

November 26, 2012

Europe | Germany | Technology

DR. KALLIWODA
RESEARCH GmbH

Update

BUY

Target price: €27.40

Overview

Industry:	Technology
Country:	Germany
ISIN:	DE000A1K0300
Reuters:	EUCAn.DE
Bloomberg:	EUCAGR
Website:	www.euromicron.net

Last price	17.50
	High Low
Price 52 weeks:	23.50 15.75
Market cap (EURm)	116.62
Number of shares (m)	6.66

Shareholder structure

Universal-Investment GmbH	4.92%
Free float	95.08%

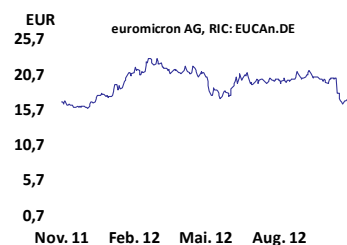
Performance

4 weeks	-11.88%
13 weeks	-12.54%
26 weeks	-9.88%
52 weeks	2.82%
YTD	4.52%

Dividend

	in EUR	in %
2008	0.77	4.39%
2009	0.96	5.49%
2010	1.06	6.04%
2011	1.15	6.57%

52-Week Chart



Analyst

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euromicron AG

Lowering PT after weak 9M/12

- Due to an unexpected deterioration of investment activity in Q3/12 euromicron reported much weaker 9M/12 results than expected. Between January and September 2012, total revenues increased by 2.7% to €226.5m. However, EBIT (-18.8% to €12.1m) and net income (-20.1% to €6.3m) deteriorated y-o-y due to a higher share of personnel costs, depreciation and other operating expenses, which stemmed from integration of 2011' acquisitions (e.g. telent GmbH). As of September 2012, the order intake and backlog amounted to €224.9m (-8.3%) and €125.9m (-27.6%) respectively.
- In 9M/12, the main growth driver was the segment euromicron WAN services (+75.3% y-o-y to €59.9m), which in contrast to last year included full nine months of telent's revenues. Sales of both the euromicron Nord (-9.9% to €79.2m), and euromicron Süd (-9.5% to €97.8m) segment were negatively affected by much weaker investment spending by clients from almost all industries.
- Despite lower net income y-o-y, the operating cash flow improved from €-20.4m in 9M/11 to €-16.3m. The reasons were higher D&A expenses as well as much lower investments into working capital, especially trade receivables. As CAPEX was significantly lower y-o-y (€-6m vs. €-16.8m in 9M/11) due to acquisitions in 2011, total cash outflow in 9M/12 amounted to €0.1m (9M/11: €4.8m). At the end of September 2012, euromicron's equity position equaled €118.3m and net debt €88.5m.
- After weak 9M/12 results, we have again lowered our estimates. Consequently, our 12-months DCF-based price target goes down from previously €30 to €27.40. However, due to the upside, which at current level equals 56.6%, the BUY rating remains unchanged. Although we think that full-year 2012 EBIT and net income will be below last year due to integration costs relating to 2011 acquisitions, we do not believe that the company will reduce its dividend. Based on the dividend payout for 2011, euromicron's yield equals 6.6%.

Key Figures

EURm	2008	2009	2010	2011	2012E	2013E
Net sales	164.63	187.33	203.64	305.31	312.94	338.60
EBITDA	18.85	21.10	24.73	30.78	27.38	34.70
EBIT	16.00	18.04	20.13	24.22	20.65	27.42
Net income	8.07	10.74	11.46	12.23	9.84	14.42
EPS	1.78	2.39	2.38	2.33	1.48	2.16
BVPS	16.04	17.58	18.45	22.81	18.26	19.34
Roe	11.10%	14.16%	13.66%	11.73%	8.15%	11.51%
EBIT margin	9.72 %	9.63 %	9.88 %	7.93 %	6.60 %	8.10 %
P/E	9.83x	7.32x	7.35x	7.51x	11.85x	8.09x
P/BVPS	1.09x	1.00x	0.95x	0.77x	0.96x	0.90x
EV/EBITDA	11.10x	9.91x	8.46x	6.80x	7.64x	6.03x

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1 Company profile

euromicron AG is a manufacturer and provider of network solutions and optical fibre technology. Moreover, the company is a full-service provider of communication and security solutions for different industries and requirements. euromicron covers the entire value chain. Along with planning, implementation and maintenance of communication and security solutions, which are usually based on IP networks, the company also offers development, production and distribution of network components as well as consulting and purchasing. The organization is divided into three segments and four marketing areas.

euromicron AG – Company structure

Holding	Management Holding		
	Finance, Personnel, Purchasing, IT, Public & Investor Relations		
	North	South	WAN services
Components	Highest quality in manufacturing, which is conducted according to customer requirements		
	- Active / Passive Optical Network Components - Test and Working Station Systems		- Maintenance - Managed Services
	LWL Sachsenkabel GmbH (D) MICROSENS GmbH Co. KG & Beteiligungen GmbH (D, F, PL)	ELABO GmbH (D) EUROMICRON Werkzeuge GmbH (D)	
Networks	Integrated, one-stop approach for client-specific, cross-system project and system solutions for convergent networks		
	- Voice/Unified Communication - Video/Monitoring - Intelligent Networks		- Security - PMR Solutions
	euromicron systems GmbH (D) SSM euromicron GmbH (D)	euromicron solutions GmbH (D, P) Avalan GmbH (D) euromicron austria GmbH (A) euromicron NBG Fiber Optics (A)	telenet GmbH (D)
Distribution	Long-term relationships with international manufacturers of active and passive network components allow for qualified and independent solutions at best-possible terms just-in-time		
	- Consulting - Training (Certificates, Seminars)		- Analysis - Service
		SKM Skyline GmbH (D) Qubix S.p.A. networking solutions & distribuion GmbH (I)	
Service	Strategic and cross-segment control and operating tasks, which do not directly belong to the core business e.g.		
	Administration of Property and Buildings		Financing of Specific Shareholdings
	euromicron international services GmbH (D)		

2 Valuation

In order to value euromicron, we have used our DCF model, which derives a 12-months price target for the stock of €27.40. Compared to the current market level, this corresponds to an upside of 56.6%.

DCF model

WACC assumptions

Growth assumptions

Long-term growth rate	2.0%
Assimilation phase (from 2015)	5 years
Sales growth at the beginning	5.0%
Margin development (p.a)	-1 BP

Equity

Risk-free rate	2.3%
Market risk premium	6.0%
Beta	1.30

Equity costs **10.1%**

Debt costs

Debt costs (before tax)	6.0%
Tax rate on interest	30.0%

Debt costs (after tax) **4.2%**

Equity ratio	70
Debt ratio	30
Gearing	42.9%
WACC	8.3%

Discounted Cash Flow Model (Basis 11/2012)

	Phase 1								
in EURm	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Net sales	312.94	338.60	355.87	373.66	390.48	406.10	419.09	430.41	439.01
(y-o-y change)	2.5%	8.2%	5.1%	5.0%	4.5%	4.0%	3.2%	2.7%	2.0%
EBIT	20.65	27.42	30.90	33.57	34.46	35.41	36.30	36.83	37.10
(EBIT margin)	6.5%	8.0%	8.6%	8.9%	8.8%	8.7%	8.6%	8.5%	8.4%
NOPLAT	14.45	19.20	21.63	23.50	24.12	24.79	25.41	25.78	25.97
+ Depreciation	6.73	7.28	7.65	8.03	8.39	8.73	9.01	9.25	9.44
= Net operating cash flow	21.18	26.47	29.28	31.53	32.52	33.52	34.42	35.03	35.41
- Total investments (Capex and WC)	-14.83	-18.74	-17.66	-18.12	-18.34	-18.47	-18.30	-18.25	-17.97
Capital expenditure	-13.73	-14.28	-14.65	-15.03	-15.42	-15.76	-16.04	-16.28	-16.47
Working capital	-1.10	-4.46	-3.01	-3.09	-2.92	-2.71	-2.26	-1.97	-1.50
= Free cash flow (FCF)	6.35	7.73	11.62	13.41	14.18	15.05	16.12	16.79	17.44
PV of FCFs	6.30	7.08	9.82	10.47	10.21	10.01	9.90	9.51	9.13

PV of FCFs in explicit period 82.44
 PV of FCFs in terminal period 175.13

Enterprise value (EV) 257.57

+ Net cash / - net debt -88.50

+ Investments / - Minorities -0.51

Shareholder value 168.56

Number of shares outstanding (m) 6.66

WACC 8.3%

Equity costs 10.1%

Debt costs before tax 6.0%

Tax rate 30.0%

Debt costs after tax 4.2%

Equity share 70.0%

Debt share 30.0%

Fair value per share in € (today) 25.29

Fair value per share in € (in 12 months) 27.40

Sensitivity analysis		Terminal EBIT margin						
		5.4%	6.4%	7.4%	8.4%	9.4%	10.4%	11.4%
WACC	5.3%	38.48	48.53	58.58	68.63	78.68	88.73	98.78
	6.3%	26.99	34.15	41.31	48.47	55.63	62.79	69.95
	7.3%	19.75	25.15	30.54	35.93	41.32	46.71	52.11
	8.3%	14.77	18.98	23.19	27.40	31.61	35.83	40.04
	9.3%	11.11	14.48	17.86	21.24	24.61	27.99	31.37
	10.3%	8.30	11.06	13.82	16.58	19.34	22.10	24.86

Source: Dr. Kalliwoda Research GmbH

3 9M 2012 financial results

Revenues

In 9M/12, euromicron generated total sales of €226.5m (+2.7% y-o-y), thereof 88.9% in Germany.

Total output increased by 8% to €234.6m, which stemmed from an increase of inventories by €7.3m.

Due to an unexpected deterioration of investment activity by customers in Germany and abroad in Q3/12, which affected orders from almost all industries, order intake and backlog went down by 8.3% y-o-y to €224.9m and 27.6% y-o-y to €125.9m respectively. Due to the integration of telent GmbH, which was bought via Asset Deal in June 2011 and for the first time was taken into account over full nine months, euromicron's results now exhibit a stronger seasonality than before.

Between January and September 2012, the main sales driver was the new segment euromicron WAN services, where sales grew from €34.1m in 9M/11 to €59.9m due to telent. Both euromicron Nord (-9.9% to €79.2m) and euromicron Süd (-9.5% to €97.8m) were negatively affected by weaker investment spending and project delays due to the Euro debt crisis.

9M/12 vs. previous year**9M/2012 vs previous year**

in EURm	9M 2012	9M 2011	change (%)
Net sales	226.49	220.63	2.7%
EBITDA	18.21	19.00	-4.1%
EBITDA margin	8.0%	8.6%	
EBIT	12.11	14.90	-18.8%
EBIT margin	5.3%	6.8%	
Net income	6.25	7.83	-20.1%
Net margin	2.8%	3.5%	

Source: Company data, Dr. Kalliwoda Research GmbH

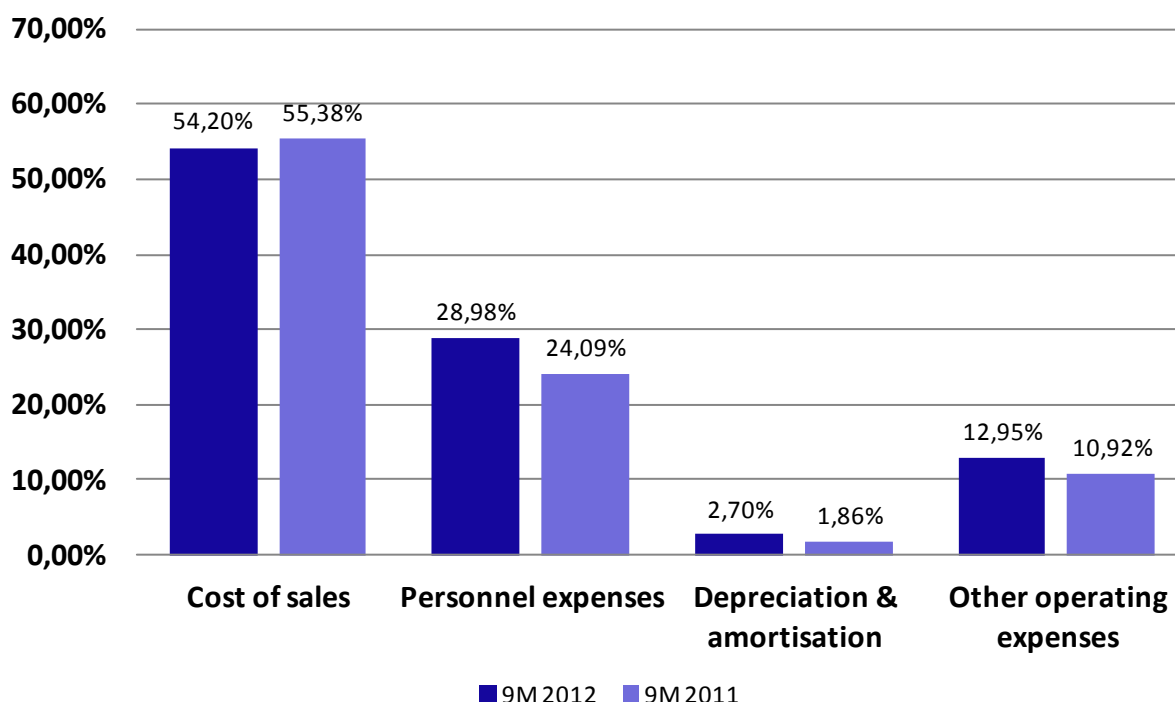
Sales and EBIT margins according to segments**Sales and EBIT margins according to segments 9M/12 vs. 9M/11**

	9M 2012	9M 2011		9M 2012	9M 2011
euromicron Nord			euromicron WAN services		
Sales €m	79.20	87.89	Sales €m	59.86	34.15
share in total sales	35.0%	39.8%	share in total sales	26.4%	15.5%
EBIT margin	13.3%	14.7%	EBIT margin	5.6%	7.3%
euromicron Süd			Group (after consolidation)		
Sales €m	97.81	108.02	Total sales	226.49	220.63
share in total sales	43.2%	49.0%	change y-o-y	2.7%	
EBIT margin	2.6%	3.9%			
Germany			Rest of the World		
Sales €m	201.37	193.31	Sales €m	4.29	2.16
share in total sales	88.9%	87.6%	share in total sales	1.9%	1.0%
Euro zone					
Sales €m	20.83	25.16			
share in total sales	9.2%	11.4%			

Source: Company data, Dr. Kalliwoda Research GmbH

Profitability

Share in sales 9M/12 vs. 9M/11



Source: Company information, Dr. Kalliwoda Research GmbH

Despite an increase of sales, EBIT and net margins were below 9M/11. The reasons were especially higher shares of personnel costs, depreciation and other operating expenses, which resulted from integration costs (in total €2.5m) of companies, which were acquired in 2011 (mainly telent GmbH, ACE Advanced Communication Engineering GmbH and TeraMile GmbH). Due to higher net interest expenses y-o-y, which resulted from more long-term interest-bearing debt, net income in 9M/12 decreased slightly more than EBIT (-20.1% to €6.3m).

Balance Sheet and Cash Flow

At the end of 9M/12, the most important positions on euromicron's balance sheet were (1) equity of €118.8m (2) goodwill of €104.2m and (3) trade receivables of €100.1m. As of 30 September 2012, the company had interest-bearing debt of €96.9m (short- and long-term financial debt as well as pension provisions) and liquid funds (cash plus short-term financial assets) of €8.4m. Thus, the net debt position amounted to €88.5m, which was less than at the end of H1/12 (€98m).

Despite significantly lower net income y-o-y, the operating cash flow improved from €-20.4m in 9M/11 to €-16.3m. The reasons were higher D&A expenses y-o-y as well as much lower investments into working capital (€-22.1m vs. €-36m in 9M/11). As cash flow from investing in 9M/11 was affected by acquisitions, it went down from €-16.8m to €-6m. Cash inflow from financing decreased from €32.5m to €22.2m as euromicron's interest-bearing debt only increased by €30m net (9M/11: €38.6m). At the end of September 2011, euromicron's total cash position amounted to €7.2m, after €7.3m at the beginning of 2012.

4 Outlook

After weaker than expected 9M/12 results, we have reduced our estimates for 2012 and beyond. Also, as the Euro debt crisis continues to have a negative impact on investment spending, management do not believe anymore that results for full-year 2012 will be above the previous year. However, due to the seasonality of euromicron's business, which additionally has been strengthened by the acquisition of telent GmbH, we assume that Q4/12 will be better than the first three quarters. Our new sales estimate for 2012 is €312.9m and thus 5.7% below the previous forecast. In case of EBIT, we now expect €20.7m after previously €26.9m (-23%). From 2013, results should improve due to better economic conditions and efficiency improvements.

We maintain our view that euromicron has excellent future prospects as it should be able to benefit from necessary investments into telecommunication and network infrastructure due to e.g. the introduction of LTE (broadband mobile data transmission technology). We like the fact that the company covers the entire value chain in its segment including manufacturing, integration, consulting and maintenance.

Our forecasts 2012E-14E

Our forecasts 2012E - 2014E						
in EURm	2012E		2013E		2014E	
	new	old	new	old	new	old
Net sales	312.94	331.87	338.60	359.08	355.87	377.39
EBITDA	27.38	34.06	34.70	38.60	38.55	42.01
EBITDA margin	8.7%	10.3%	10.2%	10.7%	10.8%	11.1%
EBIT	20.65	26.93	27.42	30.88	30.90	33.89
EBIT margin	6.6%	8.1%	8.1%	8.6%	8.7%	9.0%
Net income	9.84	14.00	14.42	16.71	16.83	18.81
Net margin	3.1%	4.2%	4.3%	4.7%	4.7%	5.0%

Source: Dr. Kalliwoda Research GmbH

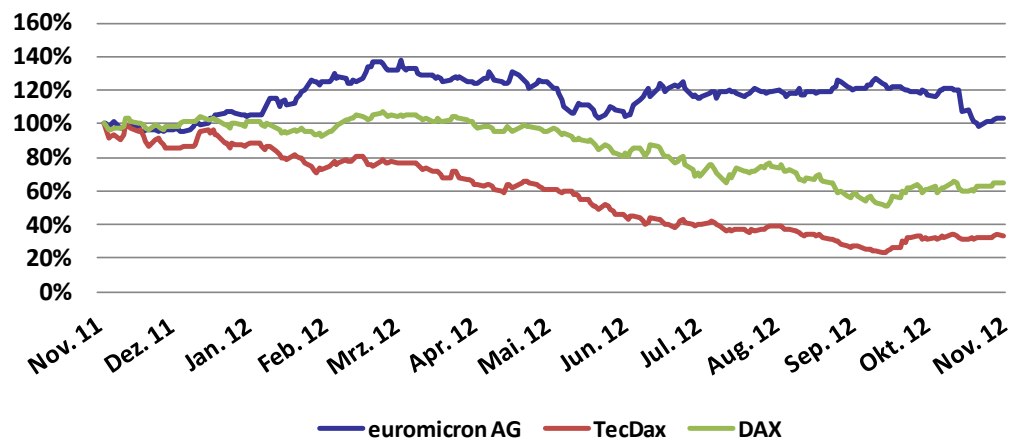
Sales estimates according to segments 2012E-14E

Sales estimates according to segments 2012E-2014E			
in EURm	2012E	2013E	2014E
euromicron Nord	109.53	118.17	123.84
change y-o-y	-6.2%	7.9%	4.8%
share in total sales	35.0%	34.9%	34.8%
euromicron Süd	134.56	145.26	152.31
change y-o-y	-2.2%	7.9%	4.9%
share in total sales	43.0%	42.9%	42.8%
euromicron WAN services	84.49	92.10	97.51
change y-o-y	26.4%	9.0%	5.9%
share in total sales	27.0%	27.2%	27.4%
Consolidation	-15.65	-16.93	-17.79
Total sales	312.94	338.60	355.87

Source: Dr. Kalliwoda Research GmbH

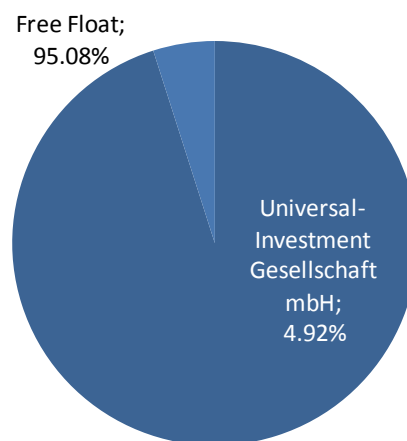
5 Stock and shareholder structure

Share performance



Source: Reuters, Dr. Kalliwoda Research GmbH

Shareholder structure



Source: Company information, Dr.Kalliwoda Research GmbH

6 Profit and loss statements

Profit and loss statement - euromicron AG						
	Fiscal year					
in EURm	2008	2009	2010	2011	2012E	2013E
Sales split						
euromicron Nord	80.01	92.53	103.66	116.79	109.53	118.17
euromicron Süd	90.59	102.48	108.99	137.63	134.56	145.26
WAN Services	0.00	0.00	0.00	66.85	84.49	92.10
Consolidation	-5.97	-7.68	-9.01	-15.96	-15.65	-16.93
Net sales	164.63	187.33	203.64	305.31	312.94	338.60
Internally produced and capitalised assets	0.36	1.70	1.52	1.95	1.90	1.90
Change in inventories	-1.43	-6.88	1.21	-7.44	2.84	2.28
Total Output	163.56	182.15	206.38	299.81	317.68	342.78
Cost of goods sold	-83.52	-92.47	-107.32	-159.62	-169.13	-182.49
Gross profit	80.04	89.69	99.06	140.19	148.55	160.28
Other operating income	2.62	2.10	4.48	2.72	6.35	6.86
Personnel costs	-43.01	-48.14	-54.25	-76.88	-80.82	-86.52
Depreciation & Amortization	-2.85	-3.06	-4.60	-6.56	-6.73	-7.28
Other operating expenses	-20.80	-22.55	-24.56	-35.26	-46.70	-45.92
EBIT	16.00	18.04	20.13	24.22	20.65	27.42
Net financial results	-3.96	-2.83	-2.91	-6.36	-5.80	-5.65
EBT	12.04	15.21	17.22	17.85	14.85	21.77
Income taxes	-3.31	-3.76	-5.09	-4.95	-4.45	-6.53
Minority interests	-0.67	-0.70	-0.67	-0.67	-0.56	-0.82
Net income / loss	8.07	10.74	11.46	12.23	9.84	14.42
EPS	1.78	2.39	2.38	2.33	1.48	2.16
DPS	0.77	0.96	1.06	1.15	1.18	1.08
Change y-o-y						
Net sales	n.a	13.79%	8.71%	49.92%	2.50%	8.20%
Total Output	n.a	11.37%	13.30%	45.27%	5.96%	7.90%
Cost of goods sold	n.a	10.72%	16.06%	48.74%	5.96%	7.90%
Gross profit	n.a	12.05%	10.45%	41.53%	5.96%	7.90%
Other operating income	n.a	-19.75%	113.04%	-39.14%	133.24%	7.90%
Personnel costs	n.a	11.92%	12.70%	41.71%	5.13%	7.05%
Depreciation & Amortization	n.a	7.48%	50.36%	42.64%	2.50%	8.20%
Other operating expenses	n.a	8.41%	8.90%	43.57%	32.45%	-1.68%
EBIT	n.a	12.73%	11.58%	20.33%	-14.73%	32.80%
Net financial results	n.a	-28.52%	2.61%	119.00%	-8.86%	-2.59%
EBT	n.a	26.31%	13.25%	3.68%	-16.82%	46.62%
Income taxes	n.a	13.71%	35.39%	-2.65%	-10.06%	46.62%
Net income / loss	n.a	33.18%	6.68%	6.69%	-19.56%	46.62%
EPS	n.a	34.27%	-0.42%	-2.10%	-36.64%	46.62%
DPS	n.a	24.97%	9.99%	8.80%	2.61%	-8.29%
Share in total sales						
Net sales	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Total Output	80.32 %	89.45 %	101.34 %	147.22 %	156.00 %	168.32 %
Cost of goods sold	-41.01 %	-45.41 %	-52.70 %	-52.28 %	-54.05 %	-53.90 %
Gross profit	39.31 %	44.04 %	48.64 %	45.92 %	47.47 %	47.34 %
Other operating income	1.29 %	1.03 %	2.20 %	0.89 %	2.03 %	2.02 %
Personnel costs	-21.12 %	-23.64 %	-26.64 %	-25.18 %	-25.83 %	-25.55 %
Depreciation & Amortization	-1.40 %	-1.50 %	-2.26 %	-2.15 %	-2.15 %	-2.15 %
Other operating expenses	-10.22 %	-11.08 %	-12.06 %	-11.55 %	-14.92 %	-13.56 %
EBIT	7.86 %	8.86 %	9.88 %	7.93 %	6.60 %	8.10 %
Net financial results	-1.95 %	-1.39 %	-1.43 %	-2.08 %	-1.85 %	-1.67 %
EBT	5.91 %	7.47 %	8.46 %	5.85 %	4.75 %	6.43 %
Income taxes	-1.62 %	-1.85 %	-2.50 %	-1.62 %	-1.42 %	-1.93 %
Net income / loss	3.96 %	5.28 %	5.63 %	4.01 %	3.14 %	4.26 %

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7 Balance sheets

Balance sheet - euromicron AG						
	Fiscal year					
in EURm	2008	2009	2010	2011	2012E	2013E
Assets						
Cash and cash equivalents	11.25	9.77	8.57	7.30	0.67	0.58
Inventories	14.35	13.24	17.19	25.08	26.57	28.67
Trade accounts and notes receivables	45.13	51.20	54.72	88.07	90.27	97.67
Other current assets	5.13	4.49	4.81	5.17	5.30	5.73
Other financial assets	0.00	0.00	1.33	1.16	1.19	1.29
Current assets	75.85	78.69	86.63	126.78	124.00	133.94
Property, plant and equipment	8.97	10.91	11.56	15.13	17.63	20.13
Other intangible assets	7.29	9.58	14.81	18.26	22.76	27.26
Goodwill	78.82	84.04	81.88	104.21	104.21	104.21
Financial assets	0.04	1.08	0.89	0.73	0.74	0.80
Other assets	0.11	0.19	0.10	0.18	0.18	0.19
Deferred tax assets	1.04	1.41	0.37	0.47	0.00	0.00
Non-current assets	96.26	107.21	109.60	138.97	145.52	152.60
Total assets	172.12	185.91	196.23	265.75	269.52	286.53
Liabilities						
Trade payables	13.62	20.52	22.37	31.62	33.50	36.15
Tax liabilities	2.75	2.61	4.71	9.70	9.95	10.76
Personnel liabilities	1.21	1.11	3.86	10.04	10.29	11.13
Other short-term liabilities	3.75	4.93	2.47	13.88	14.22	15.39
Short-term bank debt	45.05	49.81	45.29	29.76	30.26	29.26
Finance lease	0.07	0.20	0.19	0.30	0.34	0.38
Other financial liabilities	0.00	0.00	2.53	2.97	2.77	2.57
Provisions	3.52	1.47	0.07	1.22	1.25	1.36
Current liabilities	69.97	80.64	81.48	99.48	102.58	106.99
Long-term bank debt	13.43	8.16	4.40	24.67	31.47	36.47
Leasing debt	0.04	0.54	0.82	1.46	1.71	1.96
Other financial debt	10.00	10.00	10.77	10.79	10.83	10.87
Pension provisions	0.00	0.00	0.66	0.73	0.75	0.81
Provisions	0.45	1.01	0.14	0.48	0.49	0.53
Other liabilities	0.14	0.10	2.08	0.00	0.00	0.00
Deferred tax liabilities	4.30	5.19	6.62	7.94	0.00	0.00
Long-term liabilities	28.35	25.00	25.49	46.07	45.25	50.64
Total liabilities	98.31	105.64	106.97	145.55	147.83	157.63
Shareholders equity	72.70	79.02	88.83	119.71	121.69	128.90
Minority interests	1.10	1.25	0.43	0.48	0.00	0.00
Total equity and liabilities	172.12	185.91	196.23	265.75	269.52	286.53

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8 Cash flow statements

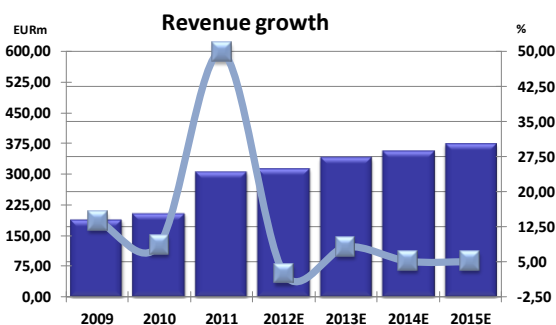
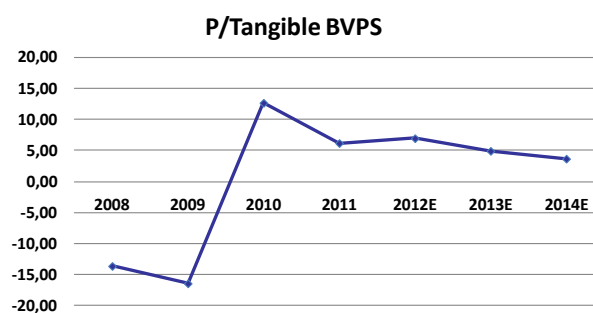
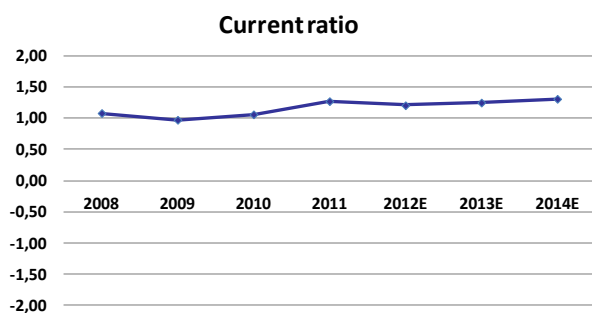
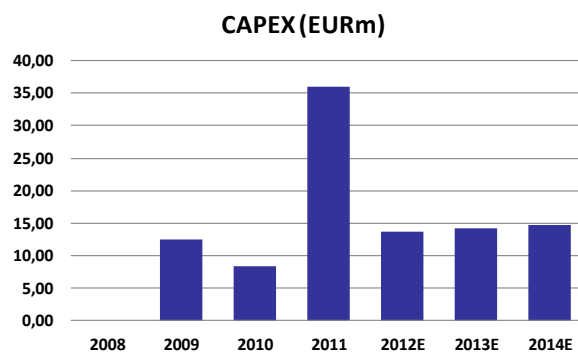
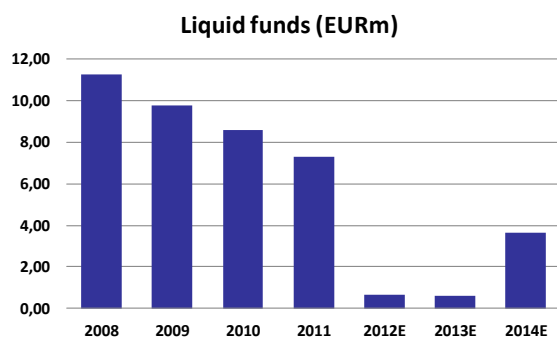
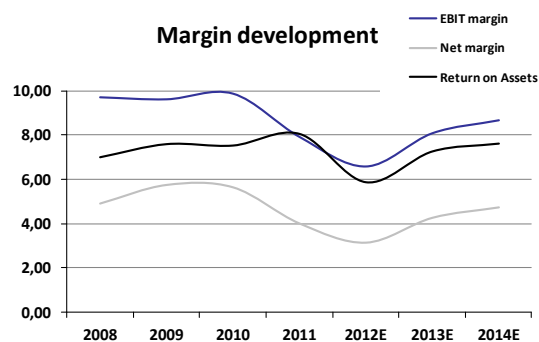
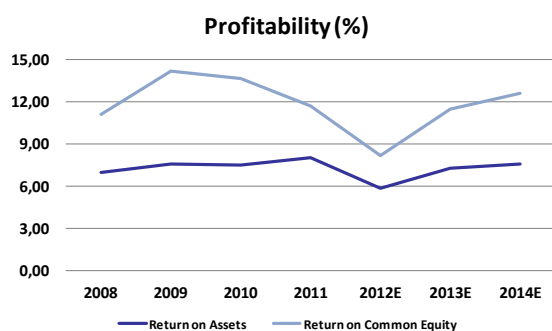
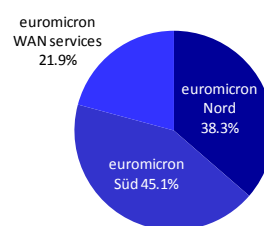
Cash flow statement - euromicron AG						
in EURm	Fiscal year					
	2008	2009	2010	2011	2012E	2013E
Net income / loss	8.07	10.74	11.46	12.23	9.84	14.42
Depreciation & Amortization	2.85	3.06	4.60	6.56	6.73	7.28
Change of working capital	-7.46	3.34	-10.91	-26.58	-1.10	-4.46
Others	1.08	-2.92	3.33	8.26	-7.42	0.14
Net operating cash flow	4.53	14.23	8.48	0.47	8.04	17.38
Cash flow from investment	-13.30	-9.87	-5.98	-20.40	-13.73	-14.28
Free cash flow	-8.77	4.35	2.50	-19.92	-5.68	3.10
Cash flow from financing	7.82	-5.89	-2.56	18.65	-0.95	-3.19
Change of cash	-0.95	-1.54	-0.06	-1.27	-6.63	-0.09
Cash at the beginning of the period	11.11	10.17	8.63	8.57	7.30	0.67
Cash at the end of the period	10.17	8.63	8.57	7.30	0.67	0.58

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9 Financial ratios

Fiscal year	2008	2009	2010	2011	2012E	2013E	2014E	2015E
Gross margin	48.94%	49.24%	48.00%	46.76%	46.76%	46.76%	46.76%	46.76%
EBITDA margin	11.45%	11.26%	12.14%	10.08%	8.75%	10.25%	10.83%	11.13%
EBIT margin	9.78%	9.90%	9.75%	8.08%	6.50%	8.00%	8.60%	8.90%
Net margin	4.93%	5.90%	5.55%	4.08%	3.10%	4.21%	4.68%	4.95%
Return on equity (ROE)	11.10%	14.16%	13.66%	11.73%	8.15%	11.51%	12.64%	13.14%
Return on assets (ROA)	6.99%	7.58%	7.52%	8.05%	5.84%	7.22%	7.57%	7.72%
Return on capital employed (ROCE)	11.36%	12.90%	12.36%	10.52%	8.66%	10.69%	11.16%	11.31%
Net debt (in EURm)	57.35	58.94	54.76	62.22	76.27	80.45	82.01	82.72
Net gearing	78.88%	74.59%	61.64%	51.97%	62.68%	62.42%	59.72%	56.41%
Equity ratio	42.24%	42.50%	45.27%	45.05%	45.15%	44.99%	45.26%	45.83%
Current ratio	1.08	0.98	1.06	1.27	1.21	1.25	1.31	1.37
Quick ratio	0.81	0.76	0.79	0.97	0.90	0.93	0.98	1.03
Net interest cover	4.04	6.37	6.93	3.81	3.56	4.85	5.62	6.22
Net debt/EBITDA	3.04	2.79	2.21	2.02	2.79	2.32	2.13	1.99
Tangible BVPS	-1.35	-1.12	1.44	2.95	2.62	3.70	4.97	6.37
Capex/Sales	n.a	-6.69%	-4.08%	-11.77%	-4.39%	-4.22%	-4.12%	-4.02%
Working capital/Sales	26.29%	21.23%	21.27%	17.39%	17.31%	17.32%	17.33%	17.33%
EV/Sales	1.27	1.12	1.03	0.69	0.67	0.62	0.59	0.56
EV/EBITDA	11.10	9.91	8.46	6.80	7.64	6.03	5.43	5.03
EV/EBIT	13.07	11.60	10.39	8.64	10.13	7.63	6.77	6.23
P/Tangible BVPS	-12.97	-15.65	12.11	5.92	6.67	4.72	3.52	2.75
P/E	9.83	7.32	7.35	7.51	11.85	8.09	6.93	6.25
P/FCF	-9.61	19.36	33.73	-4.23	-14.83	27.16	12.19	9.72

Source: Company information, Dr. Kalliwoda Research GmbH

**Sales split 2011**

Source: Company information, Dr. Kalliwoda Research GmbH

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HALTEN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung zwischen 5% und - 5% aufweisen	HOLD
REDUZIEREN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung zwischen - 5% und - 10% aufweisen	REDUCE
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