

ZEAL Network SE

Others - Germany



Buy (old: Buy)

01.08.2024

EUR 54.00 (old: EUR 54.00)

Q2 preview: Record sales thanks to lottery tailwinds

Topic: Based on another strong lottery environment in Q2'24 (see [update from 09th July 2024](#)), we expect strong Q2 results with high top-line dynamics and strong profit growth. As a consequence, we regard the FY sales guidance as too conservative and expect EBITDA at the upper end of the guidance.

Lottery in high demand due to strong jackpots: Thanks to the lottery tailwinds in Q2 user activity should have increased (eNuW: +20% yoy MAU growth to 1.37m) and should lead to a more favorable product mix (eNuW: 13% billings margin, +0.5pp yoy). Consequently, we expect € 252m in Lottery billings (+20% yoy) and **Lottery sales to grow by 25% yoy to € 33m**. - see p.2

Games roll-out still in progress: Due to delayed regulatory approvals, the complete roll-out of the full Games portfolio (c. 200) is still in progress (currently: 113 games). Thus, we only expect a moderate increase in monthly active users to 28k (vs. 22k in Q1) and slightly **improving user economics qoq** thanks to the addition of games with higher billings margins (eNuW: € 35.76 ARPU in Q2 vs. € 33.57 ARPU in Q1). Hence, billings from Games should arrive at € 34m and **sales at € 3m** (eNuW: 9% billings margin; 44% pay-in margin vs. eNuW: 16.2% at Lottery). - see p.2

Ongoing sales momentum: We expect continued sales momentum throughout Q2 with a **33% yoy sales increase to € 37.5m** (73.6m in H1, +34% yoy) driven by the factors described above.

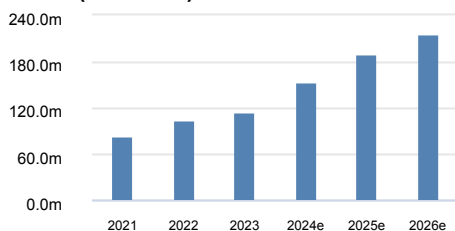
Continued marketing efficiency: Thanks to an improved marketing algorithm as well as higher conversion rates, ZEAL has achieved outstanding marketing efficiency in Q1 (CPL of € 33.04 vs. € 45.52 in FY'23). For Q2, we expect **CPL to arrive slightly higher at € 38.00** as with only 2x peak jackpots (vs. 4x in Q1) marketing efficiency is hard to maintain at those levels. Accordingly, **marketing expense** should also come in lower at **€ 11.6m** (vs. € 13.4m in Q1) but in return should have **generated c. 200k new registrations** (i.e., c. 50k additional MAUs, assuming a 25% conversion rate), in our view.

Ramp up in personnel and indirect expenses: For new and ongoing product launches we expect an elevated headcount and thus personnel expenses of € 7.7m (+45% yoy), but also higher indirect costs of € 4m (+22% yoy), especially in third party/freelancer services related to new product launches as well as legal costs related to the Lotto24 squeeze-out. - *continued* -

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	83.3	105.2	116.0	155.0	189.9	217.5
Sales growth	-4.2%	26.2%	10.3%	33.6%	22.5%	14.5%
EBITDA	27.7	31.7	32.8	41.6	61.3	75.7
Net debt (if net cash=0)	-38.5	-28.5	-29.7	-32.5	-48.0	-70.3
FCF	26.0	27.1	24.9	27.3	42.3	51.3
Net Debt/EBITDA	-1.4	-0.9	-0.9	-0.8	-0.8	-0.9
EPS pro forma	0.48	0.72	0.57	1.57	1.45	1.86
EBITDA margin	33.3%	30.1%	28.3%	26.9%	32.3%	34.8%
ROCE	5.0%	6.0%	7.2%	10.9%	17.5%	22.9%
EV/sales	10.5	6.7	6.5	4.8	3.9	3.3
EV/EBITDA	31.6	22.4	22.9	18.0	12.0	9.4
PER	72.5	48.9	61.0	22.2	24.2	18.9
Adjusted FCF yield	1.8%	3.7%	3.9%	6.4%	6.2%	7.8%

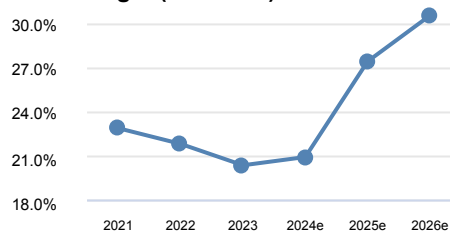
Source: Company data, NuWays, Close price as of 26.07.2024

Sales (2021-26e)



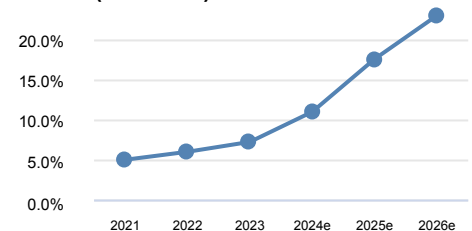
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

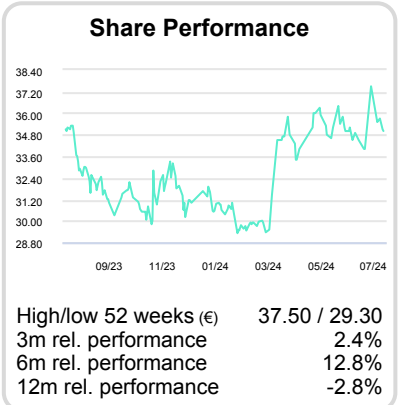
ROCE (2021-26e)



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.



Market data

Share price (in €)	35.00
Market cap (in € m)	780.7
Number of shares (in m pcs)	22.3
Enterprise value (in € m)	748.9
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	0%	0%	0%
EBIT	0%	1%	1%
EPS	0%	1%	1%

Comment on changes

Guidance

- FY'24 Sales : € 140-150m
- FY'24 EBITDA: € 38-42m
- FY'24 marketing exp.: € 40-45m

ZEAL Network SE

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Disproportionate EBITDA growth: Accordingly, Q2 EBITDA should develop disproportionately and arrive at € 10.2m, up 133% yoy (H1: € 19.5m, + 42% yoy). Mind you, that Q2'23 saw a muted EBITDA due to massive marketing expenses thus serving as an easy comparable base.

FCF back up to normal levels: After a negative FCF in Q1 due to an unfavorable swing in WC, **FCF should turn positive again** (eNuW: € 17.2m vs. € -4m in Q1) as we expect WC to swing back in Q2.

Ssles guidance too conservative, upgrade likely: Per our [update from 09th July 2024](#), we increased our FY'24 estimates to reflect the above average lottery environment in H1. In addition to that, we expect that **(1)** the steps towards increasing the Lottery billings margin to > 15% as of 1st July 2024 (i.e. increase in service fees), **(2)** the addition of new games throughout H2 and **(3)** an all new social lottery, should lift **sales above the guidance of € 140-150m** (eNuW: € 155m; eCons: 148m). Therefore, an upgraded sales guidance seems likely, in our view.

EBITDA at upper end, but depends on H2 jackpots: A bit more uncertainty prevails around the EBITDA guidance, which is highly dependent on the marketing spent which is in return dependent on the jackpot situation of H2. Nevertheless, we are **positioned at the top-end of the EBITDA guidance of € 38-42m** (eNuW: € 42m), **despite** expected **marketing expenses of € 46m** (guidance: € 40-45m; limited to the brokerage business).

Value-accretive Lotto24 SO imminent: In our last [update from 25th July 2024](#) we identified an **NPV of € 143m** (€ 6.40 per share) for the squeeze-out of the remaining 4.55% shares of Lotto24, indicating that the deal should be **highly value-accretive**, once fully executed (eNuW: Q4'24). Given that Lotto24 is ZEAL's cash cow and has used up all its tax-loss carried forward, the gains should stem from (1) **tax savings** due to the formation of a consolidated tax group and (2) the **elimination of minority interest**.

All in all, ZEAL's **cash-generative business model** with stable, **double-digit ROCEs** provides shareholders with a unique combination of value and growth. Thus, we **reiterate our BUY recommendation** with an **unchanged PT of € 54.00**, based on DCF.

Zeal Network SE	Q2 2024 eNuW	Q2 2023	yoy	H1 2024 eNuW	H1 2023	yoy
Billings from Lottery	251.8	209.9	20%	498.2	411.1	21%
Billings from Games	33.7	0.6	5988%	65.0	0.6	11654%
Total Billings	285.5	210.5	36%	563.2	411.6	37%
Sales from Lottery	32.8	26.3	25%	64.8	51.2	26%
Sales from Games	3.0	0.1	5694%	5.2	0.1	9900%
Other sales	1.7	1.7	-3%	3.6	3.5	2%
Total Sales	37.5	28.1	33%	73.6	54.8	34%
Billings margin (Lottery)	13.0%	12.5%	+ 0.5 pp	13.0%	12.5%	+ 0.5 pp
Billings margin (Games)	8.9%	9.4%	- 0.5 pp	8.0%	9.4%	- 1.4 pp
Combined billings margin	12.5%	12.5%	+ 0.0 pp	12.4%	12.5%	- 0.0 pp
EBITDA	10.2	4.4	133%	19.5	13.7	42%
<i>EBITDA margin</i>	<i>27.1%</i>	<i>15.5%</i>	<i>+ 11.6 pp</i>	<i>26.6%</i>	<i>25.1%</i>	<i>+ 1.5 pp</i>
Lottery - Monthly Active Users (MAU)	1.37m	1.14m	20%	1.35m	1.12m	20%
Games - Monthly Active Users (MAU)	0.03m	0.01m	211%	0.03m	0.01m	178%
Monthly Active Users	1.40m	1.15m	21%	1.38m	1.13m	22%
Lottery - Average Revenue per User (ARPU)	€ 7.99	€ 7.73	3%	€ 8.00	€ 7.61	5%
Games - Average Revenue per User (ARPU)	€ 35.76	€ 5.49	551%	€ 34.67	€ 5.49	531%
Combined ARPU	€ 8.67	€ 7.63	14%	€ 8.60	€ 7.56	14%

Source: NuWays

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	83.3	105.2	116.0	155.0	189.9	217.5
<i>Sales growth</i>	-4.2%	26.2%	10.3%	33.6%	22.5%	14.5%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	83.3	105.2	116.1	155.0	189.9	217.5
Other operating income	4.6	2.3	1.3	1.6	1.5	1.6
Material expenses	0.0	0.0	-0.0	0.0	0.0	0.0
Personnel expenses	19.0	18.9	22.6	27.4	31.2	34.6
Other operating expenses	41.2	57.0	62.0	87.5	98.9	108.8
Total operating expenses	55.6	73.5	83.2	113.4	128.6	141.8
EBITDA	27.7	31.7	32.8	41.6	61.3	75.7
Depreciation	0.7	0.7	0.0	0.0	0.0	0.0
EBITA	27.0	31.0	32.8	41.6	61.3	75.7
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
EBIT (inc revaluation net)	19.0	22.9	23.6	32.4	52.0	66.4
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
Recurring pretax income from continuing operations	16.7	22.8	22.2	31.1	50.7	65.1
Extraordinary income/loss	0.0	0.0	-0.0	0.0	0.0	0.0
Earnings before taxes	16.7	22.8	22.3	31.1	50.7	65.1
Income tax expense	5.3	6.2	8.6	-6.4	16.2	20.8
Net income from continuing operations	11.4	16.6	13.7	37.5	34.5	44.2
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	11.4	16.6	13.7	37.5	34.5	44.2
Minority interest	0.6	0.6	0.9	2.4	2.2	2.8
Net profit (reported)	10.8	16.0	12.8	35.1	32.3	41.4
Average number of shares	22.4	22.3	22.3	22.3	22.3	22.3
EPS reported	0.48	0.72	0.57	1.57	1.45	1.86

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	-4.2%	26.2%	10.3%	33.6%	22.5%	14.5%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	5.5%	2.2%	1.1%	1.0%	0.8%	0.7%
Material expenses	0.0%	0.0%	-0.0%	0.0%	0.0%	0.0%
Personnel expenses	22.9%	18.0%	19.4%	17.7%	16.4%	15.9%
Other operating expenses	49.4%	54.1%	53.4%	56.5%	52.1%	50.0%
Total operating expenses	66.7%	69.9%	71.7%	73.1%	67.7%	65.2%
EBITDA	33.3%	30.1%	28.3%	26.9%	32.3%	34.8%
Depreciation	0.9%	0.6%	0.0%	0.0%	0.0%	0.0%
EBITA	32.4%	29.5%	28.3%	26.9%	32.3%	34.8%
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%	6.0%	4.9%	4.3%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	22.9%	21.8%	20.3%	20.9%	27.4%	30.5%
Interest income	0.2%	1.4%	0.4%	0.3%	0.2%	0.1%
Interest expenses	2.4%	0.7%	1.5%	1.2%	0.9%	0.7%
Investment income	-0.4%	-0.2%	-0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	20.0%	21.7%	19.2%	20.0%	26.7%	29.9%
Extraordinary income/loss	0.0%	0.0%	-0.0%	0.0%	0.0%	0.0%
Earnings before taxes	20.0%	21.7%	19.2%	20.0%	26.7%	29.9%
Tax rate	31.5%	27.4%	38.6%	-20.7%	32.0%	32.0%
Net income from continuing operations	13.7%	15.7%	11.8%	24.2%	18.2%	20.3%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	13.7%	15.7%	11.8%	24.2%	18.2%	20.3%
Minority interest	0.7%	0.6%	0.8%	1.5%	1.2%	1.3%
Net profit (reported)	12.9%	15.2%	11.0%	22.6%	17.0%	19.0%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	298.0	289.6	281.7	273.8	265.8	257.9
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
FIXED ASSETS	315.2	313.2	301.0	293.1	285.2	277.3
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	1.8	1.4	2.6	3.5	4.3	5.0
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	72.0	82.5	99.8
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
CURRENT ASSETS	188.6	146.5	93.6	108.8	120.1	138.1
TOTAL ASSETS	503.8	459.7	394.6	401.9	405.3	415.4

SHAREHOLDERS EQUITY	378.2	328.0	259.2	269.3	274.6	286.9
MINORITY INTEREST	6.7	6.1	5.6	7.9	10.1	13.0
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
Short-term liabilities to banks	1.1	4.7	7.2	9.0	8.0	7.0
Accounts payable	3.7	3.8	3.6	3.8	4.7	4.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
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
CURRENT LIABILITIES	10.2	36.8	51.6	51.8	52.7	52.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	503.8	459.7	394.6	401.9	405.3	415.4

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	59.2%	63.0%	71.4%	68.1%	65.6%	62.1%
Property, plant and equipment	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%
Financial assets	3.3%	4.9%	4.6%	4.5%	4.5%	4.4%
FIXED ASSETS	62.6%	68.1%	76.3%	72.9%	70.4%	66.8%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	0.4%	0.3%	0.7%	0.9%	1.1%	1.2%
Other assets and short-term financial assets	16.5%	16.4%	7.7%	7.6%	7.5%	7.4%
Liquid assets	17.9%	13.3%	14.5%	17.9%	20.4%	24.0%
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%
CURRENT ASSETS	37.4%	31.9%	23.7%	27.1%	29.6%	33.2%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	75.1%	71.3%	65.7%	67.0%	67.8%	69.1%
MINORITY INTEREST	1.3%	1.3%	1.4%	2.0%	2.5%	3.1%
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%	1.1%	1.0%	1.0%
Short-term liabilities to banks	0.2%	1.0%	1.8%	2.2%	2.0%	1.7%
Accounts payable	0.7%	0.8%	0.9%	1.0%	1.2%	1.1%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	1.3%	7.2%	12.2%	11.9%	11.8%	11.6%
Deferred taxes	9.7%	10.1%	11.2%	6.7%	6.7%	6.5%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	2.0%	8.0%	13.1%	12.9%	13.0%	12.7%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	11.4	16.6	13.7	37.5	34.5	44.2
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	28.7	43.6	52.7
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	-0.9	-0.8	-0.6
Increase/decrease in accounts payable	0.1	0.1	-0.2	0.2	0.9	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	0.1	-0.6
Cash flow from operating activities	26.4	28.5	25.3	28.9	43.8	52.9
CAPEX	0.4	1.4	0.4	1.5	1.5	1.5
Payments for acquisitions	1.2	0.6	0.0	0.0	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
Cash flow from investing activities	-0.6	-6.2	56.4	-1.5	-1.5	-1.5
Cash flow before financing	5.7	-24.7	2.3	2.8	15.5	22.3
Increase/decrease in debt position	7.0	16.9	-5.0	11.8	-5.0	-5.0
Purchase of own shares	0.0	20.0	0.0	0.0	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	24.5	26.8	29.0
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
Cash flow from financing activities	-21.8	-51.2	-85.4	-12.7	-31.8	-34.0
Increase/decrease in liquid assets	4.0	-28.9	-3.8	14.6	10.5	17.3
Liquid assets at end of period	90.1	61.2	57.4	72.0	82.5	99.8

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	-4.2%	26.2%	10.3%	33.6%	22.5%	14.5%
EBITDA growth	60.0%	14.1%	3.8%	26.8%	47.2%	23.4%
EBIT growth	254.3%	20.4%	2.9%	37.3%	60.7%	27.6%
EPS growth	32.0%	48.4%	-19.8%	174.4%	-8.0%	28.3%
Efficiency						
Sales per employee	530.8	649.4	694.9	901.3	1,085.1	1,221.9
EBITDA per employee	176.6	195.4	196.7	242.1	350.3	425.0
No. employees (average)	157	162	167	172	175	178
Balance sheet analysis						
Avg. working capital / sales	5.8%	-2.0%	-1.0%	-0.9%	-0.3%	-0.0%
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	7.9
Cash flow analysis						
Free cash flow	26.0	27.1	24.9	27.3	42.3	51.3
Free cash flow/sales	31.2%	25.7%	21.4%	17.6%	22.3%	23.6%
FCF / net profit	227.9%	163.4%	182.1%	72.9%	122.6%	116.0%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-38.5	-28.5	-29.7	-32.5	-48.0	-70.3
Net Debt/EBITDA	-1.4	-0.9	-0.9	-0.8	-0.8	-0.9
Dividend payout ratio	435.7%	503.3%	191.8%	76.3%	89.8%	75.4%
Interest paid / avg. debt	3.8%	2.3%	4.5%	4.9%	5.4%	4.7%
Returns						
ROCE	5.0%	6.0%	7.2%	10.9%	17.5%	22.9%
ROE	2.9%	4.9%	4.9%	13.0%	11.8%	14.4%
Adjusted FCF yield	1.8%	3.7%	3.9%	6.4%	6.2%	7.8%
Dividend yield	6.0%	10.3%	3.1%	3.4%	3.7%	4.0%
DPS	2.1	3.6	1.1	1.2	1.3	1.4
EPS reported	0.48	0.72	0.57	1.57	1.45	1.86
Average number of shares	22.4	22.3	22.3	22.3	22.3	22.3
Valuation ratios						
P/BV	2.1	2.4	3.0	2.9	2.8	2.7
EV/sales	10.5	6.7	6.5	4.8	3.9	3.3
EV/EBITDA	31.6	22.4	22.9	18.0	12.0	9.4
EV/EBIT	46.0	30.9	31.9	23.1	14.1	10.7

Source: Company data, NuWays

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Company	Disclosures
ZEAL Network SE	2,8

Historical target price and rating changes for ZEAL Network SE

Company	Date	Analyst	Rating	Target Price	Close
ZEAL Network SE	09.07.2024	Wendisch, Henry	Buy	EUR 54.00	EUR 34.00
	10.05.2024	Wendisch, Henry	Buy	EUR 53.00	EUR 36.00
	09.11.2023	Wendisch, Henry	Buy	EUR 51.00	EUR 30.00

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The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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