

<b>Buy</b>  <b>EUR 4.70</b> (EUR 12.73)  Price <b>EUR 1.70</b> <b>Upside 176.5 %</b>	<b>Value Indicators:</b> EUR DCF: 4.71	<b>Share data:</b> Bloomberg: PAL GR Reuters: PALG.DE ISIN: DE000A12UPJ7	<b>Description:</b> Pantaflix is a media company with the focus on streaming business and film production
	<b>Market Snapshot:</b> EUR m Market cap: 23.8 No. of shares (m): 14.0 EV: 28.3 Freefloat MC: 9.5 Ø Trad. Vol. (30d): 237.62 th	<b>Shareholders:</b> Freefloat 40.0 % BlackMars Capital GmbH 60.0 % Allianz 6.9 % FPM AG 4.0 %	<b>Risk Profile (WRe):</b> 2018e Beta: 1.9 Price / Book: 2.0 x Equity Ratio: 35 % Net Fin. Debt / EBITDA: 0.3 x Net Debt / EBITDA: 0.3 x

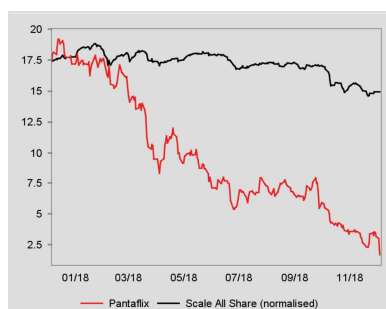
## Profit warning due to revenue shifts. Estimates and PT down

A profit warning has been issued by Pantaflix. Rather than the previous guidance for a sharp rise in revenues in 2018 the company has moderated the wording to a “significant increase” in revenues and it is now predicting an EBIT loss of EUR 7-9m rather than a significant increase in income. The reason for the profit warning, issued on December 3, were revenue shifts in the production business of a double-digit million. In general, this is part of the nature of the project-based film production business. While costs occur up to the time of production, the majority of revenues are generated after the content is marketed to distributors and subsequent to the finalisation. However, the negative outlook at EBIT level is somewhat surprising. We take this opportunity to reassess our investment case and examine the available information.

- **Streaming business:** Since our last publication, Spanish has been implemented as an additional language and the platform is currently available in 68 countries. However, in general, nothing has changed in our investment case. As the development of the streaming business is a marathon rather than a 100m-sprint, this segment remains a bet on the successful rollout, which is back-end loaded, comes with high risks but potentially high returns too.
- **Content production:** Pantaflix seems to be maintaining its excellent track record with the release of its own productions “Hot Dog” and “100 Dinge” in 2018. In contract manufacturing, the second season of “You Are Wanted” was released but will be discontinued thereafter. However this is partly offset by another Amazon Prime series “Beat”. Furthermore, the company announced its first international production “Resistance”. Even though this is good news, our initial expectations for growth and profitability in this segment might have been a little high.
- **After the resolution by the general meeting,** Pantaflix implemented a stock split 1:10 as of November. Management changed its capital markets communication strategy and cancelled roadshows and conference activities for Q4. However, while some cautiousness should be welcomed, a temporary gap in capital market presence is unlikely to increase investor confidence.

**Assessment:** The revised guidance was somewhat surprising and, in the absence of further details of the mentioned projects, it is difficult to assess the exact impact of the revenue shifts. Furthermore, the change in communication policy further reduced the already low transparency level. To this end, we see a negative shift in the risk/return profile which is reflected in more cautious assumptions and a higher beta. However, the currently low share price level of roughly EUR 2 could mark an attractive entry point for speculative investors. Positive triggers for the stock should be any increase in transparency and details in figures. Overall, we reiterate our Buy rating but reduce our PT to EUR 4.70.

Changes in Estimates:						Comment on Changes:	
FY End: 31.12. in EUR m	2018e (old)	+ / -	2019e (old)	+ / -	2020e (old)	+ / -	
<b>Sales</b>	40.1	-17.7 %	47.8	-13.7 %	54.0	-16.2 %	<ul style="list-style-type: none"> <li>▪ Lower top- and bottom-line development follows adjusted assumptions for growth and profitability in the content production business</li> <li>▪ More cautiousness in the streaming business reflected in the long run</li> </ul>
<b>EBIT</b>	-0.3	n.m.	0.3	n.m.	3.2	-88.2 %	
<b>EPS</b>	-1.65	n.m.	-1.56	n.m.	0.29	n.m.	

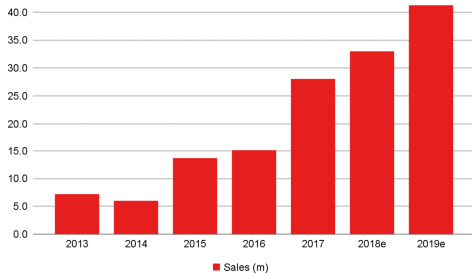


Rel. Performance vs Scale All	
1 month:	-48.1 %
6 months:	-59.4 %
Year to date:	-74.2 %
Trailing 12 months:	-75.1 %

**Company events:**

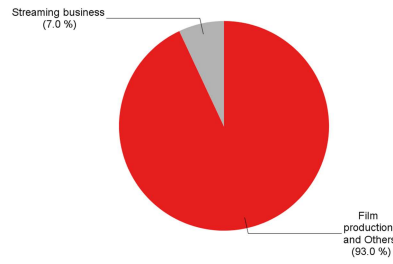
FY End: 31.12. in EUR m	CAGR (17-20e)	2014	2015	2016	2017	2018e	2019e	2020e
<b>Sales</b>	17.3 %	6.0	13.7	15.1	28.1	33.0	41.2	45.2
<b>Change Sales yoy</b>		-16.6 %	127.7 %	10.4 %	85.8 %	17.6 %	25.0 %	9.7 %
<b>Gross profit margin</b>		-16.0 %	32.5 %	78.8 %	85.9 %	81.1 %	88.7 %	89.3 %
<b>EBITDA</b>	14.8 %	-0.3	8.8	9.1	17.5	15.5	23.8	26.5
<b>Margin</b>		-5.5 %	64.4 %	60.4 %	62.5 %	47.0 %	57.7 %	58.7 %
<b>EBIT</b>	-44.7 %	-0.3	-0.6	-1.8	2.2	-8.6	-1.3	0.4
<b>Margin</b>		-5.8 %	-4.3 %	-11.7 %	7.9 %	-25.9 %	-3.1 %	0.8 %
<b>Net income</b>		-0.4	-0.4	-1.7	-0.4	-8.4	-2.3	-0.6
<b>EPS</b>		-0.39	-0.39	-1.54	-0.31	-0.60	-0.16	-0.05
<b>EPS adj.</b>		-0.39	-0.39	-1.54	-0.31	-0.60	-0.16	-0.05
<b>DPS</b>		0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Dividend Yield</b>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>FCFPS</b>		-8.83	0.27	-5.30	-0.12	-0.95	-0.51	-0.34
<b>FCF / Market cap</b>		n.a.	8.0 %	-113.3 %	-1.0 %	-55.6 %	-30.1 %	-20.2 %
<b>EV / Sales</b>		n.a.	0.1 x	0.6 x	0.2 x	0.9 x	0.9 x	0.9 x
<b>EV / EBITDA</b>		n.a.	0.2 x	1.0 x	0.3 x	1.8 x	1.5 x	1.5 x
<b>EV / EBIT</b>		n.a.	n.a.	n.a.	2.6 x	n.a.	n.a.	107.6 x
<b>P / E</b>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>P / E adj.</b>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Net Debt</b>		4.6	-1.8	3.9	-8.7	4.5	11.7	16.5
<b>ROCE (NOPAT)</b>		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Guidance:</b>	Sharp rise in sales and significant increase in income							

Sales development in EUR m



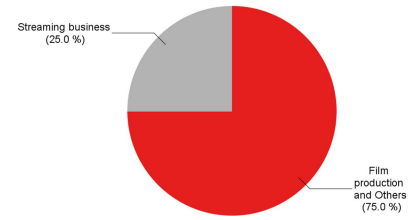
Source: Warburg Research

Sales by segments 2018e; in %



Source: Warburg Research

Sales by segments 2025e; in %



Source: Warburg Research

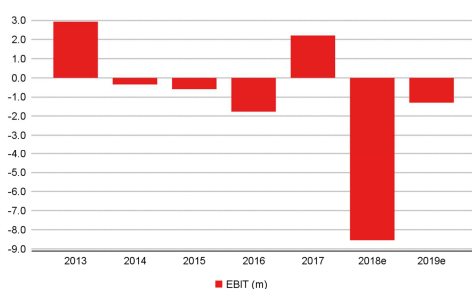
## Company Background

- The transaction based video-on-demand platform Pantaflix and the production studio Pantaleon Films form the core business of the company. Synergies are realised in the film based marketing business.
- Pantaflix is regarded as the main driver of future revenues. The platform has a global presence and attracts an international audience by offering seven language versions.
- The main target group is people living outside their country of origin and film buffs, who cannot access relevant film content in their country of residence.
- The aim is to create an international film library that provides global access to film content from a wide variety of sources.
- Pantaleon Films produces German box-office hits, with the prestigious involvement of popular actor Matthias Schweighöfer, and establishes contacts to rights holders and producers for Pantaflix.

## Competitive Quality

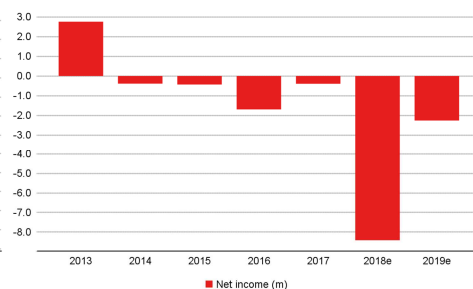
- Strong network of industry contacts based on a successful film production track-record and many years of experience in the sector.
- Transaction video-on-demand (T-VoD) platform offers producers a unique platform to distribute and monetise content on a global scale.
- Structure and target group of the streaming platform provide for cost advantages along the value chain, especially the fields of content sourcing and marketing.

EBIT development in EUR m



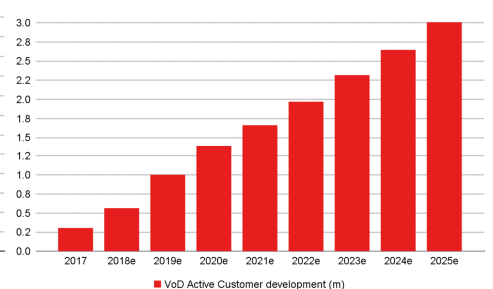
Source: Warburg Research

Net Income development in m



Source: Warburg Research

VoD active customer development in m



Source: Warburg Research

## DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	
Sales	33.0	41.2	45.2	48.9	53.1	57.0	61.0	65.2	68.5	71.6	74.4	76.7	78.2	
Sales change	17.6 %	25.0 %	9.7 %	8.1 %	8.6 %	7.4 %	6.9 %	7.0 %	5.0 %	4.5 %	4.0 %	3.0 %	2.0 %	1.5 %
EBIT	-8.6	-1.3	0.4	2.6	4.3	5.9	7.6	9.3	12.3	17.9	22.3	26.8	27.4	
EBIT-margin	-25.9 %	-3.1 %	0.8 %	5.2 %	8.1 %	10.4 %	12.5 %	14.3 %	18.0 %	25.0 %	30.0 %	35.0 %	35.0 %	
Tax rate (EBT)	-0.7 %	-106.3 %	210.8 %	50.2 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	-8.6	-2.7	-0.4	1.3	3.0	4.2	5.3	6.5	8.6	12.5	15.6	18.8	19.2	
Depreciation	24.1	25.1	26.2	24.4	26.6	28.5	30.5	29.4	30.8	28.6	29.8	30.7	31.3	
in % of Sales	73.0 %	60.8 %	57.9 %	50.0 %	50.0 %	50.0 %	50.0 %	45.0 %	45.0 %	40.0 %	40.0 %	40.0 %	40.0 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	0.5	0.5	-0.4	2.7	1.9	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.0	0.0	
- Capex	28.4	29.5	30.7	29.3	31.9	31.4	33.5	32.6	30.8	28.6	29.8	30.7	31.3	
Capex in % of Sales	85.9 %	71.5 %	67.8 %	60.0 %	60.0 %	55.0 %	55.0 %	50.0 %	45.0 %	40.0 %	40.0 %	40.0 %	40.0 %	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-13.4	-7.6	-4.6	-6.3	-4.2	1.4	2.4	3.3	8.7	12.6	15.7	18.8	19.2	19
PV of FCF	-13.4	-6.8	-3.7	-4.6	-2.7	0.8	1.3	1.6	3.8	4.9	5.5	6.0	5.5	59
share of PVs	<b>-41.86 %</b>			<b>38.62 %</b>										<b>103.24 %</b>

## Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	10.00 %	Financial Strength	1.70
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.80
Market return	7.00 %	Cyclicality	1.80
Risk free rate	1.50 %	Transparency	2.40
		Others	1.80
<b>WACC</b>	<b>10.97 %</b>	<b>Beta</b>	<b>1.90</b>

## Valuation (m)

Present values 2030e	-2		
Terminal Value	59		
Financial liabilities	6		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	15	No. of shares (m)	14.0
<b>Equity Value</b>	<b>66</b>	<b>Value per share (EUR)</b>	<b>4.71</b>

## Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
2.10	12.0 %	3.54	3.61	3.69	3.77	3.85	3.94	4.03	2.10	12.0 %	3.34	3.48	3.62	3.77	3.91	4.05	4.19
2.00	11.5 %	3.94	4.03	4.12	4.21	4.31	4.41	4.52	2.00	11.5 %	3.76	3.91	4.06	4.21	4.36	4.51	4.66
1.95	11.2 %	4.17	4.26	4.35	4.45	4.56	4.67	4.79	1.95	11.2 %	3.99	4.15	4.30	4.45	4.61	4.76	4.91
1.90	11.0 %	4.40	4.50	4.60	4.71	4.82	4.95	5.07	1.90	11.0 %	4.24	4.40	4.55	4.71	4.87	5.03	5.18
1.85	10.7 %	4.65	4.75	4.87	4.98	5.11	5.24	5.38	1.85	10.7 %	4.50	4.66	4.82	4.98	5.15	5.31	5.47
1.80	10.5 %	4.91	5.03	5.15	5.28	5.41	5.55	5.71	1.80	10.5 %	4.78	4.94	5.11	5.28	5.44	5.61	5.78
1.70	10.0 %	5.49	5.63	5.77	5.92	6.08	6.25	6.43	1.70	10.0 %	5.39	5.56	5.74	5.92	6.10	6.27	6.45

- High EBIT margin resulting of platform business with a low cost basis in steady state
- High depreciation rates result from typical accounting practices in content production business

Valuation							
	2014	2015	2016	2017	2018e	2019e	2020e
Price / Book	n.a.	0.8 x	1.7 x	0.7 x	2.0 x	2.5 x	2.7 x
Book value per share ex intangibles	-0.86	3.38	-4.00	7.40	-0.23	-0.70	-1.06
EV / Sales	n.a.	0.1 x	0.6 x	0.2 x	0.9 x	0.9 x	0.9 x
EV / EBITDA	n.a.	0.2 x	1.0 x	0.3 x	1.8 x	1.5 x	1.5 x
EV / EBIT	n.a.	n.a.	n.a.	2.6 x	n.a.	n.a.	107.6 x
EV / EBIT adj.*	n.a.	n.a.	n.a.	2.6 x	n.a.	n.a.	107.6 x
P / FCF	n.a.	12.4 x	n.a.	n.a.	n.a.	n.a.	n.a.
P / E	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	n.a.	456.2 %	99.8 %	260.4 %	54.6 %	63.8 %	63.0 %

\*Adjustments made for: -

Company Specific Items							
	2014	2015	2016	2017	2018e	2019e	2020e
VoD Active Customer development	n.a.	n.a.	n.a.	0.3	0.6	1.0	1.4

## Consolidated profit & loss

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Sales</b>	<b>6.0</b>	<b>13.7</b>	<b>15.1</b>	<b>28.1</b>	<b>33.0</b>	<b>41.2</b>	<b>45.2</b>
Change Sales yoy	-16.6 %	127.7 %	10.4 %	85.8 %	17.6 %	25.0 %	9.7 %
Increase / decrease in inventory	0.0	0.0	0.0	10.8	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.4	0.3	0.0	0.0	0.0
<b>Total Sales</b>	<b>6.0</b>	<b>13.7</b>	<b>15.5</b>	<b>39.1</b>	<b>33.0</b>	<b>41.2</b>	<b>45.2</b>
Material expenses	7.0	9.2	3.6	15.0	6.2	4.7	4.9
<b>Gross profit</b>	<b>-1.0</b>	<b>4.5</b>	<b>11.9</b>	<b>24.1</b>	<b>26.8</b>	<b>36.6</b>	<b>40.4</b>
<i>Gross profit margin</i>	<i>-16.0 %</i>	<i>32.5 %</i>	<i>78.8 %</i>	<i>85.9 %</i>	<i>81.1 %</i>	<i>88.7 %</i>	<i>89.3 %</i>
Personnel expenses	0.5	0.8	2.0	3.5	7.5	7.7	8.7
Other operating income	1.9	6.6	0.9	2.4	2.1	1.8	1.8
Other operating expenses	0.8	1.5	1.7	5.5	5.8	6.8	6.9
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>-0.3</b>	<b>8.8</b>	<b>9.1</b>	<b>17.5</b>	<b>15.5</b>	<b>23.8</b>	<b>26.5</b>
<i>Margin</i>	<i>-5.5 %</i>	<i>64.4 %</i>	<i>60.4 %</i>	<i>62.5 %</i>	<i>47.0 %</i>	<i>57.7 %</i>	<i>58.7 %</i>
Depreciation of fixed assets	0.0	0.1	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>-0.3</b>	<b>8.8</b>	<b>9.1</b>	<b>17.5</b>	<b>15.5</b>	<b>23.8</b>	<b>26.5</b>
Amortisation of intangible assets	0.0	9.3	10.9	15.3	24.1	25.1	26.2
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-1.8</b>	<b>2.2</b>	<b>-8.6</b>	<b>-1.3</b>	<b>0.4</b>
<i>Margin</i>	<i>-5.8 %</i>	<i>-4.3 %</i>	<i>-11.7 %</i>	<i>7.9 %</i>	<i>-25.9 %</i>	<i>-3.1 %</i>	<i>0.8 %</i>
<b>EBIT adj.</b>	<b>-0.3</b>	<b>-0.6</b>	<b>-1.8</b>	<b>2.2</b>	<b>-8.6</b>	<b>-1.3</b>	<b>0.4</b>
Interest income	0.1	0.1	0.1	0.0	0.2	0.2	0.2
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>-0.2</b>	<b>-0.5</b>	<b>-1.7</b>	<b>2.2</b>	<b>-8.4</b>	<b>-1.1</b>	<b>0.6</b>
<i>Margin</i>	<i>-4.1 %</i>	<i>-3.5 %</i>	<i>-11.0 %</i>	<i>8.0 %</i>	<i>-25.3 %</i>	<i>-2.7 %</i>	<i>1.3 %</i>
Total taxes	0.1	-0.1	0.1	2.6	0.1	1.2	1.2
<b>Net income from continuing operations</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-1.7</b>	<b>-0.4</b>	<b>-8.4</b>	<b>-2.3</b>	<b>-0.6</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-1.7</b>	<b>-0.4</b>	<b>-8.4</b>	<b>-2.3</b>	<b>-0.6</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-0.4</b>	<b>-0.4</b>	<b>-1.7</b>	<b>-0.4</b>	<b>-8.4</b>	<b>-2.3</b>	<b>-0.6</b>
<i>Margin</i>	<i>-6.5 %</i>	<i>-3.2 %</i>	<i>-11.2 %</i>	<i>-1.4 %</i>	<i>-25.5 %</i>	<i>-5.5 %</i>	<i>-1.4 %</i>
Number of shares, average	1.0	1.1	1.1	1.3	14.0	14.0	14.0
<b>EPS</b>	<b>-0.39</b>	<b>-0.39</b>	<b>-1.54</b>	<b>-0.31</b>	<b>-0.60</b>	<b>-0.16</b>	<b>-0.05</b>
EPS adj.	-0.39	-0.39	-1.54	-0.31	-0.60	-0.16	-0.05

\*Adjustments made for:

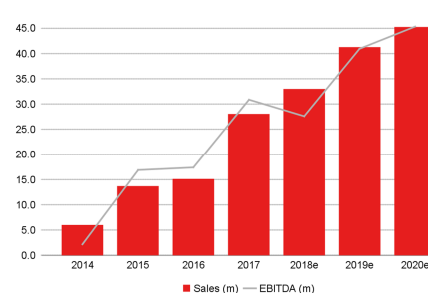
**Guidance: Sharp rise in sales and significant increase in income**

## Financial Ratios

	2014	2015	2016	2017	2018e	2019e	2020e
Total Operating Costs / Sales	105.5 %	35.6 %	42.3 %	76.9 %	53.0 %	42.3 %	41.3 %
Operating Leverage	n.a.	0.6 x	19.2 x	n.a.	n.a.	-3.4 x	n.a.
EBITDA / Interest expenses	n.m.	491.9 x	3178.7 x	n.a.	n.a.	n.a.	n.a.
Tax rate (EBT)	-58.3 %	10.7 %	-3.5 %	117.6 %	-0.7 %	-106.3 %	210.8 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	30,045	414,545	165,934	240,794	260,844	281,539	298,533

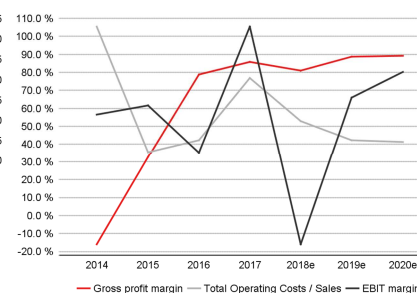
### Sales, EBITDA

in EUR m

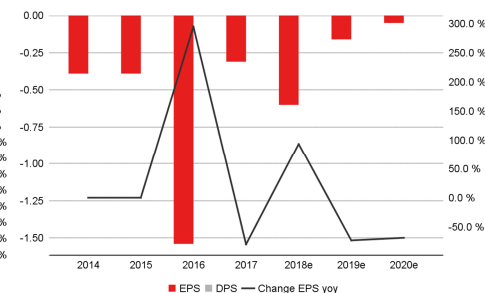


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

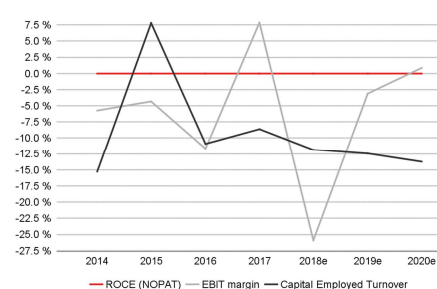
**Consolidated balance sheet**

In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
<b>Assets</b>							
Goodwill and other intangible assets	0.0	1.0	7.5	10.7	14.9	19.1	23.6
thereof other intangible assets	0.0	1.0	7.5	10.7	14.9	19.1	23.6
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.1	0.2	0.3	0.4	0.6
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>0.0</b>	<b>1.1</b>	<b>7.6</b>	<b>10.9</b>	<b>15.2</b>	<b>19.6</b>	<b>24.1</b>
Inventories	6.2	0.9	0.0	0.0	0.0	0.0	0.0
Accounts receivable	1.7	3.4	4.6	7.7	9.0	10.2	10.5
Liquid assets	5.9	4.8	1.8	14.8	1.6	0.0	0.1
Other short-term assets	4.4	3.3	4.0	7.4	7.4	7.4	7.4
<b>Current assets</b>	<b>18.1</b>	<b>12.4</b>	<b>10.5</b>	<b>29.8</b>	<b>17.9</b>	<b>17.6</b>	<b>18.0</b>
<b>Total Assets</b>	<b>18.1</b>	<b>13.5</b>	<b>18.1</b>	<b>40.7</b>	<b>33.1</b>	<b>37.2</b>	<b>42.1</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	1.0	1.1	1.1	1.3	1.3	1.3	1.3
Capital reserve	0.0	5.9	5.9	23.1	23.1	23.1	23.1
Retained earnings	-1.9	-2.2	-3.9	-4.3	-12.7	-15.0	-15.6
Other equity components	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	-0.9	4.8	3.1	20.1	11.7	9.4	8.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>-0.9</b>	<b>4.8</b>	<b>3.1</b>	<b>20.1</b>	<b>11.7</b>	<b>9.4</b>	<b>8.8</b>
Provisions	0.2	0.1	0.2	0.2	0.2	0.2	0.2
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	10.5	3.0	5.8	6.1	6.1	11.7	16.6
thereof short-term financial liabilities	10.5	3.0	5.8	6.1	6.1	11.7	16.6
Accounts payable	0.3	0.2	0.8	0.8	0.9	1.1	1.2
Other liabilities	8.0	5.4	8.2	13.6	14.3	14.8	15.4
<b>Liabilities</b>	<b>19.0</b>	<b>8.7</b>	<b>15.0</b>	<b>20.6</b>	<b>21.4</b>	<b>27.8</b>	<b>33.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>18.1</b>	<b>13.5</b>	<b>18.1</b>	<b>40.7</b>	<b>33.1</b>	<b>37.2</b>	<b>42.1</b>

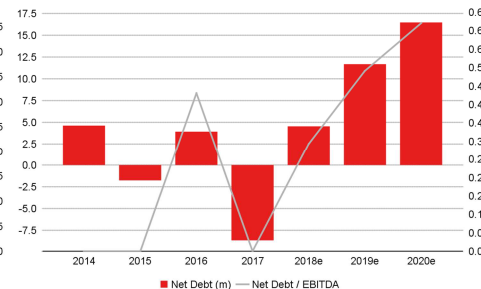
**Financial Ratios**

	2014	2015	2016	2017	2018e	2019e	2020e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	2.9 x	-15.1 x	-5.8 x	-4.6 x	-6.1 x	-8.5 x	-8.9 x
Capital Employed Turnover	1.6 x	4.6 x	2.2 x	2.5 x	2.0 x	2.0 x	1.8 x
ROA	-1291.9 %	-40.1 %	-22.3 %	-3.6 %	-55.4 %	-11.5 %	-2.6 %
<b>Return on Capital</b>							
ROCE (NOPAT)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ROE	90.6 %	-22.2 %	-43.3 %	-3.4 %	-53.0 %	-21.5 %	-7.0 %
Adj. ROE	90.6 %	-22.2 %	-43.3 %	-3.4 %	-53.0 %	-21.5 %	-7.0 %
<b>Balance sheet quality</b>							
Net Debt	4.6	-1.8	3.9	-8.7	4.5	11.7	16.5
Net Financial Debt	4.6	-1.8	3.9	-8.7	4.5	11.7	16.5
Net Gearing	-540.0 %	-37.1 %	127.8 %	-43.1 %	39.0 %	124.3 %	187.9 %
Net Fin. Debt / EBITDA	n.a.	n.a.	43.1 %	n.a.	29.3 %	49.1 %	62.1 %
Book Value / Share	-0.9	4.3	2.8	15.8	0.8	0.7	0.6
Book value per share ex intangibles	-0.9	3.4	-4.0	7.4	-0.2	-0.7	-1.1

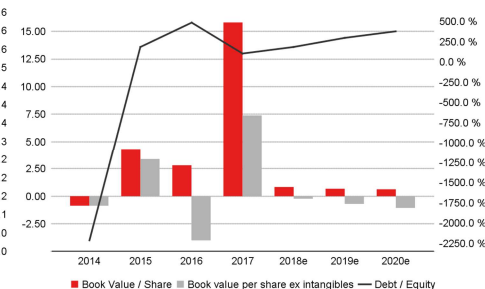
**ROCE Development**



**Net debt in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

**Consolidated cash flow statement**

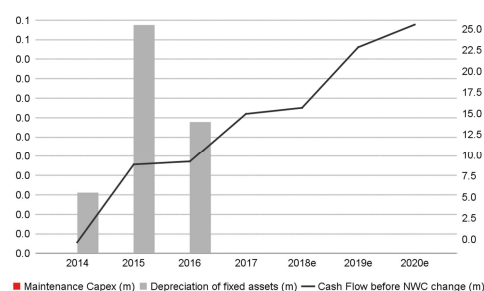
In EUR m	2014	2015	2016	2017	2018e	2019e	2020e
Net income	-0.4	-0.4	-1.7	-0.4	-8.4	-2.3	-0.6
Depreciation of fixed assets	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	9.3	10.9	15.3	24.1	25.1	26.2
Increase/decrease in long-term provisions	0.0	-0.1	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>-0.4</b>	<b>8.8</b>	<b>9.2</b>	<b>14.9</b>	<b>15.7</b>	<b>22.8</b>	<b>25.5</b>
Increase / decrease in inventory	-3.8	4.6	-1.1	0.0	0.0	0.0	0.0
Increase / decrease in accounts receivable	-0.2	0.0	0.0	-3.1	-1.3	-1.2	-0.3
Increase / decrease in accounts payable	0.0	-2.6	3.5	6.6	0.8	0.7	0.7
Increase / decrease in other working capital positions	-4.4	-0.1	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-8.5	1.9	2.3	3.6	-0.5	-0.5	0.4
<b>Net cash provided by operating activities [1]</b>	<b>-8.8</b>	<b>10.7</b>	<b>11.6</b>	<b>18.5</b>	<b>15.2</b>	<b>22.3</b>	<b>25.9</b>
Investments in intangible assets	0.0	-10.4	-17.3	-18.5	-28.3	-29.4	-30.6
Investments in property, plant and equipment	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	-0.1	-0.1	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>0.0</b>	<b>-10.3</b>	<b>-17.3</b>	<b>-18.6</b>	<b>-28.4</b>	<b>-29.5</b>	<b>-30.7</b>
Change in financial liabilities	0.0	0.0	0.0	0.3	0.0	5.6	4.9
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	6.0	0.0	18.5	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>0.0</b>	<b>6.0</b>	<b>0.0</b>	<b>18.8</b>	<b>0.0</b>	<b>5.6</b>	<b>4.9</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-8.8</b>	<b>6.4</b>	<b>-5.7</b>	<b>18.7</b>	<b>-13.2</b>	<b>-1.5</b>	<b>0.1</b>
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	-4.6	1.8	-3.9	14.8	1.6	0.0	0.1

**Financial Ratios**

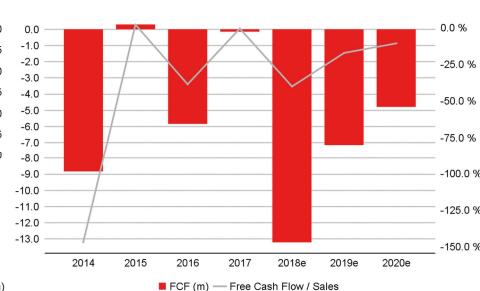
	2014	2015	2016	2017	2018e	2019e	2020e
<b>Cash Flow</b>							
FCF	-8.8	0.3	-5.8	-0.1	-13.2	-7.1	-4.8
Free Cash Flow / Sales	-146.9 %	2.2 %	-38.6 %	-0.5 %	-40.0 %	-17.3 %	-10.6 %
Free Cash Flow Potential	-0.5	8.9	9.1	14.9	15.5	22.6	25.3
Free Cash Flow / Net Profit	2270.9 %	-68.8 %	343.6 %	37.8 %	156.9 %	315.8 %	752.8 %
Interest Received / Avg. Cash	3.9 %	2.3 %	3.2 %	0.3 %	2.5 %	25.7 %	322.9 %
Interest Paid / Avg. Debt	0.3 %	0.3 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Management of Funds</b>							
Investment ratio	0.0 %	76.0 %	115.3 %	66.5 %	85.9 %	71.5 %	67.8 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	0.0 %	110.6 %	159.8 %	121.6 %	117.8 %	117.5 %	117.3 %
Avg. Working Capital / Sales	16.9 %	4.0 %	-12.2 %	-16.1 %	-18.3 %	-13.4 %	-12.1 %
Trade Debtors / Trade Creditors	552.4 %	1455.4 %	545.4 %	962.5 %	1000.0 %	927.3 %	875.0 %
Inventory Turnover	1.1 x	10.2 x	n.a.	n.a.	n.a.	n.a.	n.a.
Receivables collection period (days)	101	90	112	100	100	90	85
Payables payment period (days)	16	9	85	19	53	86	90
Cash conversion cycle (Days)	120	-81	n.a.	n.a.	n.a.	n.a.	n.a.

**CAPEX and Cash Flow**

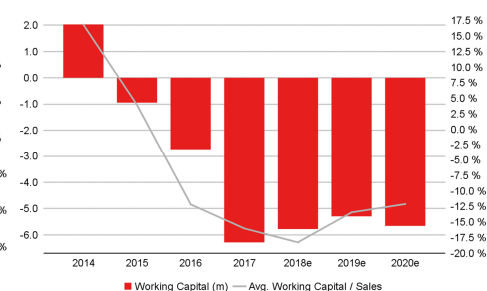
in EUR m



**Free Cash Flow Generation**



**Working Capital**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	131	64
Hold	65	32
Sell	3	1
Rating suspended	7	3
<b>Total</b>	<b>206</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	33	72
Hold	11	24
Sell	0	0
Rating suspended	2	4
<b>Total</b>	<b>46</b>	<b>100</b>

**PRICE AND RATING HISTORY PANTAFlix AS OF 05.12.2018**



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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## Our research can be found under:

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