

Recommendation: Buy

Price target: 1.10 Euro

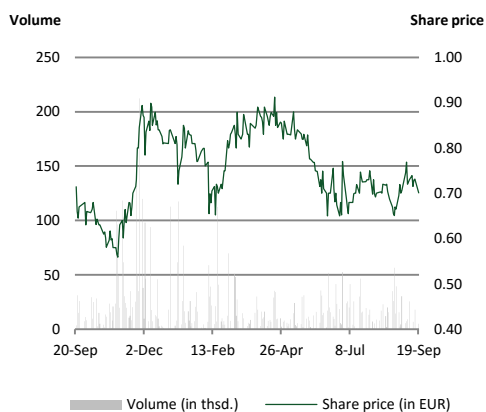
Upside potential: +57 percent

Share data

Share price	0.70 Euro (XETRA)
Number of shares (in m)	20.70
Market cap. (in EUR m)	14.5
Enterprise Value (in EUR m)	10.4
Code	BTBA
ISIN	DE0003304200

Performance

52 week high (in EUR)	0.92
52 week low (in EUR)	0.54
3 m relative to CDAX	-0.4%
6 m relative to CDAX	-21.3%



Quelle: Capital IQ

Shareholder structure

Free float	61.0%
Oliver Borrmann	15.3%
Carin Pepper	10.0%
Roland Berger SC	7.5%
Michael Stammeler	3.2%
Peter R. Ackermann	3.0%

Calendar

Q3 results 30 September 2016

Changes in estimates

	2016e	2017e	2018e
Sales (old)	18.9	24.3	30.5
Δ in %	-13.0%	-8.7%	-8.7%
EBIT (old)	-3.1	-0.2	0.9
Δ in %	n.m.	n.m.	-69.6%
EPS (old)	-0.15	-0.02	0.03
Δ in %	n.m.	n.m.	n.a.

Analyst

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Publication

Comment 20 September 2016

Technical changes and weather conditions temporarily slowing down growth

bmp yesterday reported H1 2016 key figures and **adjusted its outlook** on this occasion. In the first six months of the current fiscal year, the company generated **revenue of EUR 7.7m**, which is in line with the development bmp had guided for in Q1. At revenue of c. EUR 3.2m, however, Q3 will be well below expectations. As a result, the **revenue guidance was reduced to EUR 16-18m** (previously: >EUR 20m). Results from ordinary activities are to remain unchanged at between EUR -1m and EUR -2m.

Pace of growth temporarily slowing down: According to bmp, the revenue targets were missed because of **the prolonged warm weather and technical changes at sleepz**. The company has fundamentally revised its shop 'perfekt-schlafen.de'. In this connection, several products had not been available temporarily. The problem should have been solved by now, while the conversion rate has already significantly improved thanks to the changes. Conversely, the unusually hot days in September have temporarily burdened the sales figures and let to the fact that competitors sold off their inventories at substantial discounts. Matratzen Union and sleepz therefore have significantly reduced their search engine marketing for the purpose of profitable growth. According to bmp, the situation has started to normalise here as well.

Grafenfels has not yet made any notable contributions to revenue in H1. Management had postponed its launch several times for the benefit of product quality. At present, the products' listing is being promoted in stationary retail. The company expects demand to increase in the further course of the year.

No more major acquisitions in 2016: At the same time, bmp has withdrawn its guidance for inorganic revenue of EUR 25-40m, which had included another one to two company acquisitions. No company has been acquired year to date. Since there have been no major exits from the VC portfolio, the company currently does not have the sufficient liquidity to shoulder any significant acquisitions. However, management confirmed the availability of suitable targets and that they are intensely working on financing matters (either through additional exits from the remaining VC portfolio or through acquisition finance).

Conclusion: The huge growth momentum of bmp's subsidiaries comes along with challenges. Additionally, external factors may have an impact on the business development. We had already reflected this in our projections and positioned ourselves below the guidance. In view of the current trend and the decelerated launch of Grafenfels, however, we slightly reduce our forecasts for 2016 and beyond. Nevertheless, the shares are undervalued in fundamental terms. The new PT is EUR 1.10 (previously: EUR 1.20).

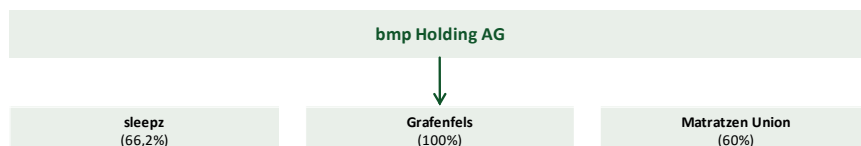
FYend: 31.12.	2015	2016e	2017e	2018e	2019e
Sales	4.8	16.5	22.2	27.9	34.0
Growth yoy	5124,2%	246.6%	34.6%	25.6%	22.0%
EBITDA	-1.8	-1.0	-0.4	0.6	1.1
EBIT	-1.9	-3.2	-0.7	0.3	0.8
Net income	-2.8	-3.2	-0.9	0.1	0.5
Gross profit margin	33.3%	29.0%	30.0%	32.0%	33.0%
EBITDA margin	-36.9%	-6.0%	-2.0%	2.0%	3.3%
EBIT margin	-39.1%	-19.1%	-3.0%	1.0%	2.3%
Net Debt	0.5	2.0	2.5	2.5	1.6
Net Debt/EBITDA	-0.3	-2.1	-5.6	4.5	1.4
ROCE	-9.7%	-19.1%	-4.3%	1.8%	5.1%
EPS	-0.14	-0.15	-0.04	0.00	0.03
FCF per share	0.00	-0.08	-0.03	0.00	0.05
Dividend	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales	2.4	0.6	0.5	0.4	0.3
EV/EBITDA	n.m.	n.m.	n.m.	18.7	9.3
EV/EBIT	n.m.	n.m.	n.m.	37.4	13.3
PER	n.m.	n.m.	n.m.	n.m.	23.4
P/B	0.9	1.1	1.1	1.1	1.1

Source: Company data, Montega, CapitalIQ

Figures in EUR m, EPS in EUR, Price: 0.70

COMPANY BACKGROUND

bmp Holding AG is an industrial holding based in Berlin. The company has three investments in the sleeping worlds segment: sleepz GmbH, the Matratzen Union Group and Grafenfels Manufaktur GmbH.



Source: Company

Majority interest sleepz is fully consolidated since May 2015. The company emerged from the former muchasa GmbH, in which bmp acquired an interest in June 2014. sleepz currently has 39 employees and generated revenues of roughly EUR 6.4m in 2015.

In November 2015, bmp acquired a majority interest in Matratzen Union Group. Like sleepz, the companies operate several online shops in the field of sleeping worlds and an online outlet for (sleeping) furniture and decoration. In the last financial year 2015, the group generated revenues of c. EUR 6.4m with its 16 employees. MU is already operating profitable.

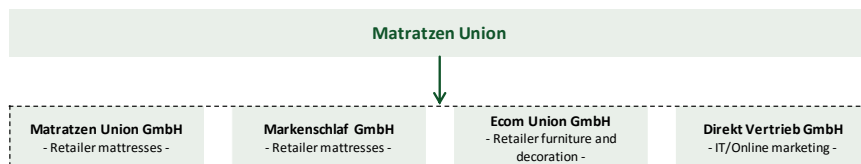
The third investment, Grafenfels, is a new foundation. The company produces and sells an own mattress brand. The market launch was in February 2016.

sleepz

sleepz GmbH was founded in December 2012. The company is an online retailer for sleeping worlds. The company’s online shop features more than 50,000 items. sleepz addresses both the premium segment and the strongly growing discounter market. Since mid-2015, sleepz offers its customers an own mattress brand – Matratzenheld – in the entry segment, which is exclusively available on Matratzendiscount. In September 2015, the company also opened its first retail store in Berlin. sleepz generated revenues of EUR 6.4m in FY 2015 with currently 39 employees.

Matratzen Union Group

Matratzen Union is the second investment of bmp in the field of sleeping worlds. The chart below provides an overview of the company’s structure.



Source: Company

Matratzen Union GmbH and **Markenschlaf GmbH** are – like sleepz – pure online retailers for sleeping requirements. They are focused on best-selling mattresses in standard sizes and on box spring beds. The companies have very good access to most of the well-known mattress manufacturers and have over 2,500 products in store. In addition to a fast delivery, this may also result in price advantages in purchasing. Matratzen Union and Markenschlaf also have exclusive private labels: "Wolkenwunder" and "Schlafschatz".

Ecom Union GmbH operates the website "onletto.de", an online outlet for (sleeping room) furniture and decoration. The company purchases its products via MHK as purchasing association. This is a network of more than 2,000 retail partners in the furniture sector.

Denkvertrieb GmbH is the group's service company with a focus on IT and online marketing

Grafenfels Manufaktur

The newly founded Grafenfels Manufaktur GmbH offers its own mattress brand of the same name. The company has developed five individual mattresses, which have different colours. Grafenfels addresses an internet-affine target group, which wishes for comprehensible products with high commitment to quality. The mattresses are manufactured at Grafenfels' order and specifications. Sale and distribution of the own brand are made via www.grafenfels.de, and initially also via the shops of sleepz and MU. By now 10 additional retailers were found.

Experienced management with profound knowledge in the sleeping world segment

bmp Holding AG has an experienced management. Oliver Borrmann has been CEO since the company's foundation. The subsidiaries are managed by executive directors Youssef Hassan, Martin Jungermann and Stefan Müller. These three are proven experts in the field of sleeping worlds and have many years of corporate experience as well.

Oliver Borrmann founded bmp media investor AG as an investment company in 1997. As the company's CEO he is responsible for corporate development. At bmp, he managed a parallel fund for KfW and accompanied more than 100 investments. He has gained relevant experience as a corporate consultant for HBS Consulting Partners GmbH in Munich. Oliver Borrmann earned his degree in economics at the University of St. Gallen (Switzerland) with honours. In addition to his seat on the board he holds several Supervisory Board mandates, including Heliocentris Energy Solutions AG and brand eins Medien AG.

The group's subsidiaries have a large expertise in the addressed market segment of sleeping worlds.

Youssef Hassan is managing director and shareholder of sleepz GmbH and responsible for customer service, product management and fulfilment. A state-certified business economist, Youssef Hassan started his career at Hutchison Telecom and moved to the bedding industry twelve years ago. Amongst others, he established and managed a mattress company for manufacturer Fray & Co. in Aleppo (Syria). Youssef Hassan has been working in e-commerce since 2003 and established and managed several companies in the sleeping requirement trading segment over the years.

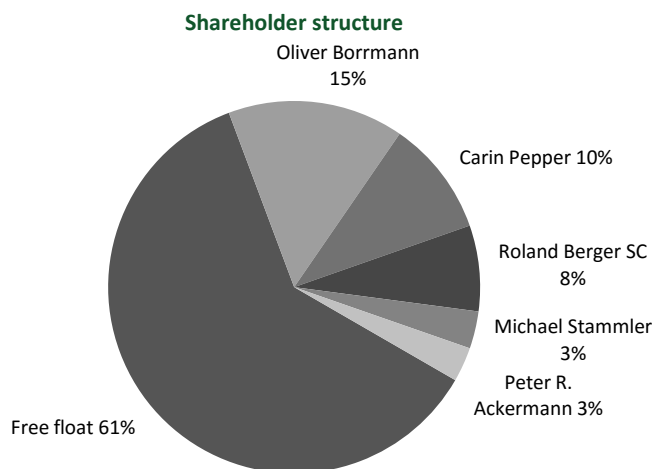
Martin Jungermann, managing director of Matratzen Union GmbH, started his career in 1994 with an apprenticeship as industrial clerk at Klute GmbH Schlafsysteme, thus gaining first experience in the living/sleeping world market segment. Since then, the state-certified business economist has been working in retail, as sales manager and house director at Möbel Schaumann, store manager at company group Gebers and founder in the living/sleeping sector. Since 2011, Martin Jungermann has been managing partner of Markenschlaf GmbH, Matratzen Union GmbH and Ecom Union GmbH.

Stefan Müller is managing director of Grafenfels Manufaktur. He started his career as trained toolmaker at Siemens in 1991 and gained valuable job experience in the years thereafter, amongst others as team leader for building moulds at Johann Czotscher GmbH, as plant manager at Geyer Köln GmbH and sales manager at Schwarzfilm Berlin Postproduction GmbH. In 2004, Stefan Müller assumed a managing position with

important responsibility for personnel and budget at CinePostproduction GmbH for some years until he became a freelance consultant at CT-Formpolster GmbH in business development and e-commerce sale.

Shareholder structure

The share capital of the public limited company is divided into 20,701,174 no-par value shares. Founder and CEO Oliver Borrman is the company’s largest single shareholder with a stake of 15.30%. Other significant investors are Carin Pepper (10.04%), Roland Berger Strategy Consultants GmbH (7.46%), Michael Stammler (3,24%) and Peter R. Ackermann (3.00%). The free float is 60.96%. The following chart shows the current shareholder structure.



Source: Company

APPENDIX

P&L (in Euro m) bmp Holding AG	2015	2016e	2017e	2018e	2019e
Sales	4.8	16.5	22.2	27.9	34.0
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0
Total sales	4.8	16.5	22.2	27.9	34.0
Material Expenses	3.2	11.7	15.5	18.9	22.8
Gross profit	1.6	4.8	6.7	8.9	11.2
Personnel expenses	0.8	1.6	2.0	2.5	3.0
Other operating expenses	3.5	4.3	5.3	6.1	7.4
Other operating income	0.9	0.2	0.2	0.3	0.3
EBITDA	-1.8	-1.0	-0.4	0.6	1.1
Depreciation on fixed assets	0.1	0.1	0.1	0.1	0.2
EBITA	-1.9	-3.1	-0.6	0.4	1.0
Amortisation of intangible assets	0.0	0.1	0.1	0.1	0.2
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
EBIT	-1.9	-3.2	-0.7	0.3	0.8
Financial result	-0.1	-0.2	-0.2	-0.2	-0.2
EBT	-2.0	-3.4	-0.9	0.1	0.6
Taxes	0.0	0.0	0.0	0.0	0.1
Net Profit of continued operations	-2.0	-3.4	-0.9	0.1	0.5
Net Profit of discontinued operations	-1.4	0.0	0.0	0.0	0.0
Net profit before minorities	-3.4	-3.4	-0.9	0.1	0.5
Minority interests	-0.6	-0.2	0.0	0.0	0.0
Net profit	-2.8	-3.2	-0.9	0.1	0.5

Source: Company (reported results), Montega (forecast)

P&L (in % of Sales) bmp Holding AG	2015	2016e	2017e	2018e	2019e
Sales	100.0%	100.0%	100.0%	100.0%	100.0%
Increase / decrease in inventory	0.0%	0.0%	0.0%	0.0%	0.0%
Own work capitalised	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%
Material Expenses	66.7%	71.0%	70.0%	68.0%	67.0%
Gross profit	33.3%	29.0%	30.0%	32.0%	33.0%
Personnel expenses	16.4%	10.0%	9.0%	9.0%	8.8%
Other operating expenses	73.1%	26.0%	24.0%	22.0%	21.9%
Other operating income	19.3%	1.0%	1.0%	1.0%	1.0%
EBITDA	-36.9%	-6.0%	-2.0%	2.0%	3.3%
Depreciation on fixed assets	2.2%	0.5%	0.5%	0.5%	0.5%
EBITA	-39.1%	-18.6%	-2.5%	1.5%	2.8%
Amortisation of intangible assets	0.0%	0.5%	0.5%	0.5%	0.5%
EBIT	-39.1%	-19.1%	-3.0%	1.0%	2.3%
Financial result	-2.7%	-1.2%	-0.9%	-0.7%	-0.6%
EBT	-41.8%	-20.4%	-3.9%	0.3%	1.7%
Taxes	0.2%	0.0%	0.0%	0.0%	0.2%
Net Profit of continued operations	-42.0%	-20.4%	-3.9%	0.3%	1.5%
Net Profit of discontinued operations	-30.4%	0.0%	0.0%	0.0%	0.0%
Net profit before minorities	-72.4%	-20.4%	-3.9%	0.3%	1.5%
Minority interests	-13.4%	-1.2%	0.0%	0.0%	0.0%
Net profit	-59.0%	-19.1%	-3.9%	0.3%	1.5%

Source: Company (reported results), Montega (forecast)

Balance sheet (in Euro m) bmp Holding AG	2015	2016e	2017e	2018e	2019e
ASSETS					
Intangible assets	4.9	5.0	5.1	5.2	5.2
Property, plant & equipment	0.3	0.5	0.7	0.9	1.0
Financial assets	0.0	0.0	0.0	0.0	0.0
Fixed assets	5.2	5.5	5.8	6.0	6.2
Inventories	1.5	1.3	2.2	2.8	3.4
Accounts receivable	0.7	1.1	1.2	1.3	1.6
Liquid assets	1.9	1.4	1.0	1.0	1.9
Other Assets	16.6	14.6	13.6	12.6	11.6
Current assets	20.8	18.5	18.1	17.7	18.6
Total assets	26.0	24.0	23.9	23.7	24.8
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity	16.9	13.6	12.9	12.9	13.5
Minority Interest	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Financial liabilities	2.5	3.5	3.5	3.5	3.5
Accounts payable	1.6	1.8	2.4	2.2	2.7
Other liabilities	5.1	5.1	5.1	5.1	5.1
Liabilities	9.1	10.4	11.0	10.8	11.3
Total liabilities and shareholders' equity	26.0	24.0	23.9	23.7	24.8

Source: Company (reported results), Montega (forecast)

Balance sheet (in %) bmp Holding AG	2015	2016e	2017e	2018e	2019e
ASSETS					
Intangible assets	18.8%	20.9%	21.4%	21.8%	21.0%
Property, plant & equipment	1.1%	2.1%	2.9%	3.6%	4.0%
Financial assets	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed assets	20.0%	23.1%	24.3%	25.5%	25.0%
Inventories	5.8%	5.4%	9.2%	11.8%	13.7%
Accounts receivable	2.9%	4.6%	5.0%	5.5%	6.5%
Liquid assets	7.5%	6.0%	4.2%	4.0%	7.7%
Other Assets	64.0%	61.0%	57.1%	53.4%	47.0%
Current assets	80.1%	77.1%	75.5%	74.7%	74.9%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%
LIABILITIES AND SHAREHOLDERS' EQUITY					
Shareholders' equity	64.8%	56.7%	54.1%	54.5%	54.6%
Minority Interest	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions	0.1%	0.2%	0.2%	0.2%	0.1%
Financial liabilities	9.5%	14.5%	14.6%	14.7%	14.0%
Accounts payable	19.5%	21.1%	21.2%	21.4%	20.4%
Other liabilities	35.1%	43.3%	46.0%	45.5%	45.5%
Total Liabilities	35.1%	43.3%	46.0%	45.5%	45.5%
Total Liabilities and Shareholders' Equity	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company (reported results), Montega (forecast)

Statement of cash flows (in Euro m) bmp Holding AG	2015	2016e	2017e	2018e	2019e
Net income	-3.4	-3.4	-0.9	0.1	0.5
Depreciation of fixed assets	0.0	0.1	0.1	0.1	0.2
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.1	0.1	0.1	0.2
Other non-cash related payments	1.4	2.0	1.0	1.0	1.0
Cash flow	-2.0	-1.2	0.4	1.3	1.9
Increase / decrease in working capital	1.2	0.1	-0.4	-0.9	-0.4
Cash flow from operating activities	-0.7	-1.1	0.0	0.4	1.5
CAPEX	-0.6	-0.5	-0.5	-0.5	-0.5
Other	-5.8	0.1	0.1	0.0	0.0
Cash flow from investing activities	-6.4	-0.4	-0.4	-0.5	-0.5
Dividends paid	0.0	0.0	0.0	0.0	0.0
Change in financial liabilities	1.3	1.0	0.0	0.0	0.0
Other	4.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	5.3	1.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	3.7	0.0	0.0	0.0	0.0
Change in liquid funds	-1.8	-0.5	-0.4	-0.1	1.0
Liquid assets at end of period	1.9	1.4	1.0	1.0	1.9

Source: Company (reported results), Montega (forecast)

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Prices of financial instruments mentioned in this analysis are closing prices of the publishing date (respectively the previous day) if not explicitly mentioned otherwise.

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Share price and recommendation history

Recommendation	Date	Price (EUR)	Price target (EUR)	Potential
Initiation (Buy)	18.11.2011	0.66	1.60	+142%
Buy	20.02.2012	0.63	1.60	+154%
Buy	13.03.2012	0.73	1.60	+120%
Buy	30.04.2012	0.75	1.60	+113%
Buy	20.08.2012	0.75	1.25	+67%
Buy	08.11.2012	0.66	1.15	+74%
Buy	17.01.2013	0.62	1.20	+94%
Buy	14.03.2013	0.83	1.20	+44%
Buy	20.08.2013	0.67	1.10	+64%
Buy	30.08.2013	0.71	1.10	+56%
Buy	24.10.2013	0.75	1.10	+48%
Buy	02.12.2013	0.78	1.35	+73%
Buy	03.02.2014	0.98	1.35	+38%
Buy	15.05.2014	0.83	1.30	+56%
Buy	30.07.2014	0.79	1.30	+65%
Buy	20.10.2014	0.72	1.30	+80%
n.a.	05.02.2015	0.70	n.a.	n.a.
n.a.	27.04.2015	0.77	n.a.	n.a.
Buy	19.05.2015	0.80	1.30	+63%
Buy	28.08.2015	0.66	1.30	+96%
Buy	16.11.2015	0.64	1.40	+117%
Buy	24.02.2016	0.71	1.40	+97%
Buy	20.04.2016	0.91	1.20	+32%
Buy	31.05.2016	0.76	1.20	+58%
Buy	21.07.2016	0.74	1.20	+62%
Buy	20.09.2016	0.70	1.10	+57%