  
Germany  
Phone: +49 69 – 58997 – 410  
Fax: +49 69 – 58997 – 299



**Bank Degroof**  
Rue de l'Industrie 44  
1040 Brussels  
Belgium  
Phone: +32 2 287 91 16  
Fax: +32 2 231 09 04



**Investment Bank of Greece**  
24B, Kifisias Avenue  
151 25 Marousi  
Greece  
Phone: +30 210 81 73 000  
Fax: +30 210 68 96 325



**Bankia Bolsa**  
Serrano, 39  
28001 Madrid  
Spain  
Phone: +34 91 436 7813  
Fax: +34 91 577 3770



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



**Caixa-Banco de Investimento**  
Rua Barata Salgueiro, 33  
1269-050 Lisboa  
Portugal  
Phone: +351 21 389 68 00  
Fax: +351 21 389 68 98



**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



**CM - CIC Securities**  
6, avenue de Provence  
75441 Paris  
Cedex 09  
France  
Phone: +33 1 4596 7940  
Fax: +33 1 4596 7748

