

## Sales Desk

Stefan Bremer  
Tel.: +49 69 58997 426

Vlasta Edler  
Tel.: +49 69 58997 181

Marc Schellenberger  
Tel.: +49 69 58997 404

Guido Schickentanz  
Tel.: +49 69 58997 407

Michael Schuhmacher  
Tel.: +49 69 58997 400

Patrick Thielmann  
Tel.: +49 69 58997 405

Andreas Wessel  
Tel.: +49 69 58997 423

Heinz Zörgiebel  
Tel.: +49 69 58997 406

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## Statistics

Index	Closing	1 Day	1 Month
DAX	10.711	0,1%	1,3%
MDAX	21.341	-0,3%	0,1%
Tec-DAX	1.783	0,0%	2,0%
SDAX	9.383	0,4%	0,8%
Bund-Future	164	0,0%	0,3%

### DAX Movers

Most up	1 Day	Most down	1 Day
SAP SE	3,4%	Daimler AG	-2,1%
ThyssenKrupp AG	1,5%	adidas AG	-1,8%
Infineon Technologies	1,4%	Continental AG	-1,4%
Deutsche Bank AG	0,7%	Fresenius Medical Care AG & Co. KGaA	-1,1%
HeidelbergCement AG	0,6%	K+S AG	-1,0%

### TecDax Movers

Most up	1 Day	Most down	1 Day
Siltronic AG	5,5%	LPKF Laser & Electronics AG	-8,5%
CompuGroup Medical	1,6%	ADVA AG Optical Networking	-3,2%
XING AG	1,4%	Drillisch AG	-1,4%
Telefonica Deutschland	1,3%	United Internet AG	-0,9%
Software AG	1,0%	Bechtle AG	-0,9%

6 Months	Ytd	52w High	52w Low
19,4%	-0,3%	11.431	8.699
19,1%	2,7%	21.948	17.434
17,9%	-2,6%	1.889	1.464
22,2%	3,1%	9.540	7.504
-0,1%	4,0%	169	155

### MDAX Movers

Most up	1 Day	Most down	1 Day
Salzgitter AG	1,7%	Fielmann AG	-2,1%
Axel Springer SE	1,7%	Zalando SE	-1,8%
NORMA Group SE	1,0%	GEA Group Aktiengesellschaft	-1,7%
Kloeckner & Co SE	1,0%	Evonik Industries AG	-1,5%
ProSiebenSat.1 Media SE	0,9%	RTL Group S.A.	-1,1%

### SDAX Movers

Most up	1 Day	Most down	1 Day
Sixt SE	3,5%	PUMA SE	-3,1%
ADLER Real Estate AG	3,4%	BayWa AG	-2,0%
Gerry Weber Internat	2,9%	Hypoport AG	-2,0%
Biotest AG Pref	2,7%	Sixt Leasing SE	-1,6%
Scout24 AG	2,5%	Grammer AG	-1,2%

## Publisher

equinet Bank AG  
60487 Frankfurt, Gräfstr. 97  
Website: [www.equinet-ag.de](http://www.equinet-ag.de)

For our disclosures in respect of section 34b of the German Securities Trading Act (Wertpapierhandelsgesetz) and our disclaimer please see the end of this document. The following internet link provides further remarks on our financial analyses: [www.equinet-ag.de](http://www.equinet-ag.de)

## Buy

Recommendation unchanged

**Share price: EUR 4.76**

closing price as of 20/10/2016

**Target price: EUR 8.90**

from Target Price: EUR **11.00**

Reuters/Bloomberg

ADDG.DE/ADD GY

Market capitalisation (EURm)	88
Current N° of shares (m)	19
Free float	42%
Daily avg. no. trad. sh. 12 mth	17
Daily avg. trad. vol. 12 mth (m)	58
Price high 12 mth (EUR)	11.10
Price low 12 mth (EUR)	4.62
Abs. perf. 1 mth	-25.86%
Abs. perf. 3 mth	-39.47%
Abs. perf. 12 mth	-54.32%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	566	542	558
EBITDA (m)	33	16	33
EBITDA margin	5.9%	3.0%	5.8%
EBIT (m)	17	(0)	15
EBIT margin	3.0%	nm	2.7%
Net Profit (adj.)(m)	10	(4)	7
ROCE	9.8%	-0.2%	7.7%
Net debt/(cash) (m)	19	21	19
Net Debt/Equity	0.2	0.2	0.2
Debt/EBITDA	0.6	1.3	0.6
Int. cover(EBITDA/Fin. int)	6.9	3.5	7.3
EV/Sales	0.4	0.2	0.2
EV/EBITDA	6.4	7.0	3.5
EV/EBITDA (adj.)	5.8	7.0	3.5
EV/EBIT	12.5	nm	7.4
P/E (adj.)	18.2	nm	12.1
P/BV	1.8	0.9	0.9
OpFCF yield	3.3%	4.1%	11.4%
Dividend yield	10.5%	10.5%	5.2%
BPS (adj.)	0.55	(0.21)	0.40
BVPS	5.66	5.21	5.34
DPS	0.50	0.50	0.25



Source: Factset

—ADLER MODEMAERKTE —MDAQ (Rebased)

Shareholders: Steilmann Holding 53%; Gerhard Wöhrl 5%; Taaleritendhas Wealth Man. 3%;

### Analyst(s):

Mark Josefson, equinet Bank  
mark.josefson@equinet-ag.de  
+4969-58997-437

Christian.Bruns  
+4969-58997-415

## Conference feedback less negative than headlines

**The facts:** After the close on Thursday, Adler Modemärkte issued a trading statement for Q3-16 and reduced guidance for FY-16. Post a brief conference call on Friday we are left with the view that trading issues lie mainly with difficulties in the sector at large rather than the Adler business model. We have cut estimates to reflect new guidance and lower our TP to EUR 8.9, but retain our Buy rating.

**Our analysis:** Q3 sales of EUR 117.9m represent a drop of 9.5% yoy (vs. equinet est. -5%) with management referring to the difficult background in the trade at large. We estimate a like-for-like (LFL) decrease of close to 10% in a market which was probably down 7% in Germany and attribute the slight under-performance to the lack of customer traffic across the group's stores which we acknowledge reflects the adverse weather pattern in Europe.

Management suggest that the performance of city centre stores was a little below that experienced by the retail parks, but the stores located in shopping centres and standalone units all suffered to a similar extent reflecting the lack of footfall. However, management claim that when customers do come into stores, the conversion rate is increasing and they spend more in terms of basket size.

That makes for EUR 375m (-5.9%) sales for 9M-16, with LFL down 6% in a German fashion market probably down 3% ytd. We find it disappointing that new guidance calls for Q4 sales to be slightly down. Whilst flat sales might be a realistic target for the trade at large, in the case of Adler the new advertising campaign should provide support (October has started with a positive against a strong October 2015) and there will be two additional stores. We cut our FY-16 sales estimate by EUR 13m to EUR 542m meaning a 4.2% reduction from 2015.

A Q3 EBITDA loss of EUR -8.4m (vs. equinet EUR -2m) compares to EUR 0.6m last year and, as well as the missed sales, probably reflects higher than normal mark-downs. For 9M EBITDA amounted to EUR -7.7m (from EUR 4.6m 9M-15). The full report will be published on 10 Nov. but we have assumed gross margins down 230bp in Q3 and -120bp in 9M-16, with expenses down EUR 1.5m in Q3.

For 2016 management now assumes an EBITDA outcome between EUR 14-17m (from prev. guidance EUR 27-30m): the mid-point of which represents 50% decline for the year. We understand the basis is further margin pressure in Q4 (we note that rival C&A is currently running with a -50% off campaign) partially off-set by lower expenses with the first benefits of the costs-savings program. We cut our FY-16 forecast by EUR 12m to EUR 16.8m meaning a 50% reduction from 2015.

Management flagged an extension of the cost savings program with EUR 10m savings in 2017 expected (marketing, rent, personnel) especially the latter with the staff count expected to be cut by 200 (-5%) in Nov/Dec. Thus 2017 profits should be much higher given a lack of disruption costs, a better environment plus the costs savings on top: we model EUR 33m EBITDA.

We continue to see Adler Modemärkte as well positioned to service the "Best Agers" segment. Moreover, a number of bankruptcies in the sector including Wöhrl, SinnLeffers, Strauss Innovation, Charles Vögele (OVS will take Austrian and Swiss stores, but do not know about German Vögele stores yet) plus the likelihood of 200 Bonita store closures, should together make for a noticeable reduction in competition to the benefit of Adler on a long term perspective.

**Conclusion & Action:** Valuation is undermined by significant share overhang with the insolvency administrator taking control of the 53% stake in Adler held by the bankrupt Steilmann Holding. Whilst understanding investor reluctance to buy given this uncertainty, our view is that the share overhang has had an abnormal impact on the shares. We set a new EUR 8.9 DCF TP, but retain our Buy rating.

**Buy**

Recommendation unchanged

**Share price: EUR 79.48**

closing price as of 21/10/2016

**Target price: EUR 100.00**

Target Price unchanged

Reuters/Bloomberg

HYQGN.DE/HYQ GR

Market capitalisation (EURm)	492
Current N° of shares (m)	6
Free float	63%
Daily avg. no. trad. sh. 12 mth	24
Daily avg. trad. vol. 12 mth (m)	1,518
Price high 12 mth (EUR)	97.00
Price low 12 mth (EUR)	50.00
Abs. perf. 1 mth	-0.46%
Abs. perf. 3 mth	-14.90%
Abs. perf. 12 mth	58.99%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	139	155	171
EBITDA (m)	25	31	35
EBITDA margin	18.0%	19.7%	20.3%
EBIT (m)	19	25	29
EBIT margin	13.9%	16.2%	17.0%
Net Profit (adj.)(m)	16	19	23
ROCE	31.1%	40.8%	49.3%
Net debt/(cash) (m)	(0)	(20)	(43)
Net Debt/Equity	0.0	-0.3	-0.5
Debt/EBITDA	0.0	-0.6	-1.2
Int. cover(EBITDA/Fin. int)	171.8	20.4	23.1
EV/Sales	3.6	3.1	2.6
EV/EBITDA	19.9	15.5	13.0
EV/EBITDA (adj.)	19.9	15.5	13.0
EV/EBIT	25.9	18.9	15.4
P/E (adj.)	31.4	25.3	21.5
P/BV	9.5	6.9	5.2
OpFCF yield	3.9%	3.9%	4.7%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	2.56	3.14	3.69
BVPS	8.46	11.60	15.29
DPS	0.00	0.00	0.00

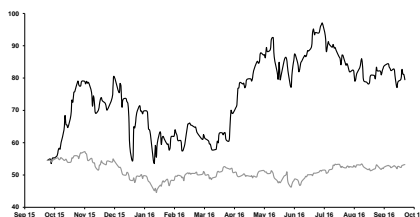
**Good preliminary Q3 results**

**The facts:** Last Friday afternoon Hypoport released preliminary Q3 results. Total Q3 revenues are up by 12% yoy to EUR 39.8m which is in line with our forecast of EUR 39.5m. EBIT increased by 5% yoy to EUR 5.9m which is fully in line with our forecast; EBIT margin of 14.8% is broadly in line with previous quarters but down yoy (Q3 '15: EBIT margin: 15.8%).

**Our analysis:** After 9 months Hypoport reached revenues of EUR 114m (+11% yoy) and an EBIT of EUR 17m (+15% yoy). Hypoport remains thus on track to reach its full-year profit target of achieving both revenues and EBIT by more than 10% yoy.

**Conclusion & Action:** Hypoport reported good Q3 results which are however fully in line with our forecast. Hence, the company remains on track to reach our full-year earnings forecast. Thus we stick to our Buy recommendation with a target price of EUR 100.00.

Hypoport (HYP) is a financial services company focusing on the distribution of real estate loans both to retail and to commercial customers. Its key product is EUROPACE, an electronic marketplace for (mortgage) loans, through which banks can better process their loan business and banks/sales organizations have access to basically all loan providers in Germany. Through its Dr. Klein branch network HYP is furthermore selling financial service products, mainly mortgage loans, to retail customers. We expect the interest rates to remain low and therefore we forecast new mortgage loan volumes to remain on high levels; furthermore HYP should be able to gain further market shares. Hence, we forecast average annual revenue growth of 10% between 2015 and 2018e, annual net profit growth should amount to 18%.



Source: Factset —HYPOPORT AG —CDAX (Rebased)

Shareholders: Slabke 37%;

Analyst(s):

Philipp Häßler, CFA, equinet Bank  
philipp.haessler@equinet-ag.de  
+49 69 58997 414

## History of equinet's Recommendations

On each "company recommendation history", please visit the ESN website and consult our database ([www.esnpartnership.eu](http://www.esnpartnership.eu)).

## Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
2GEnergy	Schmidt	24,00	Buy	2/3/5	MAXAutomation AG	Schmidt	7,00	Accumulate	2/3/5
4SC	Miemietz	3,50	Buy	7	Merck	Miemietz	91,00	Neutral	
Aareal Bank	Häßler	37,00	Accumulate		Merkur Bank	Häßler	8,20	Buy	2/3
Adpepper	Heilmann	3,00	Buy	2/3	MLP	Häßler	4,30	Accumulate	2/3
adidas	Josefson	128,00	Sell		Munich Re	Häßler	180,00	Neutral	
Adler Modemaerkte	Josefson	11,00	Buy	7	Nemet schek SE	Droste	47,00	Reduce	5
ADLER Real Estate	Häßler	16,00	Buy		NexusAG	Droste	20,00	Buy	5
Aixtron	Kruchevska	6,00	Accumulate	2/3	Norma Group	Schmidt	60,00	Buy	
Allianz	Häßler	160,00	Buy		OHB SE	Kruchevska	20,00	Neutral	7
Axel Springer	Josefson	55,00	Neutral		OVH Holding AG	Häßler	20,00	Buy	2/3/5
BASF	Schäfer*	95,00	Accumulate		Patrizia AG	Häßler	26,00	Accumulate	
Bayer	Miemietz	118,00	Buy		Pfeiffer Vacuum	Sen	92,00	Neutral	
BayWa	Schäfer*	33,00	Neutral	5	PSI	Droste	13,00	Accumulate	2/3
BB Biotech	Miemietz	52,00	Buy	7	Rheinmetall	Rau*	79,00	Buy	
Beiersdorf	Schäfer*	64,00	Sell		RIB Software	Droste	12,00	Buy	2/3
Biotest	Miemietz	18,00	Buy	2/3	RTL Group	Josefson	81,00	Accumulate	
BMW	Schmidt	96,00	Accumulate		RWE	Schäfer*	13,00	Neutral	
Cenit	Droste	22,50	Buy	2/3	SAF-Holland	Schmidt	13,50	Buy	7
comdirect	Häßler	10,00	Neutral		Siegfried Holding AG	Miemietz	220,00	Accumulate	
Commerzbank	Häßler	7,50	Buy		SLM Solutions	Sen	27,50	Buy	
Continental	Schmidt	240,00	Buy		SMT Scharf AG	Schmidt	11,00	Neutral	2/3
CTS Eventim	Josefson	33,00	Neutral		Software AG	Droste	30,00	Neutral	
Cytotools AG	Heilmann	11,50	Accumulate	2/3	SuessMicroTec	Kruchevska	7,00	Neutral	2/3
Daimler AG	Schmidt	83,00	Buy		Surteco	Schmidt	27,00	Buy	2/3
Daldrup & Soehne	Schäfer*	15,00	Accumulate	2/3/5	Symrise AG	Schäfer*	36,00	Neutral	
Deutsche Bank	Häßler	13,00	Neutral		Syzygy AG	Heilmann	13,00	Buy	2/3
Deutsche Boerse	Häßler	79,00	Neutral		Talanx Group	Häßler	32,00	Accumulate	
Deutsche EuroShop	Rothenbacher	42,00	Neutral		Technotrans	Kruchevska	24,00	Accumulate	2/3
Deutsche Pfandbriefbank	Häßler	12,30	Buy		TELECOLUMBUS	Sen	10,00	Buy	2
Deutsche Telekom	Sen	15,50	Neutral		United Internet	Sen	55,00	Buy	
Deutz AG	Schmidt	5,00	Buy		VIB Vermoegen	Rothenbacher	22,00	Buy	
Draegerwerk AG & Co. KGaA	Rau*	98,00	Neutral		Viscom	Kruchevska	14,50	Accumulate	2/3
Drillisch	Sen	41,00	Neutral		Volkswagen	Schmidt	166,00	Buy	
E.ON	Schäfer*	10,50	Accumulate		Vossloh	Rau*	74,00	Buy	
Elmos Semiconductor	Kruchevska	15,00	Buy		WCM AG	Rothenbacher	3,25	Accumulate	2/3
EringKlinger	Schmidt	17,00	Neutral		Wilex	Miemietz	4,00	Buy	2/3
elumio SE	Josefson	14,00	Buy		Wincor Nixdorf	Sen	50,00	Accumulate	
Epigenomics AG	Miemietz	6,70	Buy	2/3	Zumtobel Group AG	Kruchevska	18,50	Buy	2/3/5
Euromicron AG	Droste	13,00	Buy	2/3					
Evonik	Schäfer*	34,00	Accumulate						
Ferratum	Häßler	27,00	Buy						
Fielmann	Heilmann	68,00	Accumulate						
Freenet	Sen	36,00	Buy	2					
FuchsPetrolub	Schäfer*	37,00	Neutral						
GEA Group	Rau*	49,00	Buy						
Gerry Weber	Josefson	9,50	Reduce						
Gesco	Schmidt	65,00	Neutral	2/3/5					
GFT Technologies	Droste	28,00	Buy	2/3/5					
Gigaset	Sen	0,65	Accumulate	2/3					
GrandCity Properties	Häßler	20,00	Neutral						
Grenke	Häßler	200,00	Buy						
Hannover Re	Häßler	88,00	Neutral						
Heidelberger Druck	Rau*	3,40	Buy						
Henkel	Schäfer*	82,00	Neutral						
Hugo Boss	Josefson	72,00	Buy						
Hypoport AG	Häßler	100,00	Buy	7					
Jenoptik	Rau*	14,00	Neutral						
K+S AG	Schäfer*	22,00	Accumulate						
Kontron	Sen	3,60	Buy						
Krones AG	Rau*	104,00	Neutral						
Lanxess	Schäfer*	54,00	Neutral						
Leoni	Schmidt	35,00	Accumulate						
Linde	Hinkel	160,00	Buy						
Logwin	Rothenbacher	2,20	Neutral	2/3/5					
Manz AG	Kruchevska	33,00	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.
- Neutral - 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 -5% to -15% 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 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 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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