

August 26, 2013

Europe | Germany | Technology

DR. KALLIWODA
RESEARCH GmbH

Update

BUY

Target price: €26.10

Overview

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

Last price	15.76
	High Low
Price 52 weeks:	22.35 13.63
Market cap (EURm)	105.05
Number of shares (m)	6.66

Shareholder structure

Allianz Global Investors	2.95%
Universal-Investment GmbH	4.92%
Free float	92.13%

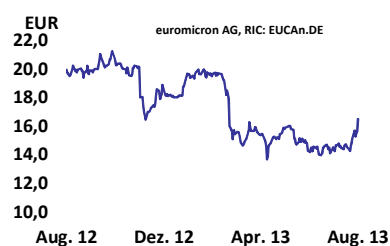
Performance

4 weeks	2.21%
13 weeks	-19.84%
26 weeks	-13.62%
52 weeks	-24.15%
YTD	-16.87%

Dividend

	in EUR	in %
2009	1.00	6.34%
2010	1.10	6.98%
2011	1.15	7.30%
2012	0.30	1.90%

52-Week Chart



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euromicron AG

H1/13 in-line with our expectations

- According to euromicron's H1/13 report, revenues went up from €152.8m in H1/12 to €153.1m, which equaled an increase of 0.2% y-o-y. However, due to a significantly lower change of inventories the EBIT margin declined from 6.3% to 6.0% and net income dropped from €5.4m to €5.0m (-7.3% y-o-y). Positive was the development of order intake and backlog, which increased by 4.6% to EUR 154.8m and 3.5% to EUR 127m respectively.
- In H1/13, the best-performing segment was euromicron WAN services, where sales increased by an impressive 15.1% y-o-y to €42.4m. euromicron Nord was up by 5.7% to €56.1m, while revenues of euromicron Sud decreased by 10.6% to €63.1m, though it still remained the largest segment. The most profitable business area was euromicron Nord, with an EBIT margin of 13.8%.
- Despite a lower net income y-o-y, the 6-months operating cash flow improved from €-23.6m in H1/12 to €6.0m. The reasons were lower investments into working capital and higher other operating liabilities. Together with a cash flow from investing of €-5.5m (H1/12: €-4.5m) and financing of €1.5m (H1/12: €24.6m), euromicron's total cash position increased from €2.1m y-o-y to €7.5m. As of 31 March 2013, the company had an equity ratio of 42.7%.
- In the H1/13 report, euromicron's management provided a revenue guidance for 2013 of €350-365m, which is in-line with our current estimate of €358.1m. However, while the company plans to achieve c. €500m by 2015, we are more cautious and expect €426.7m due to low visibility regarding the development of the telecommunication sector in Europe. As we have not adjusted our 2013 EBIT and net income estimates due to the fact that euromicron's H1/13 figures were in-line with our estimates, our 12-months DCF-based price target of €26.10 remains unchanged.

Key Figures

EURm	2009	2010	2011	2012	2013E	2014E
Net sales	187.33	203.64	305.31	330.03	358.08	391.38
EBITDA	21.10	24.73	30.78	25.03	28.18	31.53
EBIT	18.04	20.13	24.22	17.08	19.56	22.11
Net income	10.74	11.46	12.23	8.57	9.44	11.27
EPS	2.39	2.38	2.33	1.29	1.42	1.69
BVPS	17.58	18.45	22.78	17.79	18.49	19.34
RoE	14.16%	13.66%	11.74%	7.20%	7.81%	8.94%
EBIT margin	9.63 %	9.88 %	7.93 %	5.18 %	5.46 %	5.65 %
P/E	6.95x	6.97x	7.12x	12.91x	11.71x	9.81x
P/BVPS	0.94x	0.90x	0.73x	0.93x	0.90x	0.86x
EV/EBITDA	9.41x	8.03x	6.45x	7.93x	7.05x	6.30x

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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 €26.10. Compared to the current market level, this corresponds to an upside of 58%.

DCF model

Discounted Cash Flow Model (Basis 08/2013)

in EURm	Phase 1								
	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
Net sales	358.08	391.38	426.61	445.81	463.64	478.47	491.39	503.68	514.76
(y-o-y change)	8.5%	9.3%	9.0%	4.5%	4.0%	3.2%	2.7%	2.5%	2.2%
EBIT	19.56	22.11	27.53	32.34	37.35	39.73	40.38	41.22	41.60
(EBIT margin)	5.4%	5.6%	6.4%	7.2%	8.0%	8.3%	8.2%	8.1%	8.0%
NOPLAT	13.69	15.48	19.27	22.64	26.15	27.81	28.27	28.85	29.12
+ Depreciation	8.62	9.42	10.27	10.73	11.16	11.52	11.83	12.12	12.39
= Net operating cash flow	22.31	24.90	29.54	33.37	37.31	39.32	40.10	40.97	41.51
- Total investments (Capex and WC)	-21.96	-24.22	-24.62	-21.95	-22.20	-22.02	-22.00	-22.23	-22.29
Capital expenditure	-15.62	-16.42	-16.27	-16.73	-17.16	-17.52	-17.83	-18.12	-18.39
Working capital	-6.35	-7.80	-8.35	-5.22	-5.04	-4.51	-4.17	-4.11	-3.90
= Free cash flow (FCF)	0.35	0.67	4.91	11.42	15.10	17.30	18.10	18.74	19.22
PV of FCF's	0.34	0.60	4.06	8.72	10.66	11.28	10.90	10.43	9.87
PV of FCFs in explicit period	76.14								
PV of FCFs in terminal period	172.79								
Enterprise value (EV)	248.93								
+ Net cash / - net debt	-87.91								
+ Investments / - Minorities	-0.37								
Shareholder value	160.66								
Number of shares outstanding (m)	6.66								
WACC	8.3%								
Equity costs	9.7%								
Debt costs before tax	7.0%								
Tax rate	30.0%								
Debt costs after tax	4.9%								
Equity share	70.0%								
Debt share	30.0%								
Fair value per share in € (today)	24.11								
Fair value per share in € (in 12 months)	26.10								

Sensitivity analysis		Terminal EBIT margin						
WACC		4.9%	5.9%	6.9%	7.9%	8.9%	9.9%	10.9%
	5.3%	35.91	47.46	59.00	70.55	82.09	93.64	105.18
	6.3%	24.42	32.50	40.59	48.67	56.76	64.84	72.93
	7.3%	17.21	23.21	29.21	35.20	41.20	47.19	53.19
	8.3%	12.25	16.86	21.48	26.10	30.72	35.34	39.95
	9.3%	8.60	12.25	15.91	19.56	23.21	26.86	30.52
	10.3%	5.80	8.75	11.70	14.65	17.59	20.54	23.49

Source: Dr. Kalliwoda Research GmbH

Peer Group Analysis

We have additionally conducted a plausibility check of the valuation, which was derived by our DCF model. The application of a relative valuation method is based on the idea that comparable companies have similar market values. Hence, mainly listed companies are chosen, which offer similar products, or have a comparable business model. An analysis of financial figures provides an estimation to which degree the company's valuation stems from a low comparability with its peer group or an under- or overvaluation.

The input data of the peers stem from the information provider Thomson Reuters. The forward-looking financial data of the peer group represent the mean average of all analyst' estimates, which are available on ThomsonReutersKnowledge. We have used the book value in order to approximate the market value of financial liabilities.

Peer Group Multiples		Enterprise Value Multiples						Equity Value Multiples			
Peers	EV / Sales		EV / EBITDA		EV / EBIT		Price / Eps		Price / Bvps		
	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	
ADVA Optical Networking SE	0.6	0.6	4.5	5.4	15.5	11.5	21.5	15.7	1.2	1.1	
Alliance Fiber Optic Products Inc	3.4	3.0	28.2	12.8	14.2	12.4	18.1	16.5	4.2	3.8	
Batenburg Techniek NV	0.3	0.3	7.4	12.7	14.8	13.9	n.a.	12.6	0.8	0.8	
Huber & Suhner AG	1.1	1.0	13.0	9.6	15.6	12.8	19.4	16.1	1.4	1.3	
Royal Imtech NV	0.5	0.5	9.1	24.2	30.7	17.1	n.a.	5.6	0.6	0.4	
euromicron AG	0.5	0.5	6.8	6.1	9.9	8.7	11.1	9.3	0.9	0.8	
Median	0.5	0.5	9.1	12.7	15.2	12.8	18.7	15.7	0.9	0.8	
Mean	1.0	0.9	12.8	12.3	16.8	14.0	17.5	14.7	1.4	1.3	
Peer Benchmark	0.5	0.5	9.1	12.7	15.2	12.8	18.7	15.7	0.9	0.8	
Discount (-)/Premium (+)	0%	-7%	-25%	-52%	-35%	-32%	-41%	-41%	0%	0%	

Valuation											
Peer Benchmark	0.5	0.5	9.1	12.7	15.2	12.8	18.7	15.7	0.9	0.8	
euromicron AG financials	358.1	391.4	28.2	31.5	19.6	22.1	1.4	1.7	18.5	19.3	
Implied Enterprise Value	192.9	206.6	256.5	400.8	296.9	283.9					
+ Cash and Cash Equivalents	7.5	7.5	7.5	7.5	7.5	7.5					
- Financial Debt	95.4	95.4	95.4	95.4	95.4	95.4					
- Pension Liabilities	0.0	0.0	0.0	0.0	0.0	0.0					
- Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0					
- Preferred Equity	0.0	0.0	0.0	0.0	0.0	0.0					
+ Change in Equity Capital	0.0	0.0	0.0	0.0	0.0	0.0					
Implied Equity Value	105.0	118.7	168.6	312.9	209.0	196.0					
Number of Shares	6.7	6.7	6.7	6.7	6.7	6.7					
Implied fair value per share	15.8	17.8	25.3	47.0	31.4	29.4	26.6	26.6	15.8	15.8	
Weights	17%	17%	17%	17%	17%	17%	25%	25%	25%	25%	
Results	27.78						21.17				
Weights	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Fair Value Implied by Both Peer Multiples:						25.14 EUR					
Premium (Discount) to Peer Benchmark: 0 %											
Fair Value per Share 25.14 EUR											

Source: Dr. Kalliwoda | Research 2013

Based on our peer group multiples, the implied fair value equals EUR 25.14 per share.

3 H1/13 results

Revenues

In H1/13, euromicron generated total revenues of €153.1m, which were 0.2% higher y-o-y. 89.6% of sales stemmed from Germany, while Rest of EU and Rest of the World accounted for 8.6% and 1.8% respectively. Order intake and backlog amounted to €154.8m (+4.6% y-o-y) and €127m (+3.5% y-o-y) respectively.

In H1/13, the best-performing segment was again euromicron WAN services, where sales increased by 15.1% y-o-y to €42.4m. euromicron Nord was up by 5.7% to €56.1m and also generated the highest EBIT margin of 13.8%. Revenues of euromicron Sud, the largest segment, advanced by 10.6% to €63.1m.

H1/13 results vs. previous year

H1/13 vs. previous year			
in EURm	H1/13	H1/12	change (%)
Net sales	153.09	152.80	0.2%
EBITDA	13.42	13.68	-1.9%
EBITDA margin	8.8%	9.0%	
EBIT	9.22	9.66	-4.6%
EBIT margin	6.0%	6.3%	
Net income	5.04	5.44	-7.3%
Net margin	3.3%	3.6%	

Source: Company data, Dr. Kalliwoda Research GmbH

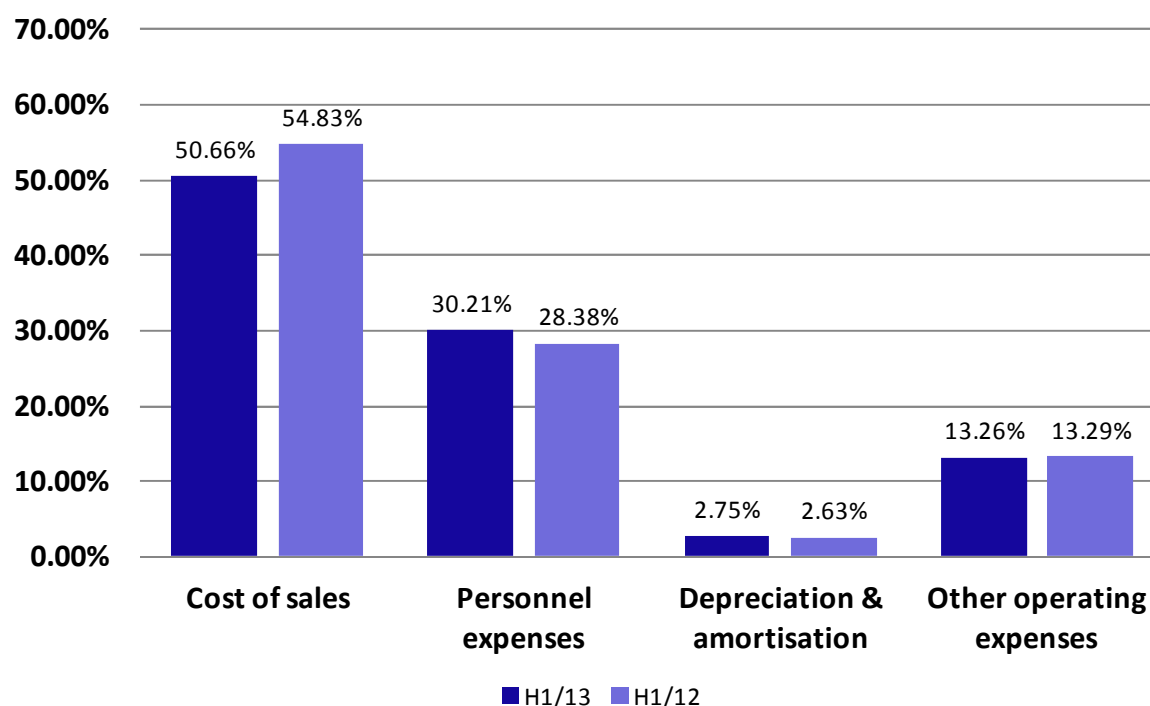
Sales and EBIT margins according to segments

Sales and EBIT margins according to segments H1/13 vs. H1/12					
	H1/13	H1/12		H1/13	H1/12
euromicron Nord			euromicron WAN services		
Sales €m	56.05	53.03	Sales €m	42.36	36.81
share in total sales	36.6%	34.7%	share in total sales	27.7%	24.1%
EBIT margin	13.8%	15.1%	EBIT margin	5.6%	2.9%
euromicron Süd			Group (after consolidation)		
Sales €m	63.08	70.54	Total sales	153.09	152.80
share in total sales	41.2%	46.2%	change y-o-y	0.2%	
EBIT margin	3.1%	4.8%			
Germany			Rest of the World		
Sales €m	137.13	135.58	Sales €m	2.73	2.26
share in total sales	89.6%	88.7%	share in total sales	1.8%	1.5%
Euro zone					
Sales €m	13.23	14.96			
share in total sales	8.6%	9.8%			

Source: Company data, Dr. Kalliwoda Research GmbH

Profitability

Share in total revenues H1/13 vs. H1/12



Source: Company information, Dr. Kalliwoda Research GmbH

In H1/13, EBIT and net income developed weaker y-o-y. Operating profit went down by 4.6% y-o-y to €9.2m and net income by 7.3% to €5.0m, which mainly stemmed from a lower change of inventories. However, in general euromicron made good progress in terms of optimizing its cost structures.

Balance Sheet and Cash Flow

At the end of June 2013, the largest positions on euromicron's balance sheet were (1) Equity of €121.6m (2) goodwill of €106.4m and (3) accounts receivables of €68.3m. As of 30 June 2013, long-term interest-bearing debt amounted to €54.3m, while short-term liabilities equalled €41.1m. With cash and equivalents of €7.5m, net debt amounted to €87.9m (H1/12: €79.5m and net gearing to 72.3% (67.1%).

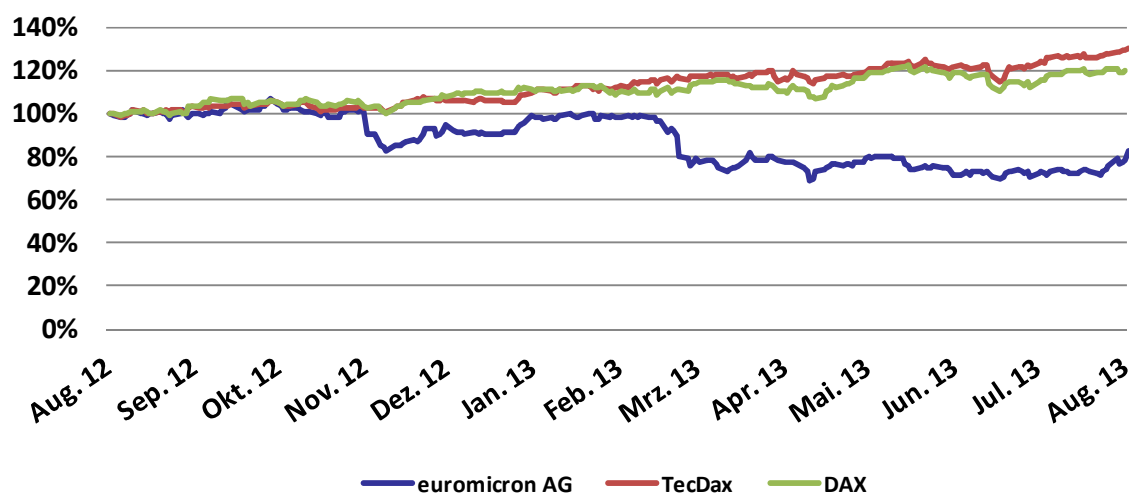
Despite a lower net income y-o-y, the 6-months operating cash flow improved from €-23.6m in to €6.0m. The reasons were lower investments into working capital (€11.7m vs. €22m in H1/12) and higher other operating liabilities (€5m vs. €-8.7m). Together with a cash flow from investing of €-5.5m (H1/12: €-4.5m) and financing of €1.5m (H1/12: €24.6m), euromicron's total cash position increased from €5.4m at the beginning of January to €7.5m. As of 31 June 2013, the company had an equity ratio of 42.7%.

4 Outlook

After H1/13 results, which were in-line with our expectations, we have kept our estimates and our 12-months price target of €26.10 unchanged. Our forecasts are at the lower end of euromicron's guidance, which predicts an organic sales growth of 5%-10% in 2013 and 2014 and revenues of €500m in 2015, among others by a much stronger investment activity in the Telco sector. As management plan to reduce expenses by €10m, EBITDA margin in 2013 and 2014 is forecast at 8-11%.

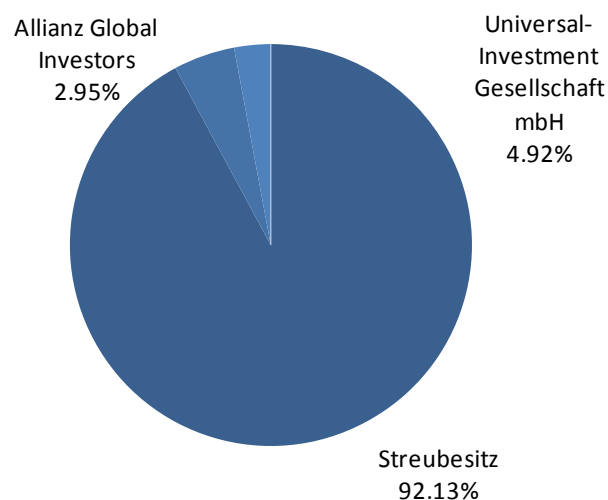
5 Stock and shareholder structure

Share performance



Source: Thomsosn Reuters Knowledge, Dr. Kalliwoda Research GmbH

Shareholder structure



Source: Company information, Dr.Kalliwoda Research GmbH

6 Profit and loss statements

Profit and loss statement - euromicron AG						
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Sales split						
euromicron Nord	92.53	103.66	116.79	111.65	120.78	131.62
euromicron Süd	102.48	108.99	137.63	131.52	142.35	155.19
WAN Services	0.00	0.00	66.85	102.84	112.86	124.14
Consolidation	-7.68	-9.01	-15.96	-15.98	-17.90	-19.57
Net sales	187.33	203.64	305.31	330.03	358.08	391.38
Internally produced and capitalised assets	1.70	1.52	1.95	5.61	1.90	1.90
Change in inventories	-6.88	1.21	-7.44	-5.85	2.28	1.53
Total Output	182.15	206.38	299.81	329.79	362.26	394.82
Cost of goods sold	-92.47	-107.32	-159.62	-171.00	-187.84	-204.72
Gross profit	89.69	99.06	140.19	158.79	174.42	190.10
Other operating income	2.10	4.48	2.72	2.80	7.25	7.90
Personnel costs	-48.14	-54.25	-76.88	-93.59	-102.08	-110.46
Depreciation & Amortization	-3.06	-4.60	-6.56	-7.94	-8.62	-9.42
Other operating expenses	-22.55	-24.56	-35.26	-42.97	-51.41	-56.00
EBIT	18.04	20.13	24.22	17.08	19.56	22.11
Net financial results	-2.83	-2.91	-6.36	-4.86	-5.65	-5.50
EBT	15.21	17.22	17.85	12.23	13.91	16.61
Income taxes	-3.76	-5.09	-4.95	-3.40	-4.17	-4.98
Minority interests	-0.70	-0.67	-0.67	-0.26	-0.30	-0.35
Net income / loss	10.74	11.46	12.23	8.57	9.44	11.27
EPS	2.39	2.38	2.33	1.29	1.42	1.69
DPS	0.96	1.06	1.15	0.40	1.15	1.18
Change y-o-y						
Net sales	n.a	8.71%	49.92%	8.10%	8.50%	9.30%
Total Output	n.a	13.30%	45.27%	10.00%	9.85%	8.99%
Cost of goods sold	n.a	16.06%	48.74%	7.13%	9.85%	8.99%
Gross profit	n.a	10.45%	41.53%	13.26%	9.85%	8.99%
Other operating income	n.a	113.04%	-39.14%	2.68%	159.03%	8.99%
Personnel costs	n.a	12.70%	41.71%	21.74%	9.07%	8.21%
Depreciation & Amortization	n.a	50.36%	42.64%	21.03%	8.50%	9.30%
Other operating expenses	n.a	8.90%	43.57%	21.86%	19.64%	8.93%
EBIT	n.a	11.58%	20.33%	-29.46%	14.52%	13.02%
Net financial results	n.a	2.61%	119.00%	-23.70%	16.35%	-2.65%
EBT	n.a	13.25%	3.68%	-31.51%	13.79%	19.39%
Income taxes	n.a	35.39%	-2.65%	-31.40%	22.83%	19.39%
Net income / loss	n.a	6.68%	6.69%	-29.94%	10.21%	19.39%
EPS	n.a	-0.42%	-2.10%	-44.82%	10.21%	19.39%
DPS	n.a	9.99%	8.80%	-65.22%	187.50%	2.61%
Share in total sales						
Net sales	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Total Output	59.66 %	67.60 %	98.20 %	108.02 %	118.65 %	129.32 %
Cost of goods sold	-30.29 %	-35.15 %	-52.28 %	-51.81 %	-52.46 %	-52.31 %
Gross profit	29.38 %	32.45 %	45.92 %	48.11 %	48.71 %	48.57 %
Other operating income	0.69 %	1.47 %	0.89 %	0.85 %	2.02 %	2.02 %
Personnel costs	-15.77 %	-17.77 %	-25.18 %	-28.36 %	-28.51 %	-28.22 %
Depreciation & Amortization	-1.00 %	-1.51 %	-2.15 %	-2.41 %	-2.41 %	-2.41 %
Other operating expenses	-7.39 %	-8.04 %	-11.55 %	-13.02 %	-14.36 %	-14.31 %
EBIT	5.91 %	6.59 %	7.93 %	5.18 %	5.46 %	5.65 %
Net financial results	-0.93 %	-0.95 %	-2.08 %	-1.47 %	-1.58 %	-1.41 %
EBT	4.98 %	5.64 %	5.85 %	3.70 %	3.89 %	4.24 %
Income taxes	-1.23 %	-1.67 %	-1.62 %	-1.03 %	-1.17 %	-1.27 %
Net income / loss	3.52 %	3.75 %	4.01 %	2.60 %	2.64 %	2.88 %

Dr. Kalliwooda | Research © 2013

7 Balance sheets

Balance sheet - euromicron AG						
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Assets						
Cash and cash equivalents	9.77	8.57	7.30	5.41	0.58	0.82
Inventories	13.24	17.19	25.08	27.50	30.21	32.92
Trade accounts and notes receivables	51.20	54.72	88.07	96.77	104.99	114.76
Other current assets	4.49	4.81	5.17	7.47	8.10	8.86
Other financial assets	0.00	1.33	1.16	0.23	0.25	0.27
Current assets	78.69	86.63	126.78	137.38	144.12	157.62
Property, plant and equipment	10.91	11.56	15.13	16.26	18.76	21.26
Other intangible assets	9.58	14.81	18.26	21.03	25.53	30.03
Goodwill	84.04	81.88	103.63	106.37	106.37	106.37
Financial assets	1.08	0.89	0.73	0.72	0.78	0.85
Other assets	0.19	0.10	0.18	0.20	0.21	0.23
Deferred tax assets	1.41	0.37	0.47	1.93	0.00	0.00
Non-current assets	107.21	109.60	138.39	146.50	151.65	158.74
Total assets	185.91	196.23	265.16	283.88	295.77	316.36
Liabilities						
Trade payables	20.52	22.37	31.62	42.87	46.06	49.08
Tax liabilities	2.61	4.71	9.70	7.98	8.66	9.46
Personnel liabilities	1.11	3.86	9.67	9.83	10.67	11.66
Other short-term liabilities	4.93	2.47	13.88	6.07	6.59	7.20
Short-term bank debt	49.81	45.29	29.76	31.00	30.00	29.00
Finance lease	0.20	0.19	0.30	0.60	0.64	0.68
Other financial liabilities	0.00	2.53	2.97	6.78	6.58	6.38
Provisions	1.47	0.07	1.22	2.06	2.24	2.45
Current liabilities	80.64	81.48	99.12	107.19	111.42	115.90
Long-term bank debt	8.16	4.40	24.67	37.59	42.59	55.59
Leasing debt	0.54	0.82	1.46	2.16	2.41	2.66
Other financial debt	10.00	10.77	10.79	8.03	8.07	8.11
Pension provisions	0.00	0.66	0.73	0.98	1.07	1.17
Provisions	1.01	0.14	0.48	1.16	1.26	1.37
Other liabilities	0.10	2.08	0.00	0.00	0.00	0.00
Deferred tax liabilities	5.19	6.62	7.87	7.74	4.90	1.52
Long-term liabilities	25.00	25.49	46.00	57.65	60.29	70.41
Total liabilities	105.64	106.97	145.12	164.83	171.71	186.31
Shareholders equity	79.02	88.83	119.56	118.52	123.24	128.88
Minority interests	1.25	0.43	0.48	0.53	0.82	1.17
Total equity and liabilities	185.91	196.23	265.16	283.88	295.77	316.36

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8 Cash flow statements

Cash flow statement - euromicron AG

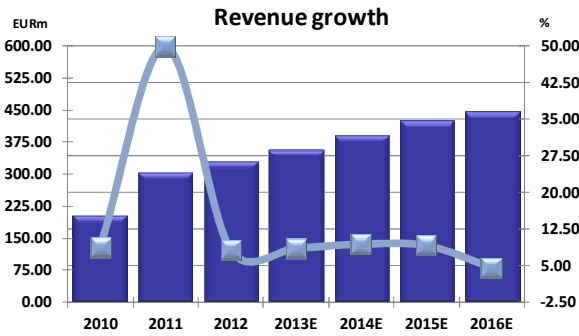
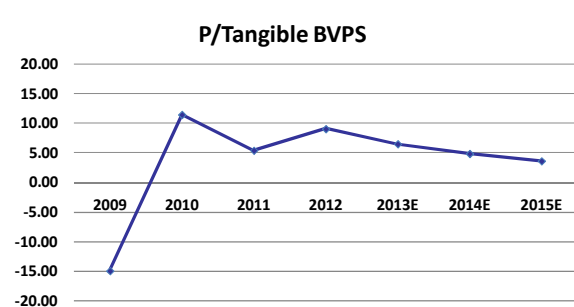
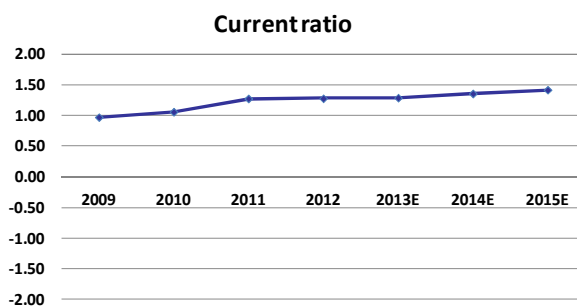
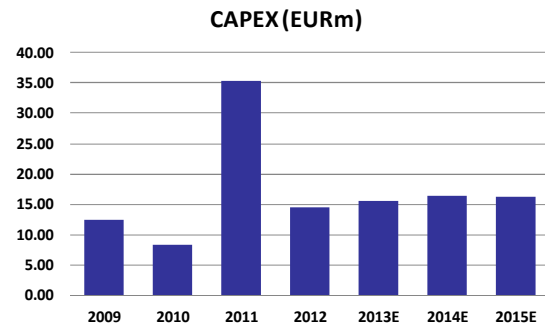
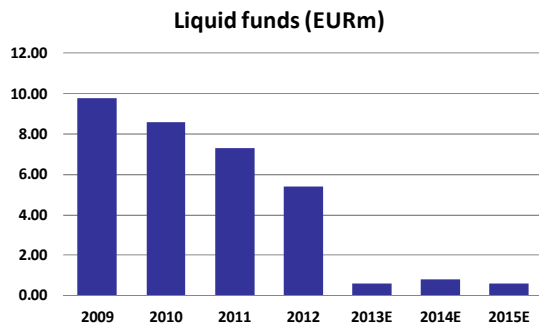
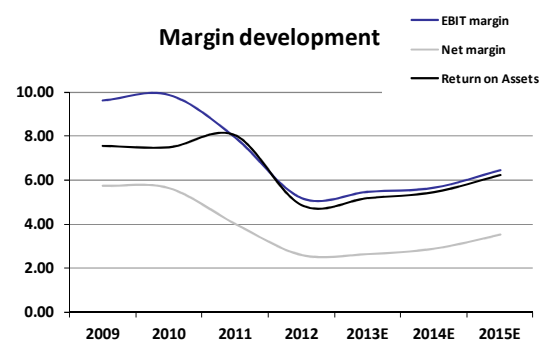
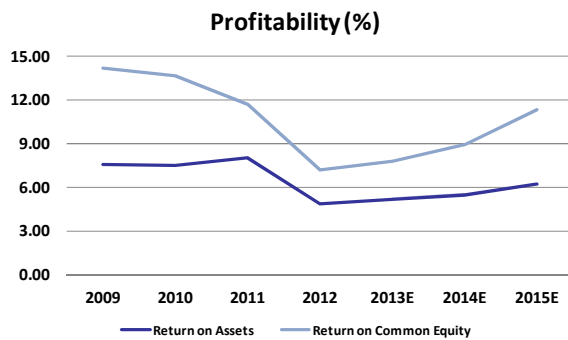
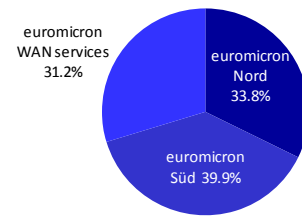
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Net income / loss	10.74	11.46	12.23	8.57	9.44	11.27
Depreciation & Amortization	3.06	4.60	6.56	7.94	8.62	9.42
Change of working capital	3.34	-10.91	-25.36	-11.82	-6.35	-7.80
Others	-2.92	3.33	7.04	-0.08	-0.63	-3.06
Net operating cash flow	14.23	8.48	0.47	6.96	11.09	9.83
Cash flow from investment	-9.87	-5.98	-20.40	-13.29	-15.62	-16.42
Free cash flow	4.35	2.50	-19.92	-6.33	-4.53	-6.59
Cash flow from financing	-5.89	-2.56	18.65	4.45	-0.31	6.83
Change of cash	-1.54	-0.06	-1.27	-1.89	-4.84	0.24
Cash at the beginning of the period	10.17	8.63	8.57	7.30	5.41	0.58
Cash at the end of the period	8.63	8.57	7.30	5.41	0.58	0.82

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9 Financial ratios

Fiscal year	2009	2010	2011	2012E	2013E	2014E	2015E	2016E
Gross margin	49.24%	48.00%	46.76%	48.15%	48.15%	48.15%	48.15%	48.15%
EBITDA margin	11.26%	12.14%	10.08%	7.58%	7.87%	8.06%	8.86%	9.66%
EBIT margin	9.90%	9.75%	8.08%	5.50%	5.40%	5.60%	6.40%	7.20%
Net margin	5.90%	5.55%	4.08%	2.60%	2.61%	2.86%	3.49%	4.08%
Return on equity (ROE)	14.16%	13.66%	11.74%	7.20%	7.81%	8.94%	11.32%	13.00%
Return on assets (ROA)	7.58%	7.52%	8.06%	4.89%	5.21%	5.48%	6.26%	6.90%
Return on capital employed (ROCE)	12.90%	12.36%	10.54%	6.98%	7.43%	7.72%	8.94%	9.94%
Net debt (in EURm)	58.94	54.76	62.22	81.49	90.52	102.48	110.14	111.49
Net gearing	74.59%	61.64%	52.04%	68.75%	73.45%	79.52%	80.75%	76.60%
Equity ratio	42.50%	45.27%	45.09%	41.75%	41.67%	40.74%	40.55%	41.60%
Current ratio	0.98	1.06	1.28	1.28	1.29	1.36	1.42	1.47
Quick ratio	0.76	0.79	0.97	0.96	0.95	1.00	1.04	1.08
Net interest cover	6.37	6.93	3.81	3.52	3.46	4.02	5.10	6.05
Net debt/EBITDA	2.79	2.21	2.02	3.26	3.21	3.25	2.91	2.59
Tangible BVPS	-1.12	1.44	3.04	1.82	2.53	3.38	4.50	5.88
Capex/Sales	-6.69%	-4.08%	-11.57%	-4.42%	-4.36%	-4.20%	-3.81%	-3.75%
Working capital/Sales	21.23%	21.27%	17.51%	19.69%	19.92%	20.22%	20.51%	20.80%
EV/Sales	1.06	0.97	0.65	0.60	0.55	0.51	0.47	0.45
EV/EBITDA	9.41	8.03	6.45	7.93	7.05	6.30	5.25	4.61
EV/EBIT	11.01	9.86	8.20	11.62	10.15	8.98	7.21	6.14
P/Tangible BVPS	-14.84	11.49	5.47	9.10	6.56	4.91	3.69	2.82
P/E	6.95	6.97	7.12	12.91	11.71	9.81	7.37	6.04
P/FCF	31.99	-4.01	-12.63	-17.65	-12.13	-155.24	10.97	7.34

Source: Company information, Dr. Kalliwoda Research GmbH

**Sales split 2012**

Source: Company information, Dr. Kalliwoda Research GmbH

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KAUFEN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung von mindestens 10 % aufweisen	BUY
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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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