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IN TODAY'S RACE HORSEEQS Group AG – BUY (BUY) – PT 60.00 (EUR 60.00)

EQS: H1-17: Sales up by 45% yoy

Bloomberg EQS GY
Sector Technology

Strong sales growth in H1-17

The company generated revenues of EUR 15.01m in H1-17, representing a 45% increase over the same period last year. EBIT before acquisition costs, purchase price allocation and scheduled amortization of the acquired customer bases (non-IFRS) declined slightly by 3% to EUR 912 thousand. Adjusted Group net profit amounted to EUR -37 thousand. Adjusted earnings per share are EUR -0.03.

Rating BUY (BUY)
Target price EUR 60.00

Ariva major force behind growth

The significant increase in revenues is mainly attributable to a rise in sales in Germany (+60% to EUR 11.85m), particularly the consolidated sales revenues of the majority stake in ARIVA.DE AG: Sales increased by over 30% or EUR 3.5m as companies prepare for the obligatory adoption of basic information sheets for financial products mandated by the PRIIP regulation.

Share price EUR 56.00
Market cap EUR 73.3m

Full year guidance confirmed

The Executive Board of EQS Group expects double-digit revenue growth in 2017, of between 20% and 25%, amounting to EUR 31.2m to EUR 32.5m. Adjusted EBIT is expected to increase by 10% to 20%, amounting to EUR 3.6m to EUR 3.9m.

In our view, EQS' full year EBIT guidance is ambitious but achievable as H2 and – in particular Q4 – delivers the major contribution to earnings. We therefore confirm BUY and the EUR 60.00 TP.

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BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

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Price and Rating History (last 12 months)

EQS Group AG

Date	Price target-EUR	Rating	Initiation
18.05.2017	60.00	Buy	
18.11.2016	50.00	Buy	
07.10.2016	50.00	Buy	07.10.2016

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Competent supervisory authority

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