

Central European Media Enterprises

Media

06 Jan 2014

Czech Republic / CEE

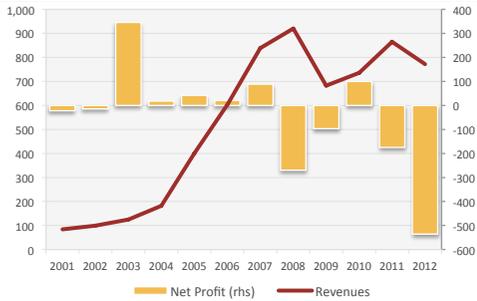


COMPANY DESCRIPTION

Central European Media Enterprises Ltd. (CME) is a media and entertainment company operating in Central and Eastern Europe. The business is managed on a geographical basis, with six operating segments, Bulgaria, Croatia, the Czech Republic, Romania, The Slovak Republic and Slovenia. CME is the broadcast market leader in every country where it has stations present and reaches the homes of over 50 mil people. It started life as a single channel in the Czech Republic in 1994. Nowadays, the Company operates a total of 36 television channels and over 70 Websites across its markets and the video-on-demand service Voyo. The company is listed on NASDAQ and Prague Stock Exchange. Time Warner holds a 49.8% economic interest in the Company.

Main Shareholders: Time Warner (49.8%)

REVENUES & PROFITS (USD mil)



INCOME STATEMENT

USD mil	2008	2009	2010	2011	2012
Sales	920	682	736	865	772
Cost of Goods & Services	469	458	514	582	553
Gross Profit	451	224	222	283	219
Staff Cost	n.a.	n.a.	n.a.	n.a.	n.a.
Other Cost	121	110	119	120	96.3
EBITDA	331	114	104	163	123
Depreciation & Impairments	82.4	71.5	80.4	87.8	88.4
EBIT	248	43	23	76	34
Financing Cost	72.7	113	131	159	127
Extraordinary Cost	91.5	-3.8	3.9	92.6	468
Pre-Tax Profit	84.2	-66.2	-112	-176	-561
Tax	42.2	4.7	5.0	3.9	-14.1
Minorities	2.1	-10.7	-3.4	-5.0	-10.7
Net Profit	-270	-97	100	-175	-536
Dividends	0.0	0.0	0.0	0.0	0.0

BALANCE SHEET

USD mil	2008	2009	2010	2011	2012
Non-Current Assets	1,827	1,991	2,328	2,143	1,656
Property, Plant & Equipment	207	279	251	217	207
Current Assets	580	881	612	538	519
Inventories	68	82	80.2	102	120
Receivables	221	181	209	192	184
Cash & Cash Equivalents	94	446	244	186	140
Total Assets	2,407	2,873	2,941	2,682	2,175
Shareholders' Equity	1,098	1,172	1,248	1,018	626
Liabilities	1,308	1,701	1,693	1,664	1,549
Non-Current Liabilities	1,079	1,349	1,450	1,408	1,656
Long-Term Debt	967	1,260	1,346	1,323	1,199
Current Liabilities	229	352	243	256	291
Short-Term Debt	36.5	118	13.6	1.1	21.9
Trade Payables	175	214	224	240	256

	2008	2009	2010	2011	2012
EBITDA Margin	35.9%	16.8%	14.1%	18.9%	15.9%
EBIT Margin	27.0%	6.3%	3.2%	8.7%	4.4%
Net Profit Margin	-29.3%	-14.2%	13.6%	-20.2%	-69.4%

	2008	2009	2010	2011	2012
ROE	-22%	-8.5%	8%	-16%	-66.0%
ROCE	-14.0%	-4.9%	4.5%	-7.6%	-27.5%
Net Debt/Equity	83%	80%	89%	112%	173%

CASH FLOW

USD mil	2008	2009	2010	2011	2012
Net Profit	-270	-97.2	100	-175	-536
Depreciation	82.4	71.5	80.4	87.8	88.4
Non-Cash Items	347	38	-229	75	426
Change in Working Capital	-22.1	-5.3	-1.4	41.1	-11.3
Total Cash From Operations	137	7.2	-49.6	29.6	-32.7
Capital Expenditures	-75.8	-48.0	-46.0	-34.2	-10.7
Other	-178	-27.2	-411	-8.5	-21.8
Total Cash From Investing	-253	-75.1	-457	-42.7	-32.4
Dividends Paid	0.0	0.0	0.0	0.0	0.0
Issuance Of Shares	1.2	234	0.0	0.0	-2,942
Issuance Of Debt	443	241	7.3	-38.2	2,954
Total Cash From Financing	444	475	7.3	-38.2	11.9
NET CHANGE IN CASH	328	407	-499	-51.2	-53.3

RATIOS & OTHER

	2008	2009	2010	2011	2012
Gross Margin	49.0%	32.9%	30.2%	32.7%	28.4%
Net Debt/EBITDA	2.7	8.1	10.8	7.0	8.8
Cost of Financing	9.1%	9.5%	9.6%	11.8%	10.0%
Payout Ratio	0%	0%	0%	0%	0%
FX TO EUR (Average)	25.0	26.4	25.3	24.6	25.1
FX TO USD (Average)	17.0	19.1	19.1	17.7	19.6
Shares Outstanding (Average)	42.3	54.3	64.0	64.4	76.9
Share Price, Year-End	21.7	23.6	20.4	6.5	6.2
Market Capitalisation (USD mil)	919	1,283	1,303	420	475
Enterprise Value (USD mil)	1,829	2,215	2,419	1,558	1,556
EV/EBITDA	5.5	19.4	23.3	9.5	12.7
P/E	Neg.	Neg.	13.0	Neg.	Neg.
P/BV	0.84	1.09	1.06	0.42	0.79

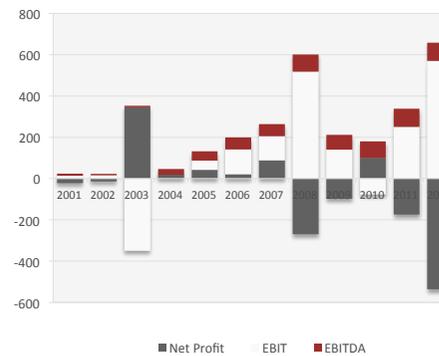
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



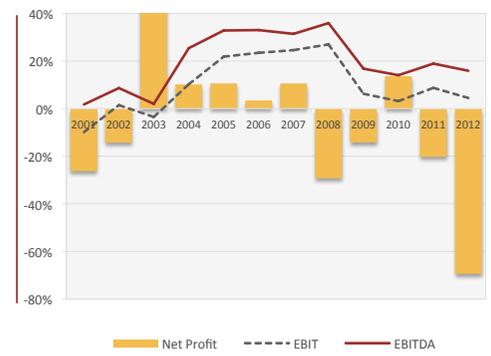
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Financials

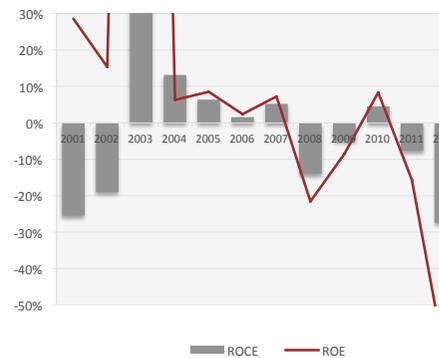
FROM EBITDA TO NET PROFIT (USD mil)



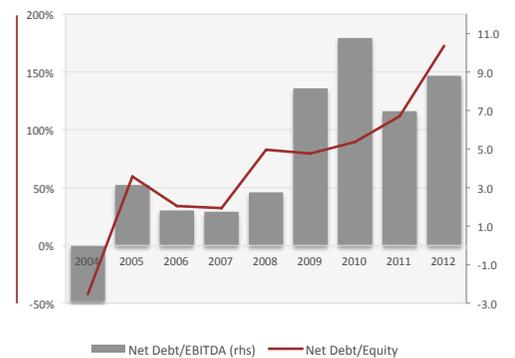
PROFIT MARGIN



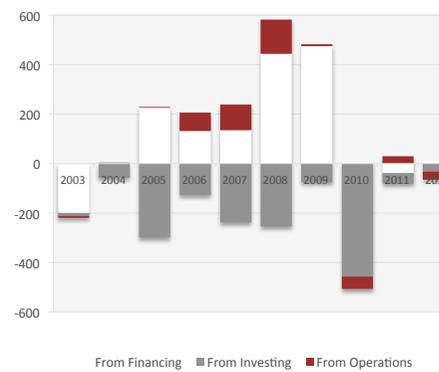
ROE & ROCE



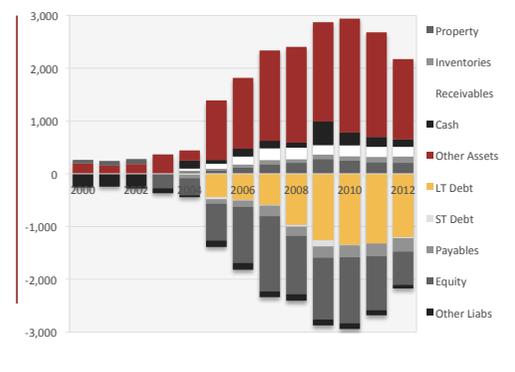
INDEBTEDNESS



CASH FLOW SUMMARY (USD mil)



BALANCE SHEET STRUCTURE (USD mil)



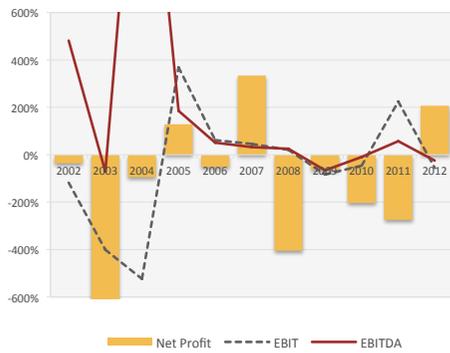
Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end



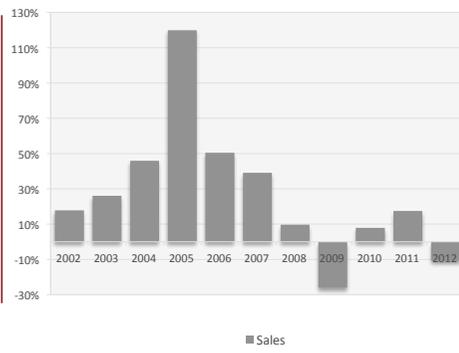
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Momentum

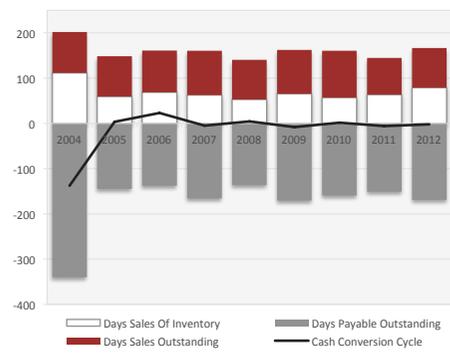
PROFIT GROWTH



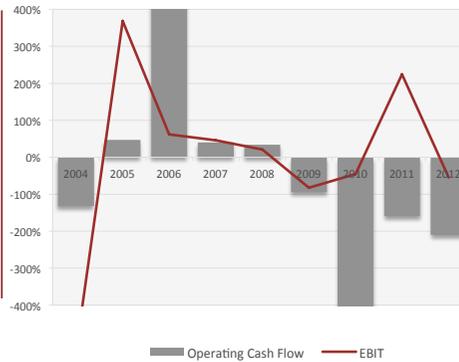
SALES GROWTH



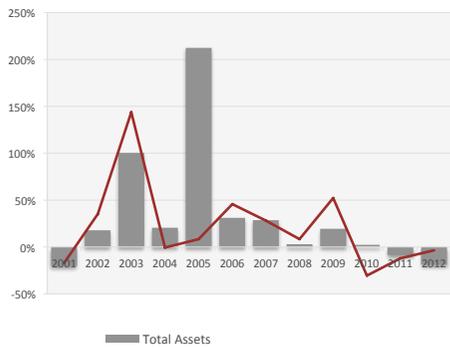
CASH CONVERSION CYCLE (days)



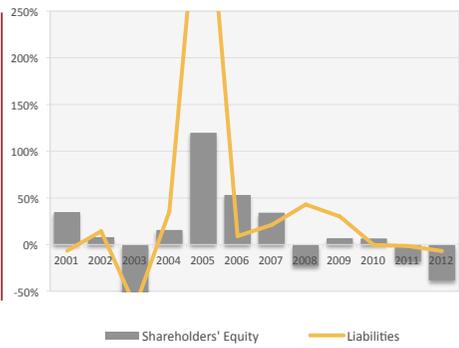
OPERATING CASH FLOW



ASSET GROWTH

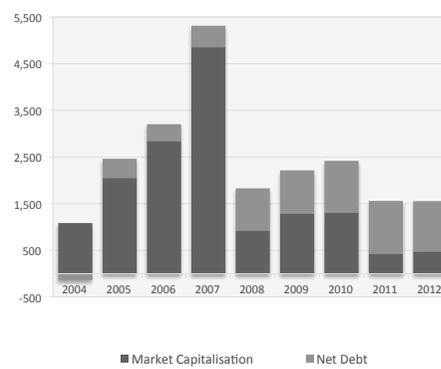


EQUITY AND LIABILITIES GROWTH

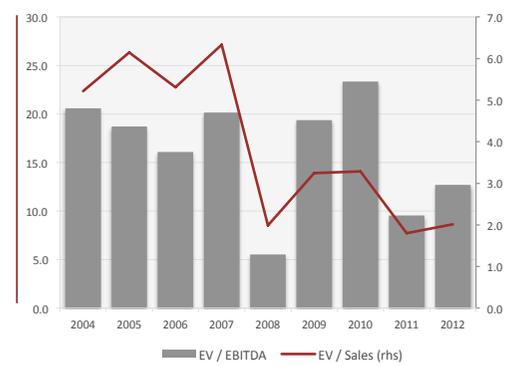


Valuation

MARKET CAPITALISATION & NET DEBT (USD mil)



ENTERPRICE VALUE (EV)



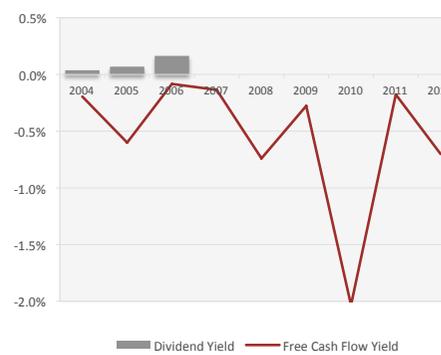
PRICE TO EARNINGS & CASH EARNINGS



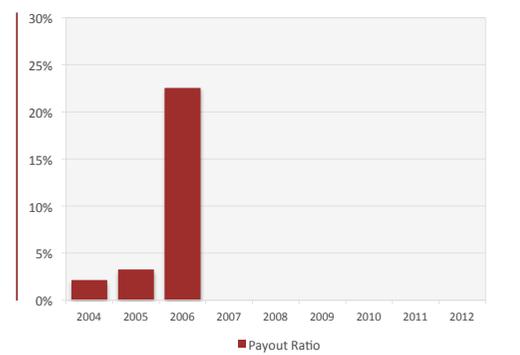
PRICE TO BOOK VALUE



DIVIDEND YIELD



DIVIDEND PAYOUT

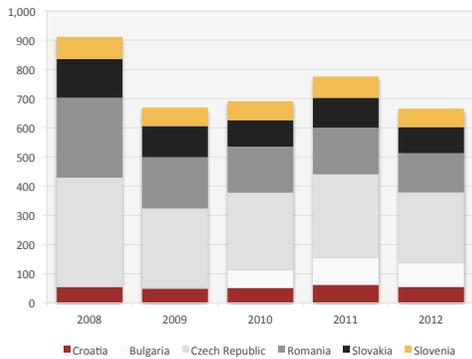


Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

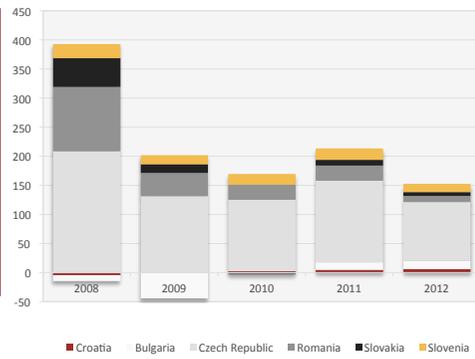
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Business Specifics

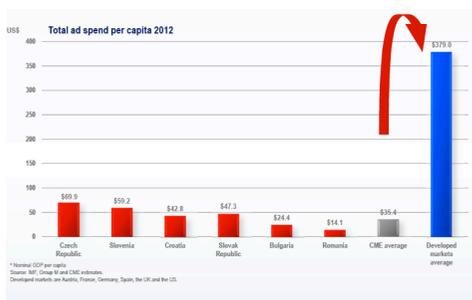
SALES BY COUNTRIES (USD mil)



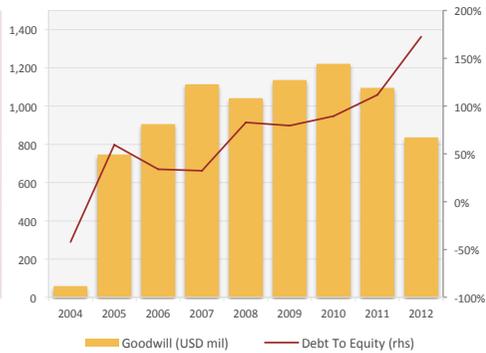
EBITDA BY COUNTRIES (USD mil)



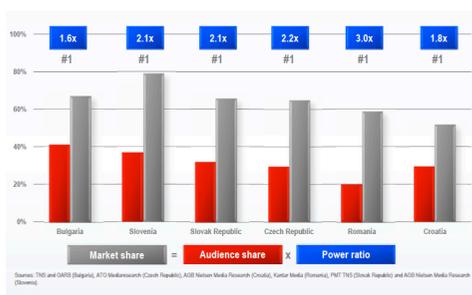
TOTAL AD SPEND PER CAPITA, 2012



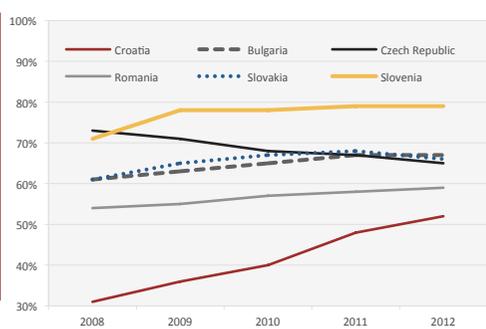
GOODWILL VS. INDEBTEDNESS



2012 ALL DAY AUDIENCE SHARE AND MARKET SHARE



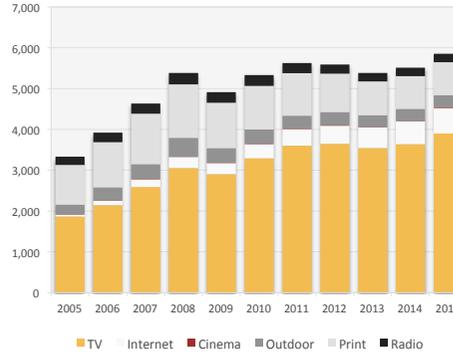
MARKET SHARE



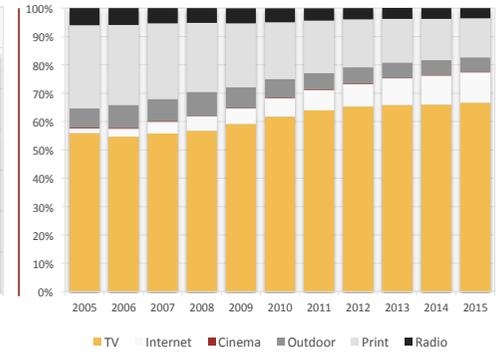
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Market Specifics

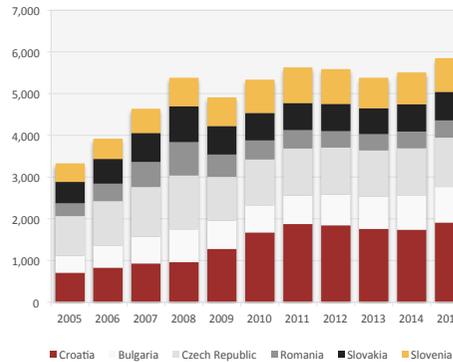
AD EXPENDITURES AT CME'S KEY MARKETS (USD mil)...



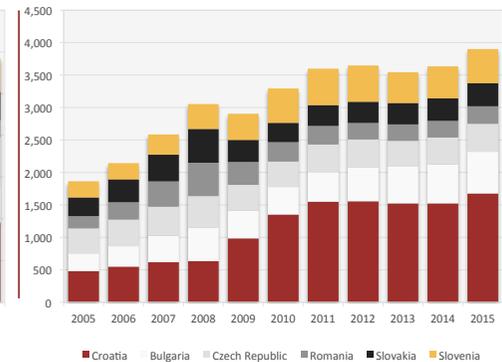
...AND IN RELATIVE TERMS



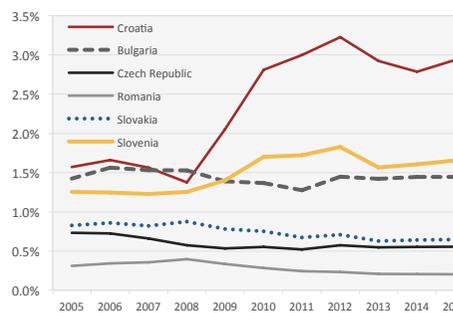
TOTAL AD EXPENDITURES BY COUNTRIES (USD mil)



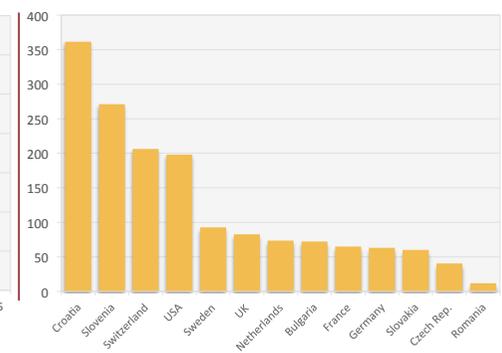
TV'S AD EXPENDITURES BY COUNTRIES (USD mil)



ADVERTISEMENT EXPENDITURES AS % OF GDP



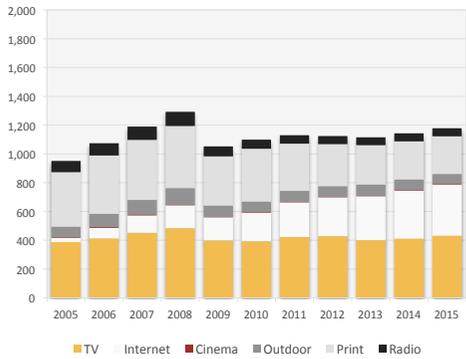
TV AD EXPENDITURES PER CAPITA (USD), 2012



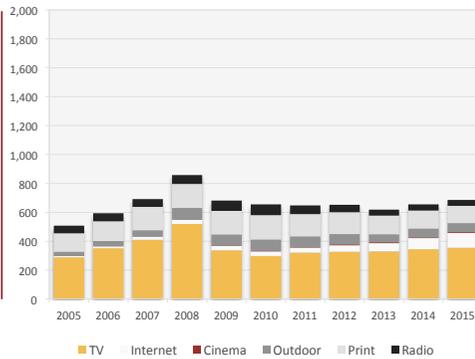
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CME's Main Markets By Advertisement Expenditures (USD mil)

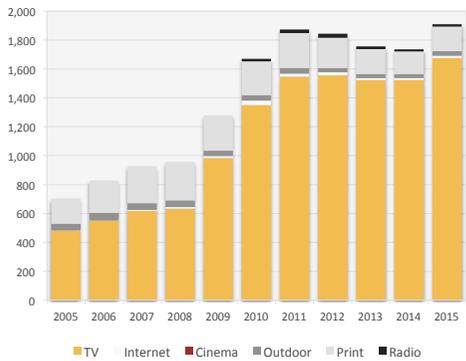
CZECH REPUBLIC



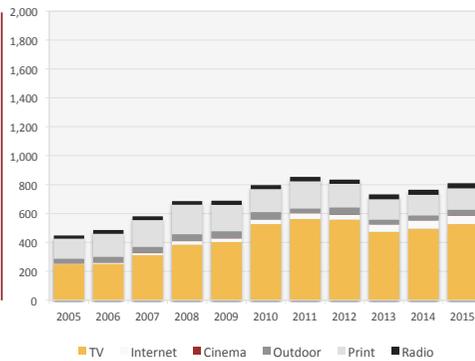
SLOVAKIA



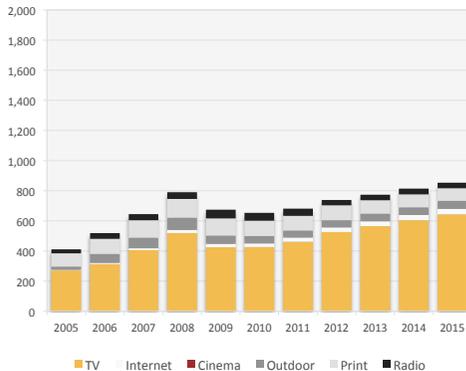
CROATIA



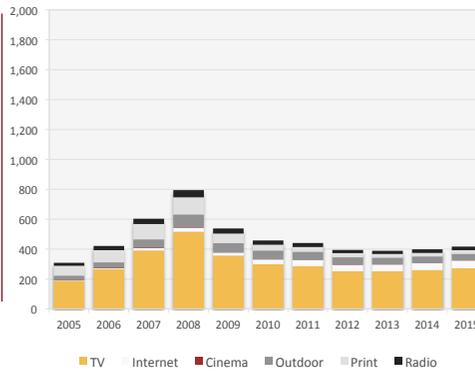
SLOVENIA



BULGARIA



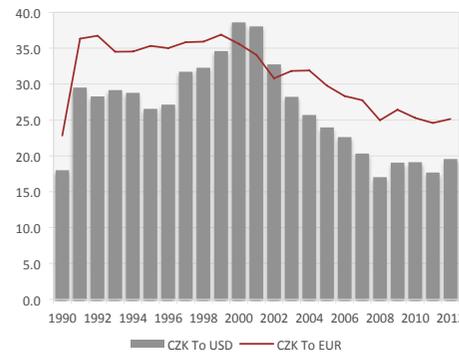
ROMANIA



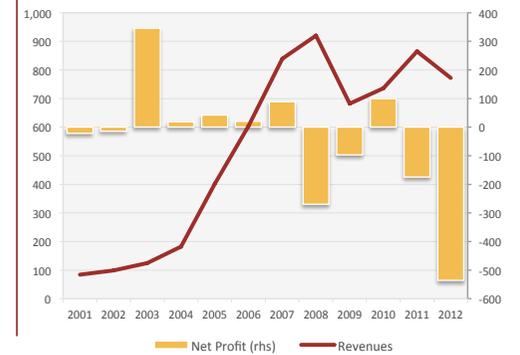
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Financials (USD)

FX TO USD & EUR



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RATIOS & OTHER

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Source: Company data, Helgi Analytics calculation, Valuation multiples are based on share price as of the year-end

ABOUT HELGI ANALYTICS

Helgi Analytics is a consulting company based in the Czech Republic. The company mainly provides consultancy in the area of financial services and real estate and focuses primarily on the region of Central and Eastern Europe.

Helgi Analytics also runs a web application called Helgi Library, which is a database/library offering data and analyses on more than 95% of the world's economy and population. The Library aims to bring interesting statistical data and analyses to a wide audience under affordable conditions. If you wish to get more details, please visit www.helgilibrary.com or contact us at info@helgianalytics.com.

Helgi Analytics

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