

ZEAL Network SE

Others - Germany



Buy (old: Buy)

08.08.2024

EUR 54.00 (old: EUR 54.00)

Strong Q2 and new product launch; chg. est.

Strong Lottery business: Lottery billings came in at € 261m, +24% yoy (eNuW: € 252m), better than expected, thanks to a favorable jackpot environment (2x peak jackpots). **Lottery sales grew disproportionately to billings by 37% yoy to € 36m**, (eNuW: € 33m) on the back of an better than expanded billings margin of 13.8%, + 1.3pp yoy (eNuW: 13.0%).

Improved Games metrics, but roll-out held back by regulator: The slower than expected roll-out of the full Games portfolio (c. 200-300 vs. currently 115 due to slow regulator's approval) has led ZEAL to focus less on MAU growth (18k vs. eNuW: 28k). Nevertheless, user metrics have improved sequentially thanks to a shift towards higher margin games. Thus, ARPU stood at € 40.5 (eNuW: € 35.8). Consequently **sales came in at € 2.3m**, up 5% qoq (eNuW: € 3.0m).

Dynamic top-line to continue: Q2 sales rose better than expected by **45% yoy to € 40.7m** (eNuW: € 37.5m) following a strong Q1. **H1** thus showed a remarkable **40% yoy top line growth** thanks to lottery tailwinds and we expect **H2 sales growth to continue at c. 30%** due to billings margin improvements above 15% as of 10th June '24. Thus, even in the event of muted jackpots, strong growth should be maintained throughout H2. Possible strong jackpot environments should therefore serve as an additional sales boost.

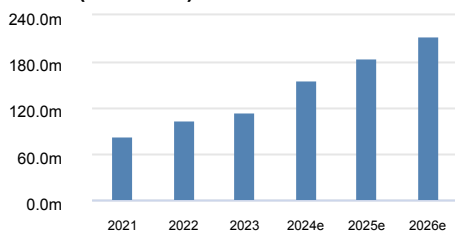
Substantial EBITDA growth: Q2 EBITDA came in at **€ 10.7m, +144% yoy** (eNuW: € 10.2m; H1: € 20m, +46% yoy) due to lower **marketing expenses** of € 12.1m, -7% yoy (eNuW: € 11.6m), but also burdened by **(1) increase in personnel expenses by 53% yoy** and **(2) legal, consulting and recruiting expenses** (indirect costs: +51% yoy). Mind you, although Q2'23 was burdened by a hefty marketing push (€ 13m), the **operating leverage** of ZEAL's business model nevertheless shines through, as ZEAL has grown sales disproportionately to OPEX.

High marketing efficiency maintained: Despite only 2x peak jackpots in Q2, ZEAL maintained its **stellar marketing efficiency**. Cost per Lead (CPL) increased **only 1% qoq** to € 33.4 (eNuW: € 38.0), better than expected. Compared to last year (exorbitantly high CPLs in Q2 and Q3) CPLs decreased substantially by 34% yoy in Q2, showing that the improved algorithm and thus higher conversion rates **increased marketing efficiency sustainably**. - *continued* -

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	83.3	105.2	116.0	157.4	186.0	213.4
Sales growth	-4.2%	26.2%	10.3%	35.6%	18.2%	14.7%
EBITDA	27.7	31.7	32.8	41.7	59.4	73.5
Net debt (if net cash=0)	-38.5	-28.5	-29.7	-43.0	-57.2	-78.1
FCF	26.0	27.1	24.9	37.9	40.9	49.9
Net Debt/EBITDA	-1.4	-0.9	-0.9	-1.0	-1.0	-1.1
EPS pro forma	0.48	0.72	0.57	2.02	1.39	1.80
EBITDA margin	33.3%	30.1%	28.3%	26.5%	31.9%	34.5%
ROCE	5.0%	6.0%	7.2%	10.9%	16.9%	22.2%
EV/sales	10.5	6.7	6.8	5.0	4.1	3.5
EV/EBITDA	31.6	22.4	24.2	18.7	12.9	10.1
PER	76.5	51.6	64.3	18.3	26.5	20.5
Adjusted FCF yield	1.8%	3.7%	3.9%	7.5%	5.7%	7.2%

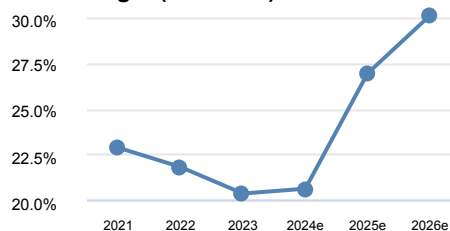
Source: Company data, NuWays, Close price as of 05.08.2024

Sales (2021-26e)



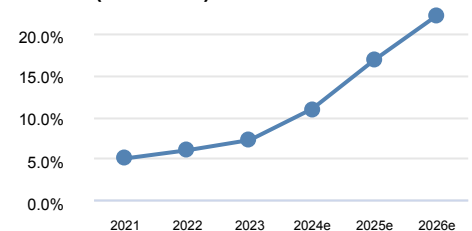
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

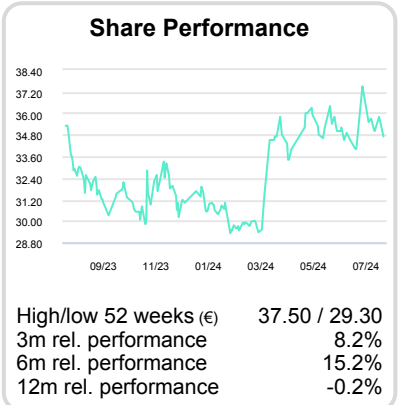
ROCE (2021-26e)



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 €)	34.70
Market cap (in € m)	823.0
Number of shares (in m pcs)	22.3
Enterprise value (in € m)	780.7
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	2%	-2%	-2%
EBIT	0%	-4%	-3%
EPS	28%	-4%	-3%

- ### Comment on changes
- FY'24e sales now reflect better than expect Q2.
 - FY'24e EBITDA unchanged due to a higher marketing expense estimate.
 - FY'25&'26e estimate lowered to reflect slower games roll-out.

Guidance

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

ZEAL Network SE

Preview / Review - 08.08.2024

Strong user intake: ZEAL has added 272k new leads (+31% yoy), clearly indicating an improvement of marketing efficiency and beating our user intake estimate of 200k. Consequently, **MAU in Lottery grew by 20% yoy** (3% qoq) to **1.37m in Q2** (eNuW: 1.37m; H1: 1.35m).

Guidance confirmed, but unambitious now: Based on increasing monetization in Lottery (and without any negative change in user activity or churn rates expected) for H2, the **sales guidance** of € 140-150m (eNuW: € 157m; eCons: € 150m) **seems unambitious now**. Moreover, we are positioned at the **top-end of the EBITDA guidance** of € 38-42m (eNuW: € 42m; eCons: € 42m) despite expected increasing marketing expenses of € 48m (from which 53% has already been incurred in H1).

New innovative product launched: Next to the continued addition of new games, ZEAL has also launched a new **raffle-type lottery** "Traumhausverlosung", which should yield a billings margin of 26-33% (vs. 13-16% at Lottery). **Key advantages of the raffle-type lottery**, in our view, are **a) a tangible price**, e.g. an existing house, increasing emotional attachment as opposed to an intangible lottery win and more importantly **b) the illusion of higher chances** as at raffles, opposed to lotteries, there is always a winner but the chances are unknown beforehand, thus increasing the players' desire to participate as he underestimates his chances. Against this backdrop and with ZEAL's highly experienced and strong budgeted marketing power in mind, this product looks set to start successfully. While still being below scale, this first of its kind lottery in Germany has not only the **potential to become a positive EBITDA contributor** in the mid-term, but could also **serve as a blue-print** for additional raffles to be offered by ZEAL (e.g. cars, boats, etc.). We also like the fact about this product, that ZEAL does not acquire market shares but rather enlarges the market. This again highlights the innovative power it has within Germany's regulated lottery market.

FCF positive again: Following unfavorable WC swings in Q1 (FCF: € -3.6m), FCF is back to normal levels (Q2: € 16.2m; H1: € 12.6m) due to the WC swing coming back. With rising profitability, we also expect proportionate increases in FCF going forward (cash conversion of 60-90% FCF/EBITDA).

All in all, a strong release. ZEAL shows that it **unites value and growth** while also being highly resilient against macro developments. Therefore, **we reiterate our BUY recommendation** and **ZEAL's position in the NuWays' AlphaList** with an unchanged PT of € 54.00, based on DCF.

Zeal Network SE	Q2 2024	Q2 2024 eNuW	Q2 2023	yoy	H1 2024	H1 2024 eNuW	H1 2023	yoy
Billings from Lottery	260.8	251.8	209.9	24%	507.1	498.2	411.1	23%
Billings from Games	29.9	33.7	0.6	5314%	61.3	65.0	0.6	10980%
Total Billings	290.7	285.5	210.5	38%	568.3	563.2	411.6	38%
Sales from Lottery	36.0	32.8	26.3	37%	68.0	64.8	51.2	33%
Sales from Games	2.3	3.0	0.1	4329%	4.5	5.2	0.1	8535%
Other sales	2.4	1.7	1.7	35%	4.3	3.6	3.5	21%
Total Sales	40.7	37.5	28.1	45%	76.8	73.6	54.8	40%
Billings margin (Lottery)	13.8%	13.0%	12.5%	+ 1.3 pp	13.6%	13.0%	12.5%	+ 1.1 pp
Billings margin (Games)	7.7%	8.9%	9.4%	- 1.7 pp	7.3%	8.0%	9.4%	- 2.1 pp
Combined billings margin	13.2%	12.5%	12.5%	+ 0.7 pp	12.8%	12.4%	12.5%	+ 0.3 pp
EBITDA	10.7	10.2	4.4	144%	20.0	19.5	13.7	46%
<i>EBITDA margin</i>	26.2%	27.1%	15.5%	+ 10.7 pp	26.1%	26.6%	25.1%	+ 1.0 pp
Lottery - Monthly Active Users (MAU)	1.37m	1.37m	1.14m	20%	1.35m	1.35m	1.12m	21%
Games - Monthly Active Users (MAU)	0.02m	0.03m	0.01m	105%	0.02m	0.03m	0.01m	125%
Combined Monthly Active Users	1.39m	1.40m	1.15m	21%	1.37m	1.38m	1.13m	22%
Lottery - Average Revenue per User (ARPU)	€ 8.75	€ 7.99	€ 7.73	13%	€ 8.38	€ 8.00	€ 7.61	10%
Games - Average Revenue per User (ARPU)	€ 40.49	€ 35.76	€ 5.49	638%	€ 37.03	€ 34.67	€ 5.49	574%
Combined ARPU	€ 9.42	€ 8.67	€ 7.63	24%	€ 8.98	€ 8.60	€ 7.56	19%

Source: Company data, NuWays

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	83.3	105.2	116.0	157.4	186.0	213.4
<i>Sales growth</i>	-4.2%	26.2%	10.3%	35.6%	18.2%	14.7%
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	157.4	186.0	213.4
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	30.7	34.1
Other operating expenses	41.2	57.0	62.0	89.9	97.4	107.3
Total operating expenses	55.6	73.5	83.2	115.7	126.6	139.9
EBITDA	27.7	31.7	32.8	41.7	59.4	73.5
Depreciation	0.7	0.7	0.0	0.0	0.0	0.0
EBITA	27.0	31.0	32.8	41.7	59.4	73.5
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	50.1	64.3
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	48.8	62.9
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	48.8	62.9
Income tax expense	5.3	6.2	8.6	-16.9	15.6	20.1
Net income from continuing operations	11.4	16.6	13.7	48.0	33.2	42.8
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	48.0	33.2	42.8
Minority interest	0.6	0.6	0.9	3.1	2.1	2.7
Net profit (reported)	10.8	16.0	12.8	45.0	31.1	40.1
Average number of shares	22.4	22.3	22.3	22.3	22.3	22.3
EPS reported	0.48	0.72	0.57	2.02	1.39	1.80

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%	35.6%	18.2%	14.7%
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%	0.8%
Material expenses	0.0%	0.0%	-0.0%	0.0%	0.0%	0.0%
Personnel expenses	22.9%	18.0%	19.4%	17.4%	16.5%	16.0%
Other operating expenses	49.4%	54.1%	53.4%	57.1%	52.4%	50.3%
Total operating expenses	66.7%	69.9%	71.7%	73.5%	68.1%	65.5%
EBITDA	33.3%	30.1%	28.3%	26.5%	31.9%	34.5%
Depreciation	0.9%	0.6%	0.0%	0.0%	0.0%	0.0%
EBITA	32.4%	29.5%	28.3%	26.5%	31.9%	34.5%
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%	5.9%	5.0%	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%	20.6%	26.9%	30.1%
Interest income	0.2%	1.4%	0.4%	0.3%	0.2%	0.1%
Interest expenses	2.4%	0.7%	1.5%	1.1%	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.
Recurring pretax income from continuing operations	20.0%	21.7%	19.2%	19.8%	26.2%	29.5%
Extraordinary income/loss	0.0%	0.0%	-0.0%	0.0%	0.0%	0.0%
Earnings before taxes	20.0%	21.7%	19.2%	19.8%	26.2%	29.5%
Tax rate	31.5%	27.4%	38.6%	-54.4%	32.0%	32.0%
Net income from continuing operations	13.7%	15.7%	11.8%	30.5%	17.8%	20.1%
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%	30.5%	17.8%	20.1%
Minority interest	0.7%	0.6%	0.8%	1.9%	1.1%	1.3%
Net profit (reported)	12.9%	15.2%	11.0%	28.6%	16.7%	18.8%

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	3.6	4.2	4.9
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	82.5	91.7	107.6
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	119.4	129.2	145.8
TOTAL ASSETS	503.8	459.7	394.6	412.5	414.4	423.0

SHAREHOLDERS EQUITY	378.2	328.0	259.2	279.2	283.3	294.1
MINORITY INTEREST	6.7	6.1	5.6	8.6	10.7	13.5
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
Long-term liabilities to banks	7.6	22.9	15.8	25.8	21.8	17.8
Accounts payable	3.7	3.8	3.6	3.9	4.6	4.6
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	51.9	52.6	52.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	503.8	459.7	394.6	412.5	414.4	423.0

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	59.2%	63.0%	71.4%	66.4%	64.1%	61.0%
Property, plant and equipment	0.1%	0.3%	0.3%	0.3%	0.3%	0.3%
Financial assets	3.3%	4.9%	4.6%	4.4%	4.4%	4.3%
FIXED ASSETS	62.6%	68.1%	76.3%	71.1%	68.8%	65.5%
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%	7.4%	7.4%	7.2%
Liquid assets	17.9%	13.3%	14.5%	20.0%	22.1%	25.4%
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%
CURRENT ASSETS	37.4%	31.9%	23.7%	28.9%	31.2%	34.5%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	75.1%	71.3%	65.7%	67.7%	68.3%	69.5%
MINORITY INTEREST	1.3%	1.3%	1.4%	2.1%	2.6%	3.2%
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%	1.0%	1.0%	1.0%
Short-term liabilities to banks	0.2%	1.0%	1.8%	2.2%	1.9%	1.7%
Long-term liabilities to banks	1.5%	5.0%	4.0%	6.2%	5.3%	4.2%
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%
Other liabilities (incl. from lease and rental contracts)	1.3%	7.2%	12.2%	11.6%	11.6%	11.4%
Deferred taxes	9.7%	10.1%	11.2%	6.5%	6.5%	6.4%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	2.0%	8.0%	13.1%	12.6%	12.7%	12.4%
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	48.0	33.2	42.8
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	39.2	42.3	51.2
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	-0.7	-0.6
Increase/decrease in accounts payable	0.1	0.1	-0.2	0.3	0.7	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	39.4	42.5	51.4
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	13.3	14.2	20.9
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	25.1	9.2	15.9
Liquid assets at end of period	90.1	61.2	57.4	82.5	91.7	107.6

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	-4.2%	26.2%	10.3%	35.6%	18.2%	14.7%
EBITDA growth	60.0%	14.1%	3.8%	26.9%	42.5%	23.9%
EBIT growth	254.3%	20.4%	2.9%	37.4%	54.6%	28.3%
EPS growth	32.0%	48.4%	-19.8%	251.4%	-30.9%	29.0%
Efficiency						
Sales per employee	530.8	649.4	694.9	915.1	1,062.9	1,198.9
EBITDA per employee	176.6	195.4	196.7	242.3	339.3	413.2
No. employees (average)	157	162	167	172	175	178
Balance sheet analysis						
Avg. working capital / sales	5.8%	-2.0%	-1.0%	-0.8%	-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	7.8
Cash flow analysis						
Free cash flow	26.0	27.1	24.9	37.9	40.9	49.9
Free cash flow/sales	31.2%	25.7%	21.4%	24.1%	22.0%	23.4%
FCF / net profit	227.9%	163.4%	182.1%	78.8%	123.4%	116.6%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-38.5	-28.5	-29.7	-43.0	-57.2	-78.1
Net Debt/EBITDA	-1.4	-0.9	-0.9	-1.0	-1.0	-1.1
Dividend payout ratio	435.7%	503.3%	191.8%	59.5%	93.4%	77.9%
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%	16.9%	22.2%
ROE	2.9%	4.9%	4.9%	16.1%	11.0%	13.6%
Adjusted FCF yield	1.8%	3.7%	3.9%	7.5%	5.7%	7.2%
Dividend yield	5.7%	9.8%	3.0%	3.3%	3.5%	3.8%
DPS	2.1	3.6	1.1	1.2	1.3	1.4
EPS reported	0.48	0.72	0.57	2.02	1.39	1.80
Average number of shares	22.4	22.3	22.3	22.3	22.3	22.3
Valuation ratios						
P/BV	2.2	2.5	3.2	2.9	2.9	2.8
EV/sales	10.5	6.7	6.8	5.0	4.1	3.5
EV/EBITDA	31.6	22.4	24.2	18.7	12.9	10.1
EV/EBIT	46.0	30.9	33.7	24.1	15.3	11.6

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	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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Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjust-

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