

# ZEAL Network SE

Others - Germany



**Buy** (old: Buy)

09.12.2024

**EUR 60.00** (old: EUR 57.00)

## Exceptionally strong current trading; raising ests & PT

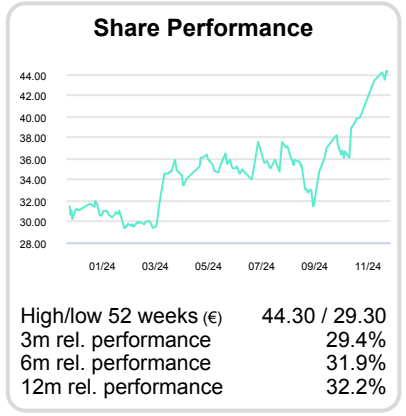
**Topic:** following 7x peak Eurojackpots in the last weeks, Germany was in a lottery fever with exceptionally high user activity and lottery spendings up 2-3x above average. For Germany's #1 online provider of lottery, this bodes for exceptionally high lottery billings and sales in this period, but more importantly, user intake at attractive prices. In detail:

**Q4 jackpot situation:** out of the two main German lottery products, the Eurojackpot is the one to be excited about in Q4. The jackpot was hit last Friday, thus Q4 came with a new record streak of 7x peak jackpots, which led to a new record of € 1.24bn in lottery spending on this product in Q4. This was a staggering 33% above the LTM average and already (with 3 weeks to go in Q4) exceeded Q4'23 by 33% yoy and Q2'24 by 17%. - see p. 2

**Q4 billings & sales growth:** the jackpot situation should have already pushed Q4 top-line to new peaks, as several sales drivers are kicking in at the same time: (1) the jackpot situation leads to a higher spending, as the inactive customers become active at these times which adds to the high user base on top of strong customer acquisitions of the past. All this should lead to elevated lottery billings in Q4, which we assume to arrive **elevated by 34% yoy at € 281m** (assuming average jackpots and user behaviour from now until end of Q4). Now even better, ZEAL's price optimization as of H2'24 should also expand the billings margin by 3.9pp yoy to 16.3% (eNuW), serving as additional and major lever on sales. Consequently, **Q4 lottery sales should rise by a staggering 75% yoy to € 46m**. - see p. 2

**User intake at attractive prices:** To take advantage of the jackpot situation (i.e. when most players are more prone to switch from offline to online), we expect ZEAL to go full-throttle on marketing (eNuW: € 18m, +240% yoy). In turn, this should in turn drive **new registrations up to 400k** (eNuW; +334% yoy) at attractive prices (eNuW: **CPL of € 35**, -6% yoy; -16% qoq). As the retention rate stands at c. 25%, this should add 85k in MAUs, increasing the **revenue base for lottery revenues** and cross-selling potential.

In sum, ZEAL should finish off 2024 **slightly above its sales guidance** (eNuW: € 170m), whereas we expect management to continue balancing marketing expense and profitability, leading to an EBITDA within the guidance range (eNuW: € 45m). Against this backdrop, we reiterate our **BUY recommendation**, keep ZEAL in the **NuWays AlphaList** and **increase our DCF-PT to € 60.00** (old: € 57.00)



### Market data

Share price (in €)	44.10
Market cap (in € m)	955.1
Number of shares (in m pcs)	21.7
Enterprise value (in € m)	972.1
Ø trading volume (6 months)	3,796

### Identifier

Bloomberg	TIMA GR
Reuters	TIMAn
WKN	ZEAL24
ISIN	DE000ZEAL241

### Key shareholders

Günther Group	35.2%
Working Capital	20.2%
Marc Peters	4.5%
Jens Schumann	3.6%
Free Float	36.6%

### Estimates changes

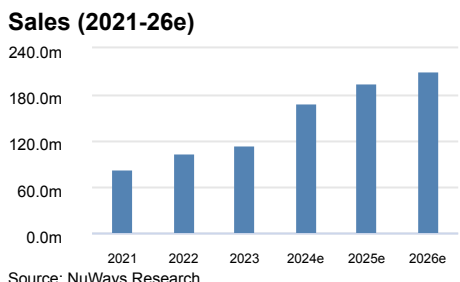
	2024e	2025e	2026e
Sales	4%	-0%	-5%
EBIT	-4%	-17%	-22%
EPS	-2%	-17%	-23%

### Comment on changes

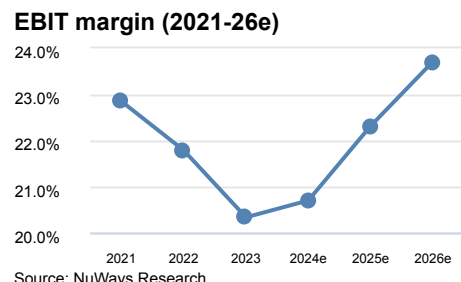
- EBIT & EPS estimates lower as we now expect more marketing expenses in the future.
- FY'26e sales estimate slightly lowered due to finetuned ARPU expansion estimate.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	83.3	105.2	116.0	170.3	194.4	211.9
Sales growth	-4.2%	26.2%	10.3%	46.7%	14.2%	9.0%
EBITDA	27.7	31.7	32.8	44.5	52.6	59.5
Net debt (if net cash=0)	-38.5	-28.5	-29.7	16.3	5.9	-6.5
FCF	26.0	27.1	24.9	39.1	36.4	40.6
Net Debt/EBITDA	-1.4	-0.9	-0.9	0.4	0.1	-0.1
EPS pro forma	0.48	0.74	0.59	2.27	1.32	1.54
EBITDA margin	33.3%	30.1%	28.3%	26.1%	27.1%	28.1%
ROCE	n.a.	6.0%	7.2%	11.2%	13.0%	15.4%
EV/sales	10.5	6.5	8.0	5.7	4.9	4.5
EV/EBITDA	31.6	21.7	28.2	21.8	18.3	16.0
PER	91.4	59.8	74.7	19.4	33.4	28.7
Adjusted FCF yield	1.8%	3.8%	4.0%	6.4%	4.2%	4.8%

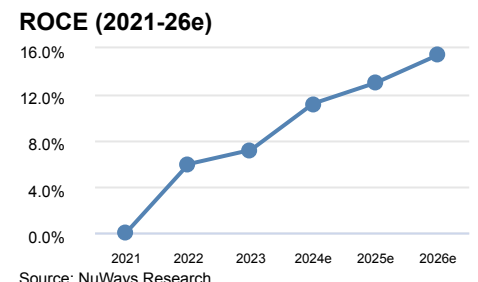
Source: Company data, NuWays, Close price as of 05.12.2024



Source: NuWays Research



Source: NuWays Research



Source: NuWays Research

### Company description

ZEAL brokers lottery products via the internet under two well-known web-domains: Lotto24.de and Tipp24.de and receives brokerage commissions from the lottery operators. In addition, the company also operates instant win games & charity based lotteries.

### Guidance

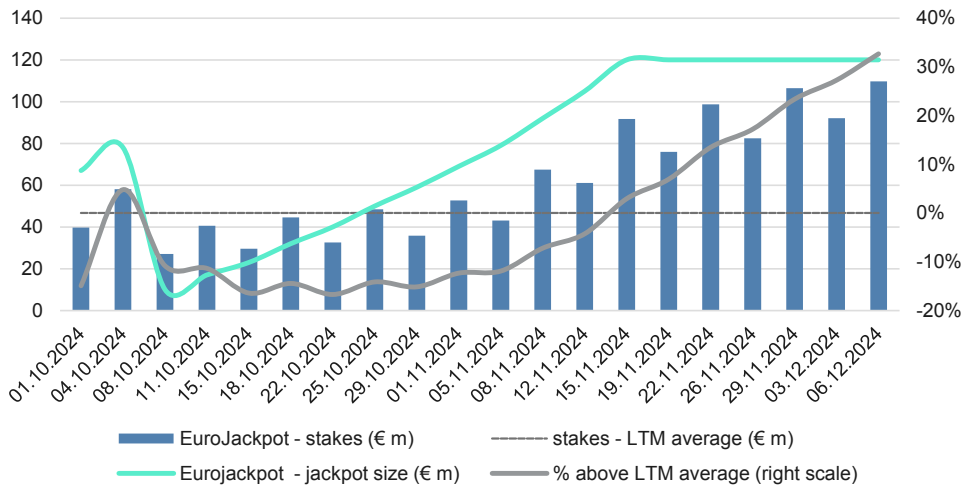
- FY'24 Sales : € 158-168m
- FY'24 EBITDA: € 42-46m

# ZEAL Network SE

Update - 09.12.2024



## Q4'24 EuroJackpot: Record nationwide lottery stakes



Source: DLTB, NuWays Research

Sales growth driver	2024				2025e			
	Q1	Q2	Q3	Q4e	Q1e	Q2e	Q3e	Q4e
<b>Jackpot situation</b>	+	+	-	+	?	?	?	?
No. of peak jackpots	4x	2x	0x	7x	unpredictable			
Lottery spending above LTM average (%)	13%	18%	-4%	33%	unpredictable			
<b>Increase in billings margin</b>			+	+	+	+		
billings margin (lottery)	13.0%	13.8%	16.8%	16.3%	16.0%	16.0%	16.0%	16.0%
yoy increase (pp)	+ 0.6 pp	+ 1.3 pp	+ 4.1 pp	+ 3.8 pp	+ 3.0 pp	+ 2.2 pp	- 0.8 pp	- 0.3 pp
<b>User activity</b>	+	+	-	+	?	?	?	?
MAUs (m)	1.333	1.372	1.334	1.501	1.410	1.480	1.520	1.530
% yoy	21%	20%	10%	34%	6%	8%	14%	2%
<b>User intake</b>	+	+	-	+	↻	↻	↻	↻
new registrations (m)	0.320	0.272	0.215	0.403	0.125	0.125	0.125	0.125
<b>Lottery sales (€ m)</b>	<b>32.0</b>	<b>36.0</b>	<b>39.6</b>	<b>46.0</b>	<b>41.6</b>	<b>43.7</b>	<b>44.9</b>	<b>45.2</b>
% yoy	28%	37%	40%	75%	30%	21%	13%	-2%

Source: NuWays Research

## Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
<b>Net sales</b>	<b>83.3</b>	<b>105.2</b>	<b>116.0</b>	<b>170.3</b>	<b>194.4</b>	<b>211.9</b>
<i>Sales growth</i>	-4.2%	26.2%	10.3%	46.7%	14.2%	9.0%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>83.3</b>	<b>105.2</b>	<b>116.1</b>	<b>170.3</b>	<b>194.4</b>	<b>211.9</b>
Other operating income	4.6	2.3	1.3	1.7	1.9	2.1
Material expenses	0.0	0.0	-0.0	0.0	0.0	0.0
Personnel expenses	19.0	18.9	22.6	34.0	36.8	39.0
Other operating expenses	41.2	57.0	62.0	93.5	106.9	115.5
<b>Total operating expenses</b>	<b>55.6</b>	<b>73.5</b>	<b>83.2</b>	<b>125.8</b>	<b>141.8</b>	<b>152.4</b>
<b>EBITDA</b>	<b>27.7</b>	<b>31.7</b>	<b>32.8</b>	<b>44.5</b>	<b>52.6</b>	<b>59.5</b>
Depreciation	0.7	0.7	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>27.0</b>	<b>31.0</b>	<b>32.8</b>	<b>44.5</b>	<b>52.6</b>	<b>59.5</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	7.9	8.1	9.3	9.3	9.3	9.3
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>19.0</b>	<b>22.9</b>	<b>23.6</b>	<b>35.2</b>	<b>43.4</b>	<b>50.3</b>
Interest income	0.2	1.4	0.5	0.5	0.4	0.3
Interest expenses	2.0	0.7	1.8	1.8	1.7	1.6
Investment income	-0.3	-0.2	-0.0	0.0	0.0	0.0
Financial result	-2.4	-0.1	-1.3	-1.3	-1.3	-1.3
<b>Recurring pretax income from continuing operations</b>	<b>16.7</b>	<b>22.8</b>	<b>22.2</b>	<b>33.9</b>	<b>42.1</b>	<b>48.9</b>
Extraordinary income/loss	0.0	0.0	-0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>16.7</b>	<b>22.8</b>	<b>22.3</b>	<b>33.9</b>	<b>42.1</b>	<b>48.9</b>
Income tax expense	5.3	6.2	8.6	-15.3	13.5	15.7
<b>Net income from continuing operations</b>	<b>11.4</b>	<b>16.6</b>	<b>13.7</b>	<b>49.2</b>	<b>28.6</b>	<b>33.3</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>11.4</b>	<b>16.6</b>	<b>13.7</b>	<b>49.2</b>	<b>28.6</b>	<b>33.3</b>
Minority interest	0.6	0.6	0.9	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>10.8</b>	<b>16.0</b>	<b>12.8</b>	<b>49.2</b>	<b>28.6</b>	<b>33.3</b>
Average number of shares	22.4	21.7	21.7	21.7	21.7	21.7
<b>EPS reported</b>	<b>0.48</b>	<b>0.74</b>	<b>0.59</b>	<b>2.27</b>	<b>1.32</b>	<b>1.54</b>

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
<b>Net sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Sales growth</i>	-4.2%	26.2%	10.3%	46.7%	14.2%	9.0%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other operating income	5.5%	2.2%	1.1%	1.0%	1.0%	1.0%
Material expenses	0.0%	0.0%	-0.0%	0.0%	0.0%	0.0%
Personnel expenses	22.9%	18.0%	19.4%	20.0%	18.9%	18.4%
Other operating expenses	49.4%	54.1%	53.4%	54.9%	55.0%	54.5%
<b>Total operating expenses</b>	<b>66.7%</b>	<b>69.9%</b>	<b>71.7%</b>	<b>73.9%</b>	<b>72.9%</b>	<b>71.9%</b>
<b>EBITDA</b>	<b>33.3%</b>	<b>30.1%</b>	<b>28.3%</b>	<b>26.1%</b>	<b>27.1%</b>	<b>28.1%</b>
Depreciation	0.9%	0.6%	0.0%	0.0%	0.0%	0.0%
<b>EBITA</b>	<b>32.4%</b>	<b>29.5%</b>	<b>28.3%</b>	<b>26.1%</b>	<b>27.1%</b>	<b>28.1%</b>
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	9.5%	7.7%	8.0%	5.4%	4.8%	4.4%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT (inc revaluation net)</b>	<b>22.9%</b>	<b>21.8%</b>	<b>20.3%</b>	<b>20.7%</b>	<b>22.3%</b>	<b>23.7%</b>
Interest income	0.2%	1.4%	0.4%	0.3%	0.2%	0.1%
Interest expenses	2.4%	0.7%	1.5%	1.0%	0.9%	0.8%
Investment income	-0.4%	-0.2%	-0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>20.0%</b>	<b>21.7%</b>	<b>19.2%</b>	<b>19.9%</b>	<b>21.6%</b>	<b>23.1%</b>
Extraordinary income/loss	0.0%	0.0%	-0.0%	0.0%	0.0%	0.0%
<b>Earnings before taxes</b>	<b>20.0%</b>	<b>21.7%</b>	<b>19.2%</b>	<b>19.9%</b>	<b>21.6%</b>	<b>23.1%</b>
Tax rate	31.5%	27.4%	38.6%	-45.1%	32.0%	32.0%
<b>Net income from continuing operations</b>	<b>13.7%</b>	<b>15.7%</b>	<b>11.8%</b>	<b>28.9%</b>	<b>14.7%</b>	<b>15.7%</b>
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net income</b>	<b>13.7%</b>	<b>15.7%</b>	<b>11.8%</b>	<b>28.9%</b>	<b>14.7%</b>	<b>15.7%</b>
Minority interest	0.7%	0.6%	0.8%	0.0%	0.0%	0.0%
<b>Net profit (reported)</b>	<b>12.9%</b>	<b>15.2%</b>	<b>11.0%</b>	<b>28.9%</b>	<b>14.7%</b>	<b>15.7%</b>

Source: Company data, NuWays

# ZEAL Network SE

Update - 09.12.2024



Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	298.0	289.6	281.7	310.1	302.1	294.2
Property, plant and equipment	0.6	1.2	1.2	1.2	1.2	1.2
Financial assets	16.6	22.5	18.2	18.2	18.2	18.2
<b>FIXED ASSETS</b>	<b>315.2</b>	<b>313.2</b>	<b>301.0</b>	<b>329.4</b>	<b>321.5</b>	<b>313.6</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	1.8	1.4	2.6	3.9	4.4	4.8
Other assets and short-term financial assets	82.9	75.4	30.5	30.5	30.5	30.5
Liquid assets	90.1	61.2	57.4	84.5	80.9	79.3
Deferred taxes	11.9	6.9	1.0	1.0	1.0	1.0
Deferred charges and prepaid expenses	1.5	1.5	1.7	1.7	1.7	1.7
<b>CURRENT ASSETS</b>	<b>188.6</b>	<b>146.5</b>	<b>93.6</b>	<b>121.7</b>	<b>118.6</b>	<b>117.4</b>
<b>TOTAL ASSETS</b>	<b>503.8</b>	<b>459.7</b>	<b>394.6</b>	<b>451.1</b>	<b>440.1</b>	<b>431.0</b>
<b>SHAREHOLDERS EQUITY</b>	<b>378.2</b>	<b>328.0</b>	<b>259.2</b>	<b>259.2</b>	<b>261.6</b>	<b>266.5</b>
MINORITY INTEREST	6.7	6.1	5.6	5.6	5.6	5.6
Long-term liabilities to banks	7.6	22.9	15.8	25.8	21.8	17.8
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	42.9	5.1	4.8	4.8	4.8	4.8
Provisions for pensions and similar obligations	0.4	0.1	0.7	0.7	0.7	0.7
Other provisions and accrued liabilities	4.0	4.0	4.2	4.2	4.2	4.2
<b>NON-CURRENT LIABILITIES</b>	<b>54.8</b>	<b>32.1</b>	<b>25.5</b>	<b>35.5</b>	<b>31.5</b>	<b>27.5</b>
Short-term liabilities to banks	1.1	4.7	7.2	70.3	60.3	50.3
Accounts payable	3.7	3.8	3.6	4.2	4.8	4.8
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	3.9	5.8	1.4	1.4	1.4	1.4
Other liabilities (incl. from lease and rental contracts)	6.5	33.0	48.0	48.0	48.0	48.0
Deferred taxes	48.8	46.3	44.2	27.0	27.0	27.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT LIABILITIES</b>	<b>64.0</b>	<b>93.5</b>	<b>104.4</b>	<b>150.9</b>	<b>141.5</b>	<b>131.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>503.8</b>	<b>459.7</b>	<b>394.6</b>	<b>451.1</b>	<b>440.1</b>	<b>431.0</b>
<b>Balance sheet (common size)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Intangible assets	59.2%	63.0%	71.4%	68.7%	68.7%	68.3%
Property, plant and equipment	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%
Financial assets	3.3%	4.9%	4.6%	4.0%	4.1%	4.2%
<b>FIXED ASSETS</b>	<b>62.6%</b>	<b>68.1%</b>	<b>76.3%</b>	<b>73.0%</b>	<b>73.1%</b>	<b>72.8%</b>
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	0.4%	0.3%	0.7%	0.9%	1.0%	1.1%
Other assets and short-term financial assets	16.5%	16.4%	7.7%	6.8%	6.9%	7.1%
Liquid assets	17.9%	13.3%	14.6%	18.7%	18.4%	18.4%
Deferred taxes	2.4%	1.5%	0.3%	0.2%	0.2%	0.2%
Deferred charges and prepaid expenses	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%
<b>CURRENT ASSETS</b>	<b>37.4%</b>	<b>31.9%</b>	<b>23.7%</b>	<b>27.0%</b>	<b>26.9%</b>	<b>27.2%</b>
<b>TOTAL ASSETS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>75.1%</b>	<b>71.3%</b>	<b>65.7%</b>	<b>57.5%</b>	<b>59.4%</b>	<b>61.8%</b>
MINORITY INTEREST	1.3%	1.3%	1.4%	1.2%	1.3%	1.3%
Long-term liabilities to banks	1.5%	5.0%	4.0%	5.7%	4.9%	4.1%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	8.5%	1.1%	1.2%	1.1%	1.1%	1.1%
Provisions for pensions and similar obligations	0.1%	0.0%	0.2%	0.2%	0.2%	0.2%
Other provisions and accrued liabilities	0.8%	0.9%	1.1%	0.9%	1.0%	1.0%
<b>NON-CURRENT LIABILITIES</b>	<b>10.9%</b>	<b>7.0%</b>	<b>6.5%</b>	<b>7.9%</b>	<b>7.1%</b>	<b>6.4%</b>
Short-term liabilities to banks	0.2%	1.0%	1.8%	15.6%	13.7%	11.7%
Accounts payable	0.7%	0.8%	0.9%	0.9%	1.1%	1.1%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.8%	1.3%	0.3%	0.3%	0.3%	0.3%
Other liabilities (incl. from lease and rental contracts)	1.3%	7.2%	12.2%	10.6%	10.9%	11.1%
Deferred taxes	9.7%	10.1%	11.2%	6.0%	6.1%	6.3%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CURRENT LIABILITIES</b>	<b>12.7%</b>	<b>20.3%</b>	<b>26.5%</b>	<b>33.5%</b>	<b>32.2%</b>	<b>30.5%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	11.4	16.6	13.7	49.2	28.6	33.3
Depreciation of fixed assets (incl. leases)	0.7	0.7	0.0	0.0	0.0	0.0
Amortisation of goodwill & intangible assets	7.9	8.1	9.3	9.3	9.3	9.3
Other costs affecting income / expenses	0.2	-0.3	0.0	-17.2	0.0	0.0
Cash flow from operating activities	19.4	27.3	25.3	40.4	37.7	41.9
Increase/decrease in inventory	0.0	4.3	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.5	0.4	-1.2	-1.2	-0.5	-0.4
Increase/decrease in accounts payable	0.1	0.1	-0.2	0.6	0.6	0.0
Increase/decrease in other working capital positions	-0.1	-1.2	3.8	0.0	0.0	0.0
Increase/decrease in working capital	-0.5	3.5	2.4	-0.7	0.0	-0.4
<b>Cash flow from operating activities</b>	<b>26.4</b>	<b>28.5</b>	<b>25.3</b>	<b>40.6</b>	<b>37.9</b>	<b>42.1</b>
CAPEX	0.4	1.4	0.4	1.5	1.5	1.5
Payments for acquisitions	1.2	0.6	0.0	36.3	0.0	0.0
Financial investments	0.0	5.4	0.4	0.0	0.0	0.0
Income from asset disposals	1.0	1.2	57.2	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.6</b>	<b>-6.2</b>	<b>56.4</b>	<b>-37.8</b>	<b>-1.5</b>	<b>-1.5</b>
Cash flow before financing	5.7	-24.7	2.3	-21.0	10.4	12.4
Increase/decrease in debt position	7.0	16.9	-5.0	73.1	-14.0	-14.0
Purchase of own shares	0.0	20.0	0.0	25.0	0.0	0.0
Capital measures	0.0	0.1	0.0	0.0	0.0	0.0
Dividends paid	20.1	47.0	79.4	23.8	26.0	28.2
Others	-8.7	-1.2	-1.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	-0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-21.8</b>	<b>-51.1</b>	<b>-85.4</b>	<b>24.3</b>	<b>-40.0</b>	<b>-42.2</b>
Increase/decrease in liquid assets	4.0	-28.9	-3.8	27.1	-3.6	-1.6
<b>Liquid assets at end of period</b>	<b>90.1</b>	<b>61.2</b>	<b>57.4</b>	<b>84.5</b>	<b>80.9</b>	<b>79.3</b>

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
<b>P&amp;L growth analysis</b>						
Sales growth	-4.2%	26.2%	10.3%	46.7%	14.2%	9.0%
EBITDA growth	60.0%	14.1%	3.8%	35.5%	18.3%	13.1%
EBIT growth	254.3%	20.4%	2.9%	49.4%	23.1%	15.8%
EPS growth	32.1%	52.8%	-19.8%	284.8%	-41.9%	16.3%
<b>Efficiency</b>						
Sales per employee	530.8	649.4	694.9	990.1	1,110.9	1,190.4
EBITDA per employee	176.6	195.4	196.7	258.7	300.8	334.3
No. employees (average)	157	162	167	172	175	178
<b>Balance sheet analysis</b>						
Avg. working capital / sales	5.8%	-2.0%	-1.0%	-0.8%	-0.3%	-0.1%
Inventory turnover (sales/inventory)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Accounts receivable turnover	7.8	5.0	8.3	8.3	8.3	8.3
Accounts payable turnover	16.2	13.2	11.4	9.0	9.0	8.3
<b>Cash flow analysis</b>						
Free cash flow	26.0	27.1	24.9	39.1	36.4	40.6
Free cash flow/sales	31.2%	25.7%	21.4%	23.0%	18.7%	19.1%
FCF / net profit	227.9%	163.4%	182.1%	79.4%	127.1%	122.0%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Solvency</b>						
Net debt	-38.5	-28.5	-29.7	16.3	5.9	-6.5
Net Debt/EBITDA	-1.4	-0.9	-0.9	0.4	0.1	-0.1
Dividend payout ratio	435.4%	488.6%	186.2%	52.8%	98.5%	91.2%
Interest paid / avg. debt	3.8%	2.3%	4.5%	2.7%	3.0%	1.9%
<b>Returns</b>						
ROCE	n.a.	6.0%	7.2%	11.2%	13.0%	15.4%
ROE	2.9%	4.9%	4.9%	19.0%	10.9%	12.5%
Adjusted FCF yield	1.8%	3.8%	4.0%	6.4%	4.2%	4.8%
Dividend yield	2.2%	6.6%	11.2%	2.5%	2.7%	2.9%
DPS	2.1	3.6	1.1	1.2	1.3	1.4
EPS reported	0.48	0.74	0.59	2.27	1.32	1.54
Average number of shares	22.4	21.7	21.7	21.7	21.7	21.7
<b>Valuation ratios</b>						
P/BV	2.6	2.9	3.7	3.7	3.7	3.6
EV/sales	10.5	6.5	8.0	5.7	4.9	4.5
EV/EBITDA	31.6	21.7	28.2	21.8	18.3	16.0
EV/EBIT	46.0	30.0	39.2	27.6	22.2	18.9

Source: Company data, NuWays

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Company	Disclosures
ZEAL Network SE	2

### Historical target price and rating changes for ZEAL Network SE

Company	Date	Analyst	Rating	Target Price	Close
ZEAL Network SE	25.10.2024	Wendisch, Henry	Buy	EUR 57.00	EUR 36.00
	09.07.2024	Wendisch, Henry	Buy	EUR 54.00	EUR 34.00
	10.05.2024	Wendisch, Henry	Buy	EUR 53.00	EUR 36.00

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## Contacts

### NuWays AG

Mittelweg 16-17  
20148 Hamburg  
Germany

+49 170 119 8648  
info@nuways-ag.com  
www.nuways-ag.com



**Christian Sandherr**

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



**Frederik Jarchow**

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



**Philipp Sennewald**

Analyst

philipp.sennewald@nuways-ag.com



**Henry Wendisch**

Analyst

henry.wendisch@nuways-ag.com



**Mark Schüssler**

Analyst

mark-hendrik.schuessler@nuways-ag.com



**Konstantin Völk**

Analyst

konstantin.voelk@nuways-ag.com

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