

Company Flash Note

Reason: Company newsflow

20 November 2018

Buy

Recommendation unchanged

Share price: EUR 1.41

closing price as of 19/11/2018

Target price: EUR 1.75

from Target Price: EUR 1.85

Upside/Downside Potential 24.8%

Reuters/Bloomberg ISHG.DE/ISH2 GY

Market capitalisation (EURm) 49

Current N° of shares (m) 35

Free float 62%

Daily avg. no. trad. sh. 12 mth 18

Daily avg. trad. vol. 12 mth (m) 35.18

Price high/low 12 months 1.38 / 2.23

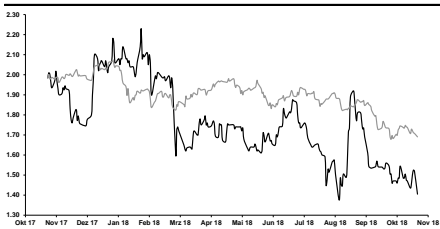
Abs Perfs 1/3/12 mths (%) -9.94/-12.19/-30.72

Key financials (EUR)

	12/17	12/18e	12/19e
Sales (m)	36	32	40
EBITDA (m)	3	(3)	1
EBITDA margin	7.9%	nm	3.5%
EBIT (m)	3	(3)	1
EBIT margin	7.2%	nm	2.7%
Net Profit (adj.)(m)	(1)	(5)	(1)
ROCE	13.7%	-12.5%	5.3%
Net debt/(cash) (m)	(6)	(6)	(3)
Net Debt Equity	-0.4	-0.4	-0.2
Net Debt/EBITDA	-2.2	2.3	-2.5
Int. cover(EBITDA/Fin.int)	8.5	(21.2)	10.1
EV/Sales	1.4	1.3	1.1
EV/EBITDA	17.7	nm	32.9
EV/EBITDA (adj.)	17.7	nm	32.9
EV/EBIT	19.4	nm	42.0
P/E (adj.)	nm	nm	nm
P/BV	3.7	3.3	3.6
OpFCF yield	-1.6%	-10.9%	-5.1%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.02)	(0.15)	(0.03)
BVPS	0.48	0.43	0.39
DPS	0.00	0.00	0.00

Shareholders

Shareholder Value Management AG / Shareholder Value Beteiligungen AG 28%; Axxion SA (Luxembourg) 10%;



Analyst(s)

Dustin Mildner

dustin.mildner@equinet-ag.de

+49 69 58997-438

It's up to the cloud

Intershop reduced its FY2018 outlook as a result of the transition from a license to a cloud software provider. Taking into consideration the 9M results, the adjusted FY2018 targets appear to be an achievable target, in our view. Furthermore, Intershop released its FY2019 outlook with sales growth and slight operating losses. Our investment case that Intershop needs to achieve a critical mass in cloud revenue remains largely untouched from the faster-than-expected decline in license sales. Intershop now needs to prove that its technologically strong solution is able to deliver the desired growth in FY2019. We reduce our FY2018 / FY2019 estimates, and cut our 12-month TP by 5% to EUR 1.75 following the adjusted outlook. We confirm our Buy recommendation.

- ✓ Intershop's management lowered its outlook for FY2018 for the second time in four months resulting from the faster-than-expected decline in revenues from traditional license sales, which cannot fully be compensated by cloud sales, yet. The reduced FY2018 guidance (-10% to -15% revenue growth and a negative mid-single-digit EBIT) appears achievable to us in light of the 9M results (EUR 23.9m revenue, EUR -3.7m EBIT). As our estimates almost entirely reflected the new guidance, we have to adjust our estimates only moderately, in absolute terms.
- ✓ At the same time, Intershop releases the first outlook for FY2019. Management expects the company to return to the growth path again with cloud sales achieving a critical mass. FY2019 EBIT is expected to remain in the negative territory. Therefore, we need to cut our earnings estimates for FY2019.
- ✓ Finally, management confirmed its FY2020 targets (EUR 50m sales and 5% EBIT margin). The growth targets have become a bit more of a stretch compared with the beginning of this year. But, given the meanwhile global partnership with Microsoft Intershop has access to a huge global network of Microsoft clients, which make FY2020 targets not unrealistic, in our view. Therefore, Intershop must now prove that its cloud offering is truly able to deliver the desired growth from FY2019 onwards. Thus, our investment thesis remains largely unchanged in light of the adjusted guidance.
- ✓ We adjust our estimates following the release of the company's updated guidance. Updating our DCF analysis, we cut our 12-months target price by 5% to EUR 1.75 (from EUR 1.85). This is equivalent to 25% upside based on yesterday's close. We confirm our Buy rating, based on the technological relevance of the solution and the significant re-rating potential from a successful cloud transformation.



Exhibit 1: Updated management guidance

		FY 2017	Guidance FY 2018e	Prev. Guidance FY 2018e	Tendency	equinet est.	% yoy
Intershop Communications AG							
Revenues	EUR m	35.8	-10% to -15%	slightly below previous year	-	31.9	-11.0%
EBIT	EUR m	0.4	negative, mid single-digit million	negative, low single-digit million	-	-5.0	nm

Source: Intershop, equinet Research

Exhibit 2: Changes to our estimates

	2018e			2019e			2020e		
	Old	New	Chg.	Old	New	Chg.	Old	New	Chg.
Revenues	32.5	31.9	-2.0%	40.3	39.8	-1.4%	52.2	51.8	-0.8%
EBIT	-4.4	-5.0	nm	1.0	-1.2	nm	3.4	3.1	-8.2%
Net result	-5.0	-5.6	nm	0.8	-1.1	nm	2.9	2.6	-8.5%
EPS	-0.14	-0.16	nm	0.02	-0.03	nm	0.08	0.08	-8.5%

Source: equinet Research

Exhibit 3: Updated DCF analysis

EUR m	Phase I					Phase II					Phase III
	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	
Revenues	32	40	52	60	67	74	81	86	91	94	
<i>growth rate</i>	-110%	24.8%	30.2%	16.7%	11.9%	10.2%	8.6%	6.9%	5.3%	3.6%	
EBIT	-5.0	-1.2	3.1	5.0	6.4	7.1	7.7	8.3	8.7	9.0	
<i>EBIT margin</i>	-15.8%	-3.0%	6.0%	8.2%	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%	
Tax	0.0	0.4	-1.0	-1.6	-2.0	-2.2	-2.4	-2.6	-2.7	-2.8	
<i>Tax rate</i>	32%	32%	32%	32%	32%	32%	32%	32%	32%	32%	
Depr. & Amort.	2.5	2.6	2.9	3.2	3.4	3.8	4.2	4.5	4.7	4.9	
<i>% of sales</i>	7.8%	6.5%	5.5%	5.2%	5.1%	5.2%	5.2%	5.2%	5.2%	5.2%	
Capex	-2.7	-3.2	-3.5	-3.8	-3.7	-4.1	-4.4	-4.7	-5.0	-5.2	
<i>% of sales</i>	8.5%	8.0%	6.8%	6.3%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	
Change in NWC	0.5	-0.8	-1.2	-0.8	-0.7	-0.7	-0.6	-0.6	-0.4	-0.3	
<i>% of sales</i>	-16%	2.0%	2.3%	14%	10%	0.9%	0.8%	0.6%	0.5%	0.3%	
Free Cash Flow	-4.8	-2.2	0.3	1.9	3.4	3.9	4.4	4.9	5.3	5.6	
<i>growth rate</i>	nm	-53.9%	nm	nm	77.6%	14.5%	2.0%	10.0%	8.1%	6.5%	
Present Value FCF	-4.7	-2.0	0.2	1.4	2.3	2.4	2.5	2.5	2.4	2.4	
PV Phase I	-3					Risk free rate	3.5%		Targ. equity ratio	90%	
PV Phase II	12					Premium Equity	5.0%		Beta	1.4	
PV Phase III	30					Premium Debt	5.0%		WACC	10.0%	
Enterprise value	40					Sensitivity	Growth in phase III				
- Net Debt (Cash)	-6						1.0%	1.5%	2.0%	2.5%	3.0%
- Pension Provisions	0					8.97%	1.85	1.91	1.99	2.08	2.18
- Minorities & Peripherals	0					9.47%	1.74	1.80	1.86	1.94	2.02
+ MV of financial assets	0					WACC	9.97%	1.65	1.70	1.75	1.82
- Paid-out dividends for last FY	0					10.47%	1.57	1.61	1.66	1.71	1.77
+/- Other EV items	15					10.97%	1.50	1.53	1.57	1.62	1.67
Equity value	61										
Number of shares	34.9										
Value per share (€)	1.75										
Current Price (€)	1.41										
Upside	25%										

Source: equinet Research

Intershop Communications AG : Summary tables

PROFIT & LOSS (EURm)	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Sales	42.7	34.2	35.8	31.9	39.8	51.8
Cost of Sales & Operating Costs	-39.3	-33.1	-33.0	-33.9	-38.4	-45.9
Non Recurrent Expenses/Income	0.0	-1.0	0.0	-0.5	0.0	0.0
EBITDA	3.5	0.1	2.8	-2.6	1.4	6.0
EBITDA (adj.)*	3.5	1.1	2.8	-2.1	1.4	6.0
Depreciation	-0.4	-0.3	-0.3	-0.3	-0.3	-0.4
EBITA	3.0	-0.2	2.6	-2.8	1.1	5.5
EBITA (adj)*	3.0	0.8	2.6	-2.3	1.1	5.5
Amortisations and Write Downs <i>of which PPA amortisation</i>	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	3.0	-0.2	2.6	-2.8	1.1	5.5
EBIT (adj.)*	3.0	0.8	2.6	-2.3	1.1	5.5
Net Financial Interest	-0.1	-0.3	-0.3	-0.1	-0.1	-0.1
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	2.9	-0.4	2.3	-2.9	0.9	5.4
Tax	0.0	-0.3	-0.7	-0.5	0.2	-0.4
<i>Tax rate</i>	<i>0.5%</i>	<i>n.m.</i>	<i>33.1%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>6.7%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit (reported)	2.9	-0.8	1.5	-3.4	1.1	5.1
Net Profit (adj.)	0.0	-2.3	-0.7	-5.3	-1.1	2.6
CASH FLOW (EURm)	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Cash Flow from Operations before change in NWC	3.1	-0.5	1.7	-3.2	1.4	5.5
Change in Net Working Capital	1.8	-0.4	0.0	0.5	-0.8	-1.2
Cash Flow from Operations	5.0	-0.9	1.7	-2.6	0.7	4.3
Capex	-2.3	-2.8	-2.6	-2.7	-3.2	-3.5
Net Financial Investments	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow	2.7	-3.7	-0.9	-5.4	-2.5	0.8
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	0.0	0.0	0.0	0.0	0.0	0.0
Change in Net Debt	2.7	-3.7	-0.9	-5.4	-2.5	0.8
NOPLAT	2.1	0.6	1.8	-1.6	0.8	3.9
BALANCE SHEET & OTHER ITEMS (EURm)	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Net Tangible Assets	0.4	0.6	0.6	0.8	1.1	1.4
Net Intangible Assets (incl. Goodwill)	8.7	8.8	8.9	9.0	9.3	9.6
Net Financial Assets & Other	0.0	0.0	0.0	0.0	0.0	0.0
Total Fixed Assets	9.1	9.4	9.6	9.8	10.4	11.1
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Trade receivables	5.3	5.1	5.2	4.5	5.6	7.3
Other current assets	3.3	1.7	1.3	1.3	1.3	1.3
Cash (-)	-15.2	-10.9	-8.9	-9.1	-5.6	-5.6
Total Current Assets	23.9	17.7	15.5	14.9	12.5	14.2
Total Assets	33.0	27.1	25.0	24.7	22.9	25.2
Shareholders Equity	19.1	16.1	15.3	14.8	13.7	16.3
Minority	0.0	0.0	0.0	0.0	0.0	0.0
Total Equity	19.1	16.1	15.3	14.8	13.7	16.3
Long term interest bearing debt	-4.1	-7.2	-9.2	-9.8	-11.8	-13.6
Provisions	0.0	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.4	0.3	0.2	0.2	0.2	0.2
Total Long Term Liabilities	-3.7	-6.9	-9.0	-9.6	-11.6	-13.4
Short term interest bearing debt	10.0	11.0	12.0	13.0	14.0	15.0
Trade payables	2.1	1.4	1.5	1.3	1.6	2.1
Other current liabilities	5.5	5.4	5.2	5.2	5.2	5.2
Total Current Liabilities	17.5	17.8	18.7	19.5	20.8	22.3
Total Liabilities and Shareholders' Equity	32.9	27.0	25.0	24.7	22.9	25.2
Net Capital Employed	10.2	9.4	9.4	9.1	10.5	12.3
Net Working Capital	3.2	3.6	3.6	3.1	3.9	5.1
GROWTH & MARGINS	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
<i>Sales growth</i>	<i>-7.5%</i>	<i>-20.0%</i>	<i>4.7%</i>	<i>-11.0%</i>	<i>24.8%</i>	<i>30.2%</i>
EBITDA (adj.)* growth	n.m.	-67.9%	154.5%	n.m.	n.m.	329.2%
<i>EBITA (adj.)* growth</i>	<i>n.m.</i>	<i>-72.3%</i>	<i>205.6%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>409.4%</i>
<i>EBIT (adj.)* growth</i>	<i>n.m.</i>	<i>-72.3%</i>	<i>205.6%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>409.4%</i>

Intershop Communications AG : Summary tables

GROWTH & MARGINS	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Net Profit growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
EPS adj. growth	n.m.	n.m.	n.m.	n.m.	n.m.	n.m.
DPS adj. growth						
EBITDA (adj)* margin	8.1%	3.3%	7.9%	n.m.	3.5%	11.5%
EBITA (adj)* margin	7.1%	2.5%	7.2%	-7.2%	2.7%	10.7%
EBIT (adj)* margin	7.1%	2.5%	7.2%	n.m.	2.7%	10.7%
RATIOS	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Net Debt/Equity	-0.5	-0.4	-0.4	-0.4	-0.2	-0.3
Net Debt/EBITDA	-2.7	-63.1	-2.2	2.3	-2.5	-0.7
Interest cover (EBITDA/Fin.interest)	23.2	0.4	8.5	n.m.	10.1	63.2
Capex/D&A	557.8%	1048.1%	1034.3%	1063.4%	1050.8%	818.7%
Capex/Sales	5.4%	8.2%	7.3%	8.5%	8.0%	6.8%
NWC/Sales	7.6%	10.6%	10.2%	9.8%	9.8%	9.8%
ROE (average)	0.0%	-13.0%	-4.2%	-35.1%	-8.0%	17.6%
ROCE (adj.)	17.4%	4.5%	13.7%	-12.5%	5.3%	23.9%
WACC	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
ROCE (adj.)/WACC	1.7	0.5	1.4	-1.3	0.5	2.4
PER SHARE DATA (EUR)***	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Average diluted number of shares	30.6	31.7	31.7	34.9	34.9	34.9
EPS (reported)	0.00	-0.09	-0.02	-0.16	-0.03	0.08
EPS (adj.)	0.00	-0.07	-0.02	-0.15	-0.03	0.08
BVPS	0.62	0.51	0.48	0.43	0.39	0.47
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
EV/Sales	0.7	0.8	1.4	1.3	1.1	0.9
EV/EBITDA	8.3	n.m.	17.7	n.m.	32.9	7.5
EV/EBITDA (adj.)*	8.3	24.8	17.7	n.m.	32.9	7.5
EV/EBITA	9.4	-178.1	19.4	-15.3	42.0	8.1
EV/EBITA (adj.)*	9.4	32.7	19.4	-18.6	42.0	8.1
EV/EBIT	9.4	n.m.	19.4	n.m.	42.0	8.1
EV/EBIT (adj.)*	9.4	32.7	19.4	n.m.	42.0	8.1
P/E (adj.)	n.m.	n.m.	n.m.	n.m.	n.m.	18.5
P/BV	2.0	2.2	3.7	3.3	3.6	3.0
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	2.3	2.1	3.8	3.3	3.2	2.8
OpFCF yield	7.0%	-10.6%	-1.6%	-10.9%	-5.1%	1.6%
OpFCF/EV	9.3%	-13.3%	-1.8%	-12.5%	-5.5%	1.8%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2015	12/2016	12/2017	12/2018e	12/2019e	12/2020e
Price** (EUR)	1.24	1.10	1.78	1.41	1.41	1.41
Outstanding number of shares for main stock	30.6	31.7	31.7	34.9	34.9	34.9
Total Market Cap	38	35	56	49	49	49
Net Debt	-9	-7	-6	-6	-3	-4
<i>o/w Cash & Marketable Securities (-)</i>	<i>-15</i>	<i>-11</i>	<i>-9</i>	<i>-9</i>	<i>-6</i>	<i>-6</i>
<i>o/w Gross Debt (+)</i>	<i>6</i>	<i>4</i>	<i>3</i>	<i>3</i>	<i>2</i>	<i>1</i>
Other EV components	0	0	0	0	0	0
Enterprise Value (EV adj.)	29	28	50	43	46	45

Source: Company, equinet Bank estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Software & Computer Services/Software & Computer Services

Company Description: Intershop Communications AG engages in the provision of integrated enterprise solutions for omni-channel commerce. It operates through the following geographical segments: Europe, USA, Asia and Pacific, and Consolidation. The Europe segment refers to the sales activities of INTERSHOP Communications AG, Intershop Communications LTD and Intershop Communications SARL. The USA segment consist of the sales activities of Intershop Communications Inc. in North America as well as the sales activities of INTERSHOP Communications AG in this region. The Asia and Pacific segment includes the sales activities of the Group in that region, including the sales activities of INTERSHOP Communications Australia Pty Ltd. and Intershop Communications Asia Limited. The Consolidation segment relates to transaction in the individual segments. The company was founded in 1992 and is headquartered in Jena, Germany.



Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
1&1DRILLSCHAG	Sen	66.00	Buy		Logwin	Mildner	150.00	Accumulate	2/3
2GEnergy	Rüzgar	23.50	Accumulate	2/3/5	Manz AG	Rüzgar	35.00	Buy	2/3
Aareal Bank	Häßler	41.00	Buy		MAXAutomation SE	Becker	6.70	Buy	2/3
adidas	Josefson	228.00	Accumulate		Merck	Berzhanin	112.00	Buy	
Adler Modemaerkte	Josefson	4.15	Buy	7	Merkur Bank	Häßler	10.00	Buy	2/7
ADLER Real Estate	Mayer	20.00	Buy		Metro AG	Bruns	17.00	Buy	
Aixtron	Sen	14.00	Buy	2/3	MLP	Häßler	7.50	Buy	2/3
Allianz	Häßler	220.00	Buy		MTU Aero Engines	Rüzgar	155.00	Reduce	2
Axel Springer	Josefson	67.00	Accumulate		Munich Re	Häßler	210.00	Accumulate	
Bayer	Berzhanin	96.00	Buy		Nemetschek SE	Mildner	47.00	Reduce	5
Baywa	Bruns	32.00	Buy	2/7	Norma Group	Schuldt	51.00	Neutral	
BB Biotech	Berzhanin	73.00	Buy	7	OHB SE	Rüzgar	40.00	Buy	7
Biotest	Berzhanin	22.10	Neutral	2/3	OVB Holding AG	Häßler	20.00	Buy	2/5/7
BMW	Schuldt	100.00	Buy		Patrizia	Mayer	20.00	Accumulate	
Brenntag	Hinkel	53.00	Buy	2	Pfeiffer Vacuum	Sen	162.00	Buy	5
Ceconomy AG	Bruns	5.00	Neutral		Procredit Holding	Häßler	15.00	Buy	2/3/5
comdirect	Häßler	12.30	Buy	7	PSISOFTWAREAG	Mildner	20.60	Buy	2/3
Commerzbank	Häßler	9.20	Neutral		Puma	Josefson	565.00	Buy	
Continental	Schuldt	195.00	Buy		PWO	Schuldt	36.00	Buy	2/3
CORESTATE Capital Holding S.A.	Mayer	66.00	Buy	2/5	Rheinmetall	Rüzgar	80.00	Neutral	
CTS Eventim	Heilmann	40.00	Buy		RIB Software	Mildner	21.00	Buy	2/3
Daimler AG	Schuldt	63.00	Buy		RTL Group	Josefson	62.00	Buy	
Daldrup & Soehne	Becker	13.50	Buy	2/3/5	S&TAG	Sen	27.00	Buy	2/3
Demire	Mayer	4.80	Accumulate	2/5	SAF-Holland	Schuldt	13.80	Accumulate	
Deutsche Bank	Häßler	14.00	Buy		Schaeffler	Tanzer	13.00	Buy	
Deutsche EuroShop	Mayer	30.00	Neutral		Schaltbau Holding AG	Becker	32.50	Buy	2/7
Deutsche Pfandbriefbank	Häßler	14.50	Accumulate		SCOUT24	Heilmann	44.00	Neutral	2
Deutsche Telekom	Sen	13.30	Neutral		Siegfried Holding AG	Berzhanin	399.00	Neutral	7
Duerr	Augustin	30.00	Neutral		SiemensHealthineersAG	Rüzgar	39.00	Neutral	2
DWS	Häßler	30.00	Buy		SLM Solutions	Sen	15.00	Sell	
ElringKlinger	Schuldt	5.50	Sell		SMTScharf AG	Rüzgar	14.50	Neutral	2/3
elumeo SE	Josefson	10.90	Accumulate		Software AG	Mildner	30.00	Sell	
EpigenomicsAG	Berzhanin	3.80	Buy	2/3	Stabilus	Tanzer	80.00	Buy	
Euromicron AG	Becker	8.90	Buy	2/3/5	Suedzucker	Bruns	11.70	Reduce	
Evonik	Hinkel	37.00	Buy		SuessMicroTec	Sen	13.80	Accumulate	
Eyemaxx Real Estate	Mayer	18.00	Buy	2/5/7	Surteco Group	Mildner	22.00	Neutral	2/3
Ferratum	Häßler	23.00	Buy		Symrise AG	Hinkel	67.00	Neutral	
Fielmann	Heilmann	55.00	Neutral		Szyggy AG	Heilmann	10.70	Buy	2/3
First Sensor AG	Becker	27.50	Buy	7	TAKKTAG	Bruns	20.00	Buy	2
Freenet	Sen	36.00	Buy	2	Talanx Group	Häßler	37.00	Buy	
FuchsPetrolub	Hinkel	50.00	Buy		Technotrans	Becker	39.60	Buy	2/3
Gea Group	Augustin	25.00	Neutral		TELECOLUMBUS	Sen	4.80	Buy	
Gerresheimer AG	Rüzgar	69.00	Neutral		Telefonica Deutschland	Sen	3.40	Sell	
Gerry Weber	Josefson	2.18	Neutral		United Internet	Sen	63.00	Buy	
Gesco	Becker	35.60	Buy	2/3	Vapiano	Bruns	20.00	Buy	2/7
GFT Technologies	Mildner	13.40	Buy	2/3	va-Q-tec	Sen	12.00	Buy	2/3
Gigaset	Sen	0.85	Accumulate	2/3	Viscom	Rüzgar	22.00	Buy	2/3
Grenke	Häßler	90.00	Neutral		Volkswagen	Schuldt	154.00	Neutral	
Hannover Re	Häßler	110.00	Neutral		Wacker Neuson SE	Becker	24.10	Neutral	
Heidelberg Pharma	Berzhanin	3.50	Accumulate	2/3	windeln.de	Josefson	3.10	Buy	2
Heidelberger Druck	Augustin	2.90	Buy		XINGSE	Heilmann	305.00	Accumulate	
HELLA GmbH & Co. KGaA	Tanzer	51.00	Accumulate		Zalando	Josefson	44.50	Neutral	
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	80.00	Buy						
Hypoport AG	Häßler	190.00	Neutral	2/7					
INDUS Holding AG	Becker	55.70	Neutral						
Intershop Communications AG	Mildner	1.75	Buy	2/7					
K+S AG	Hinkel	24.00	Buy						
Koenig & Bauer	Augustin	44.00	Neutral						
Krones AG	Augustin	90.00	Accumulate						
KWS SAAT	Hinkel	353.00	Buy						
Lanxess	Hinkel	83.00	Buy						
LEG Immobilien AG	Mayer	105.00	Neutral						
Leoni	Schuldt	34.00	Accumulate						
Linde	Hinkel	176.00	Neutral						

* =Coverage suspended

Source: equinet Recommendations

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Remarks

Recommendation System

Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.

Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon

Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

Basis of Valuation

Equinet Bank 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 Bank 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.

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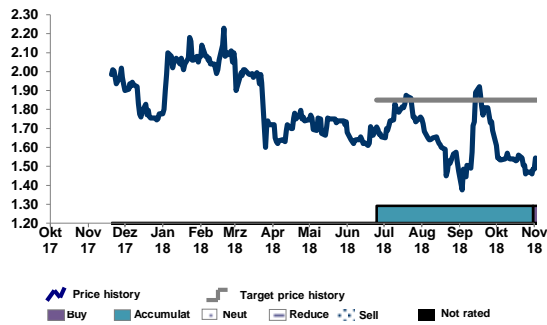


Recommendation history for INTERSHOP COMMUNICATIONS AG

Date	Recommendation	Target price	Price at change date
19. Nov 18	Buy	1.75	1.41
25. Jun 18	Accumulate	1.85	1.71

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Dustin Mildner (since 25/06/2018)



ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



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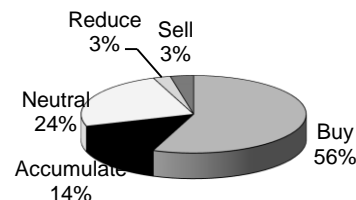
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- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

Equinet Bank Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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Members of ESN (European Securities Network LLP)



Banca Akros S.p.A.
Viale Eginardo, 29
20149 MILANO
Italy
Phone: +39 02 43 444 389
Fax: +39 02 43 444 302



Caixa-Banco de Investimento
Avenida João XXI, 63
1000-300 Lisboa
Portugal
Phone: +351 21 313 73 00
Fax: +351 21 389 68 98



CM - CIC Market Solutions
6, avenue de Provence
75441 Paris
France
Phone: +33 1 53 48 81 93



equinet Bank AG
Gräfräße 97
60487 Frankfurt am Main
Germany
Phone: +49 69 - 58997 - 212
Fax: +49 69 - 58997 - 299



GVC Gaesco Beka, SV, SA
C/ Marques de Villamagna 3
28001 Madrid
Spain
Phone: +34 91 436 7813



Investment Bank of Greece
32 Aigialeias Str & Paradissou,
151 25 Maroussi,
Greece
Phone: +30 210 81 73 383



NIBC Bank N.V.
Gustav Mahlerlaan 348
P.O.Box 235
1082 ME Amsterdam
The Netherlands
Phone: +31 20 550 8500
Fax: +31 20 626 8064



OP Corporate Bank plc
P. O. Box 308
Teollisuuskatu 1, 00013 Helsinki
Finland
Phone: +358 10 252 011
Fax: +358 10 252 2703

