

24/03/2016 - GBC research comment – FinLab AG

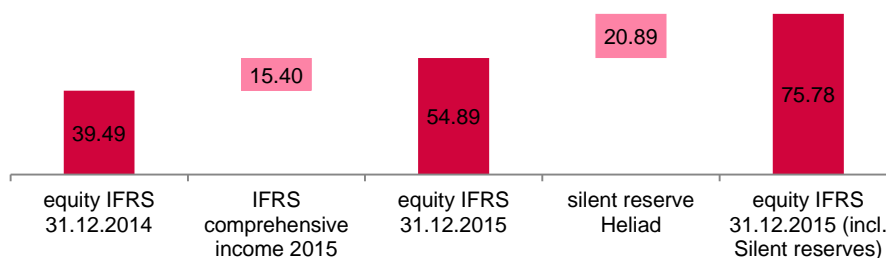
Company: FinLab AG^{*5a,6a,11}
 ISIN: DE0001218063
 Reason to comment: Preliminary results for FY15
 Analyst: Felix Gode, CFA
 Latest stock quote: € 15.30 (XETRA 23/03/2016; 17:36)
 Target Price: € 16.70 (previously € 12.30)
 Rating: BUY
 Date of completion / publication: 24/03/2016
 * Potential conflicts of interest on page 3

FinLab AG significantly improved the results for 2015 and expects to continue this positive trend in 2016 – Target price increase to 16.70 €

Yesterday, FinLab AG published its preliminary results for FY 2015. The company continues the positive trend from last year and total results pursuant to IFRS increased by 46.7 % to € 15.4m, in comparison to € 10.5m last year. Accordingly, we estimate an increase of equity up to € 54.9m. The positive development is also driven by the good performance of Heliad Equity Partners share. FinLab owns 47.04 % of Heliad Equity Partners and therefore realized gains from the appreciation of the share. Last year, FinLab also acquired the crowd funding platform 'Venturate' and the deposit platform 'Deposit Solutions' as well as the e-learning/trading platform 'nextmarkets'. Hence, FinLab greater focus on financial service technology is further backed up by these successful investments.

Heliad increased its net asset value (NAV) from € 8.53 to € 10.87 per share on the 31/12/2015. Therefore, the discount from the NAV to the share price is still 43.0 % and shows substantial appreciation potential. Based on the share price of Heliad on the 31/12/2015 of € 6.20, we estimate FinLab AGs hidden reserves to around € 20.9m.

FinLab AGs equity development pursuant to IFRS including hidden reserves



Source: GBC, Finlab, Heliad

We estimate the fair value per FinLab-share to be no less than € 16.70, based on the preliminary results. We will review our findings and may adjust the target price with the publication of the annual report 2015 on the 29/04/2016. FinLab is optimistic for the current FY16 and reports a very good start to the year. Furthermore, FinLab expects positive results for FY16, especially due to the upcoming rounds of financing for its investments with an expected increase in valuation. Furthermore, new investments are expected to contribute to the corporate success. Hence, we reiterate our BUY recommendation for FinLab AG.

ANNEX

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