

November 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 *)	17,44
	High Low
Price 52 weeks:	20,36 13,63
Market cap (EURm)	116,18
Number of shares (m)	6,66

Shareholder structure

Allianz Global Investors	2,95%
Universal-Investment GmbH	4,92%
Free float	92,13%

Performance

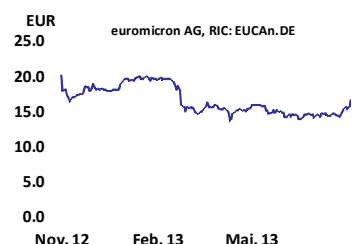
4 weeks	7,18%
13 weeks	4,43%
26 weeks	9,88%
52 weeks	-2,88%
YTD	-7,49%

Dividend

	in EUR	in %
2009	1,00	5,74%
2010	1,10	6,31%
2011	1,15	6,60%
2012	0,30	1,72%

*) of 08th Nov.

52-Week Chart



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euromicron AG

Solid 9M/13 results

- In 9M/13, euromicron generated revenues of €233.3m, which were 3% higher y-o-y. Due to a significantly lower change of inventories the EBIT margin went slightly down from 5.3% to 5% and the net income declined from €6.3m to €5.9m. However, what is in our opinion very positive, is the development of orders, which should positively impact results in coming quarters. While order intake increased by 10.8% to €249.2m, order backlog advanced by 12.1% to €141.1m.
- Between January and September, the main revenue driver was the segment euromicron WAN services, where sales increased by 14.8% y-o-y to €68.7m. at an EBIT margin of 6.6% (9M/12: 5.6%). While sales of euromicron Nord also increased (+6.5% to €84.4m), those of euromicron Sud went down by 6.6% to €91.4m.
- Despite higher investments into working capital (€27.6m vs. €22.1m in 9M/12), the operating cash flow improved from €-16.3m last year to €-10.9m, which resulted from a lower change of other operating liabilities. While cash flow from investing was almost unchanged y-o-y at €-6.2m, cash flow from financing went down from €22.2m to €17.4m due to a lower dividend payout and increase of interest-bearing debt. In total, euromicron's cash position increased by €0.3m to €5.7m. At the end of September, the company had an equity ratio of 40.9%.
- After solid 9M/13 results, we have kept our estimates and the 12-months DCF-based price target of 26.10 unchanged. We rate euromicron a BUY with an upside of 49.7% at present. In our view, the stock is attractively valued at present, with a P/BVPS of 0.9x and EV/EBITDA 2013E of 7.7x. Moreover, we think that as results improve euromicron's dividend payout ratio will again reach 50% soon.

Key Figures

in 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	30.73	25.03	28.18	31.53
EBIT	18.04	20.13	24.16	17.08	19.56	22.11
Net income	10.74	11.46	12.19	8.57	9.44	11.27
EPS	2.39	2.38	2.32	1.29	1.42	1.69
BVPS	17.58	18.45	22.75	17.79	18.49	19.34
RoE	14.16%	13.66%	11.70%	7.20%	7.81%	8.94%
EBIT margin	9.63 %	9.88 %	7.91 %	5.18 %	5.46 %	5.65 %
P/E	7.29x	7.33x	7.52x	13.56x	12.30x	10.31x
P/BVPS	0.99x	0.95x	0.77x	0.98x	0.94x	0.90x
EV/EBITDA	10.25x	8.75x	7.04x	8.64x	7.68x	6.86x

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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 49.7%.

DCF model

Discounted Cash Flow Model (Basis 11/2013)

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	40.45	40.88	41.77	42.17
(EBIT margin)	5.4%	5.6%	6.4%	7.2%	8.0%	8.4%	8.3%	8.3%	8.2%
NOPLAT	13.69	15.48	19.27	22.64	26.15	28.31	28.61	29.24	29.52
+ 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	39.83	40.44	41.36	41.91
- Total investments (Capex and WC)	-21.01	-23.27	-24.67	-22.00	-22.25	-22.07	-22.05	-22.28	-22.34
Capital expenditure	-14.67	-15.47	-16.32	-16.78	-17.21	-17.57	-17.88	-18.17	-18.44
Working capital	-6.35	-7.80	-8.35	-5.22	-5.04	-4.51	-4.17	-4.11	-3.90
= Free cash flow (FCF)	1.30	1.62	4.86	11.37	15.05	17.76	18.39	19.08	19.57
PV of FCF's	1.28	1.48	4.10	8.86	10.83	11.80	11.29	10.82	10.25

PV of FCFs in explicit period 80.45

PV of FCFs in terminal period 180.76

Enterprise value (EV) 261.21

+ Net cash / - net debt -100.12

+ Investments / - Minorities -0.42

Shareholder value 160.68

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		5.1%	6.1%	7.1%	8.1%	9.1%	10.1%	11.1%
	5.3%	36.91	48.60	60.29	71.98	83.67	95.36	107.05
	6.3%	24.79	33.00	41.20	49.41	57.61	65.82	74.02
	7.3%	17.20	23.30	29.40	35.50	41.60	47.70	53.80
	8.3%	11.98	16.69	21.40	26.10	30.81	35.52	40.23
	9.3%	8.15	11.88	15.61	19.34	23.08	26.81	30.54
	10.3%	5.21	8.23	11.25	14.26	17.28	20.30	23.32

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	4.2	5.6	18.3	11.3	25.8	16.0	1.2	1.1	
Alliance Fiber Optic Products Inc	3.0	2.4	26.8	10.7	11.9	9.1	15.8	13.0	3.8	3.3	
Batenburg Techniek NV	0.3	0.3	7.5	10.5	n.a.	14.5	18.9	12.2	0.8	0.8	
Huber und Suhner AG	1.3	1.2	13.9	10.4	16.9	14.2	23.3	19.4	1.6	1.5	
Royal Imtech NV	0.6	0.6	9.5	70.4	n.a.	24.3	n.a.	14.0	0.9	1.0	
euromicron AG	0.6	0.5	7.3	6.5	10.5	9.3	11.1	9.3	0.9	0.8	
Median	0.6	0.6	9.5	10.5	14.4	14.2	18.9	14.0	1.2	1.1	
Mean	1.0	0.9	14.2	21.5	14.4	18.1	19.0	18.6	1.5	1.4	
Peer Benchmark	0.6	0.6	9.5	10.5	14.4	14.2	18.9	14.0	1.2	1.1	
Discount (-)/Premium (+)	-6%	-7%	-23%	-38%	-27%	-35%	-41%	-33%	-28%	-26%	

Valuation											
Peer Benchmark	0.6	0.6	9.5	10.5	14.4	14.2	18.9	14.0	1.2	1.1	
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	217.3	220.5	266.4	329.8	282.0	313.9					
+ Cash and Cash Equivalents	5.9	5.9	5.9	5.9	5.9	5.9					
- Financial Debt	106.0	106.0	106.0	106.0	106.0	106.0					
- 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	117.2	120.4	166.3	229.7	181.9	213.8					
Number of Shares	6.7	6.7	6.7	6.7	6.7	6.7					
Implied fair value per share	17.6	18.1	25.0	34.5	27.3	32.1	26.7	23.6	21.7	21.3	
Weights	17%	17%	17%	17%	17%	17%	25%	25%	25%	25%	
Results	25.76						23.35				
Weights	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Fair Value Implied by Both Peer Multiples:						24.8 EUR					
Premium (Discount) to Peer Benchmark: 0 %											
Fair Value per Share 24.8 EUR											

Source: Dr. Kalliwoda | Research 2013

Based on our peer group multiples, the implied fair value equals €24.80 per share.

3 9M/13 results

Revenues

In 9M/13, euromicron generated revenues of €233.3m, which were 3% higher y-o-y. While 88.7% of sales stemmed from Germany, those from “Rest of the World” were the only ones to grow. As order intake (+10.8% to €249.2m) and backlog (+12.1% to €141.1m) developed very positively, we are very optimistic that euromicron will show strong results in the coming quarters.

In 9M/13, the best performing segment was euromicron WAN Services, where sales grew by 14.8% to €68.7m and the EBIT margin from 5.6% last year to 6.6%. While euromicron Nord also developed well, sales and margins of the largest segment euromicron Süd were below last year, which in our view stemmed from weak economic conditions in Southern Europe.

9M/13 results vs. previous year**9M/13 vs. previous year**

in EURm	9M/13	9M/12	change (%)
Net sales	233.28	226.49	3.0%
EBITDA	18.04	18.21	-0.9%
EBITDA margin	7.7%	8.0%	
EBIT	11.67	12.11	-3.6%
EBIT margin	5.0%	5.3%	
Net income	5.93	6.25	-5.2%
Net margin	2.5%	2.8%	

Source: Company data, Dr. Kalliwoda Research GmbH

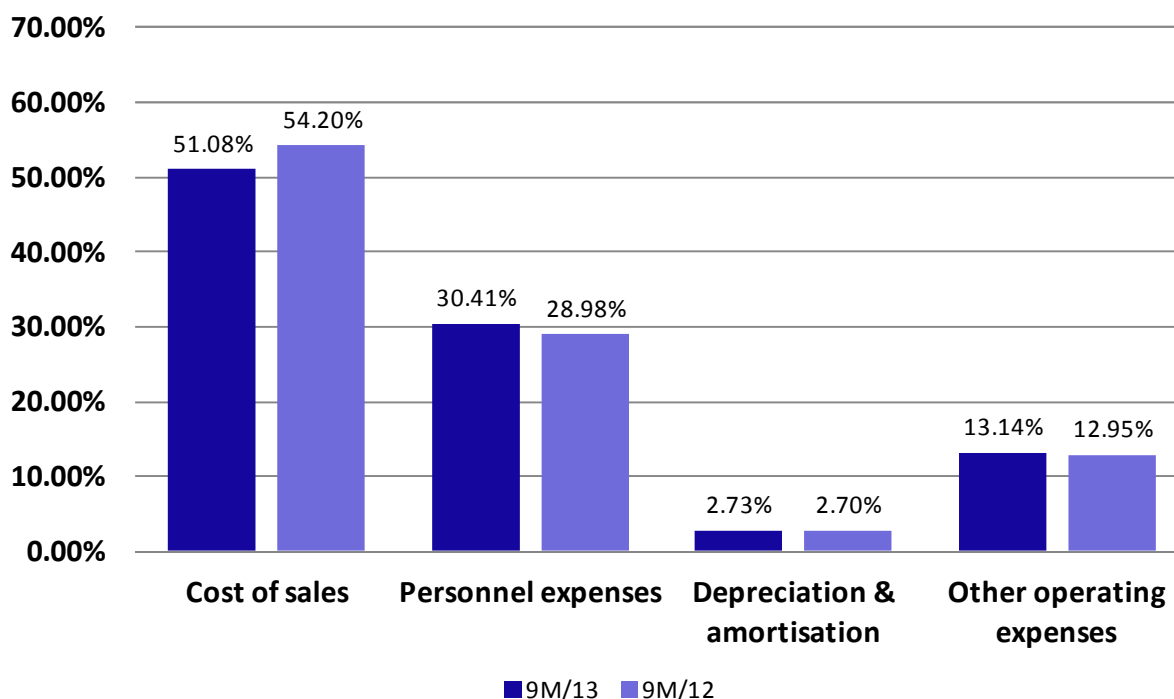
Sales and EBIT margins according to segments**Sales and EBIT margins according to segments 9M/13 vs. 9M/12**

	9M/13	9M/12		9M/13	9M/12
euromicron Nord			euromicron WAN services		
Sales €m	84.35	79.20	Sales €m	68.73	59.86
share in total sales	36.2%	35.0%	share in total sales	29.5%	26.4%
EBIT margin	14.2%	13.3%	EBIT margin	6.6%	5.6%
euromicron Süd			Group (after consolidation)		
Sales €m	91.39	97.81	Total sales	233.28	226.49
share in total sales	39.2%	43.2%	change y-o-y	3.0%	
EBIT margin	0.0%	2.6%			
Germany			Rest of the World		
Sales €m	206.91	201.37	Sales €m	6.23	4.29
share in total sales	88.7%	88.9%	share in total sales	2.7%	1.9%
Euro zone					
Sales €m	20.14	20.83			
share in total sales	8.6%	9.2%			

Source: Company data, Dr. Kalliwoda Research GmbH

Profitability

Share in total revenues 9M/13 vs. 9M/12



Source: Company information, Dr. Kalliwoda Research GmbH

In 9M/13, EBIT and net income were slightly weaker y-o-y, which in our opinion mainly stemmed from a much lower change of inventories y-o-y.

Balance Sheet and Cash Flow

At the end of September 2013, euromicron had an equity position of €122.4m (equity ratio of 40.9%) and goodwill of €106.4m, which stemmed from many, mainly smaller, acquisitions in the past. Working capital amounted to €108.5m compared to €81.4m at the end of December 2012. Interest-bearing debt, of which 39.2% was long-term, equalled €106m (2012: €87.1m), which together with liquid funds of €5.9m resulted in a net debt position of €100.1m.

Despite investments into working capital (€27.6m vs. €22.1m in 9M/12), the operating cash flow improved from €-16.3m in to €-10.9m. The reason was a lower changes of other operating liabilities (€-€-0.4m vs. €-8.2m). Together with a cash flow from investing of €-6.2m (9M/12: €-6m) and financing of €17.4m (H1/12: €22.2m), euromicron's total cash position increased from €5.4m at the beginning of January to €5.7m. As of 30 September 2013, the company's net gearing equalled 82.6%.

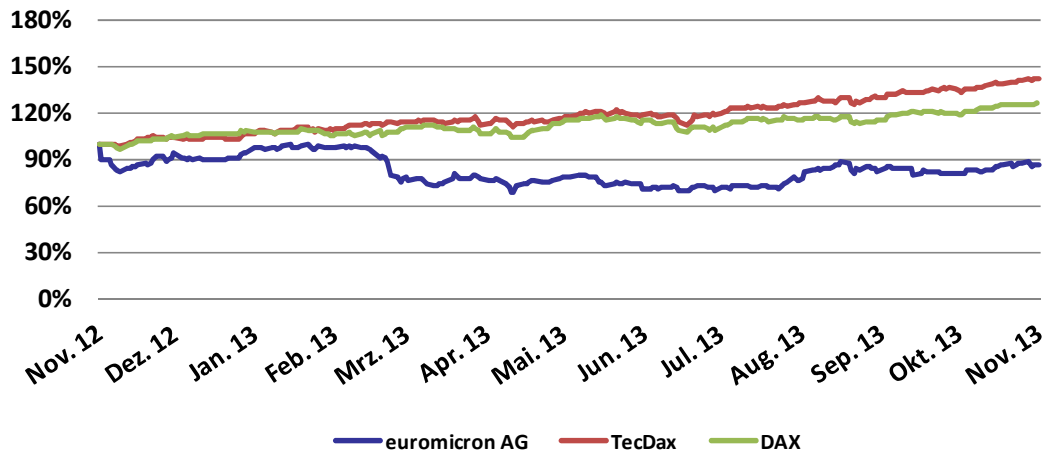
4 Outlook

After 9M/13 results, which were solid in our view, we have kept our estimates and the 12-months price target of €26.10 unchanged. Our forecasts are in-line with euromicron's guidance: an organic sales growth of 5-10% in 2013 and 2014 as well as an EBITDA margin of 8-11% over the same period. In terms of dividends, we expect yearly payout ratios of min. 50% in the long run.

We see tremendous growth potential for euromicron's solutions going forward as due to an increasing use of super-fast LTE mobile data transfer, online video and games, IPTV as well as social networks data volumes are strongly growing and the network technology has to be upgraded regularly. This holds for Western Europe, but especially for CEE markets such as Poland, Russia and Turkey, where Cisco Systems estimates that IP traffic will increase from 1.2 exabyte per month in 2011 to 6 exabyte per month in 2016, thus fivefold. Hence, in our opinion a large part of euromicron's future growth could come from foreign markets and we expect that their share, which currently amounts to just 11% of total sales, will increase quite significantly over the next few years.

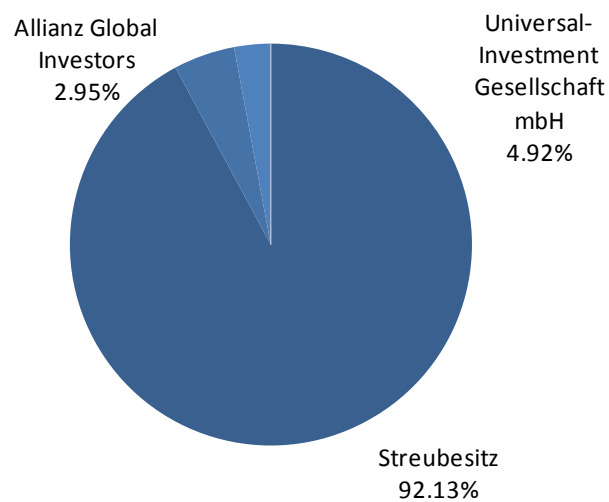
5 Stock and shareholder structure

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						
	Fiscal year					
in EURm	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	-76.93	-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	24.16	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	17.80	12.23	13.91	16.61
Income taxes	-3.76	-5.09	-4.94	-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	12.19	8.57	9.44	11.27
EPS	2.39	2.38	2.32	1.29	1.42	1.69
DPS	1.00	1.10	1.15	0.40	0.71	0.85
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%	41.81%	21.65%	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%	20.06%	-29.30%	14.52%	13.02%
Net financial results	n.a	2.61%	119.00%	-23.70%	16.35%	-2.65%
EBT	n.a	13.25%	3.36%	-31.31%	13.79%	19.39%
Income taxes	n.a	35.39%	-2.95%	-31.19%	22.83%	19.39%
Minority interests	n.a	-4.84%	0.15%	-61.19%	13.79%	19.39%
Net income / loss	n.a	6.68%	6.35%	-29.71%	10.21%	19.39%
EPS	n.a	-0.42%	-2.52%	-44.58%	10.21%	19.39%
DPS	n.a	10.00%	4.55%	-65.22%	77.50%	19.01%
Share in total sales						
Net sales	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Total Output	97.23 %	101.34 %	98.20 %	99.93 %	101.17 %	100.88 %
Cost of goods sold	-49.36 %	-52.70 %	-52.28 %	-51.81 %	-52.46 %	-52.31 %
Gross profit	47.87 %	48.64 %	45.92 %	48.11 %	48.71 %	48.57 %
Other operating income	1.12 %	2.20 %	0.89 %	0.85 %	2.02 %	2.02 %
Personnel costs	-25.70 %	-26.64 %	-25.20 %	-28.36 %	-28.51 %	-28.22 %
Depreciation & Amortization	-1.63 %	-2.26 %	-2.15 %	-2.41 %	-2.41 %	-2.41 %
Other operating expenses	-12.04 %	-12.06 %	-11.55 %	-13.02 %	-14.36 %	-14.31 %
EBIT	9.63 %	9.88 %	7.91 %	5.18 %	5.46 %	5.65 %
Net financial results	-1.51 %	-1.43 %	-2.08 %	-1.47 %	-1.58 %	-1.41 %
EBT	8.12 %	8.46 %	5.83 %	3.70 %	3.89 %	4.24 %
Income taxes	-2.01 %	-2.50 %	-1.62 %	-1.03 %	-1.17 %	-1.27 %
Minority interests	-0.38 %	-0.33 %	-0.22 %	-0.08 %	-0.08 %	-0.09 %
Net income / loss	5.74 %	5.63 %	3.99 %	2.60 %	2.64 %	2.88 %

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7 Balance sheets

Balance sheet - euromicron AG						
	Fiscal year					
in EURm	2009	2010	2011	2012	2013E	2014E
Assets						
Cash and cash equivalents	9.77	8.57	7.30	5.41	1.53	2.72
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	145.07	159.52
Property, plant and equipment	10.91	11.56	15.13	16.26	17.81	19.36
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	150.70	156.84
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

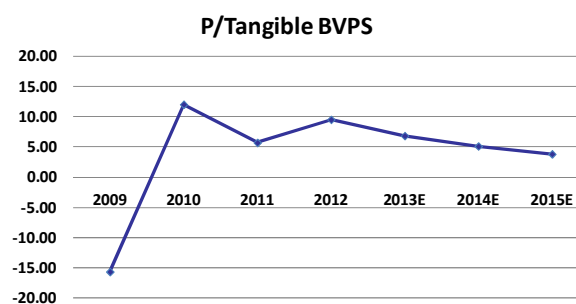
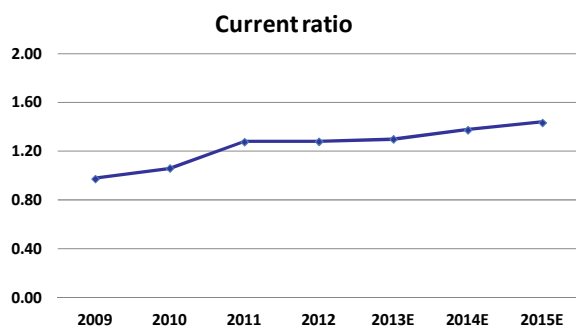
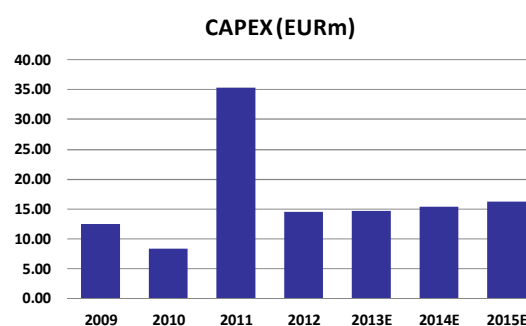
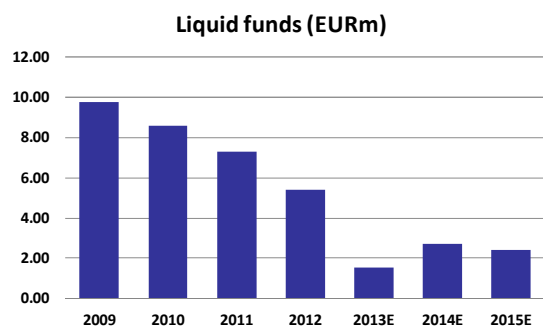
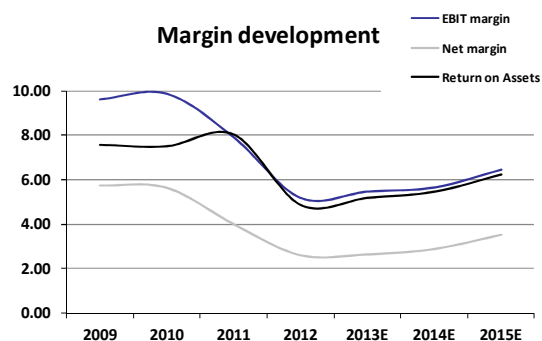
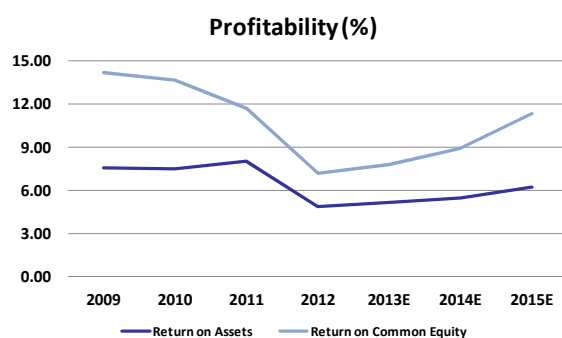
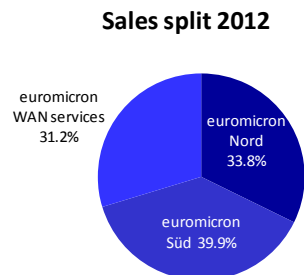
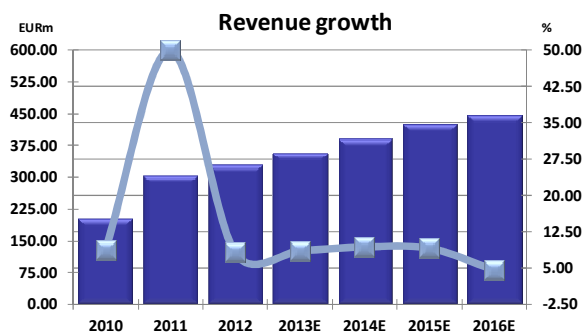
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Net income / loss	10.74	11.46	12.19	8.57	9.44	11.27
Depreciation & Amortization	3.06	4.60	6.56	7.94	8.62	9.42
Change of working capital	3.34	-10.91	-25.36	-11.82	-6.35	-7.80
Others	-2.92	3.33	7.08	-0.08	-0.63	-3.06
Net operating cash flow	14.23	8.48	0.47	6.96	11.09	9.83
Cash flow from investment	-9.87	-5.98	-20.40	-13.29	-14.67	-15.47
Free cash flow	4.35	2.50	-19.92	-6.33	-3.58	-5.64
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	-3.89	1.19
Cash at the beginning of the period	10.17	8.63	8.57	7.30	5.41	1.53
Cash at the end of the period	8.63	8.57	7.30	5.41	1.53	2.72

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9 Financial ratios

Fiscal year	2009	2010	2011	2012	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%	10.06%	7.58%	7.87%	8.06%	8.86%	9.66%
EBIT margin	9.90%	9.75%	8.06%	5.50%	5.40%	5.60%	6.40%	7.20%
Net margin	5.90%	5.55%	4.07%	2.60%	2.61%	2.86%	3.49%	4.08%
Return on equity (ROE)	14.16%	13.66%	11.70%	7.20%	7.81%	8.94%	11.32%	13.00%
Return on assets (ROA)	7.58%	7.52%	8.04%	4.89%	5.21%	5.48%	6.26%	6.90%
Return on capital employed (ROCE)	12.90%	12.36%	10.51%	6.98%	7.43%	7.72%	8.94%	9.94%
Net debt (in EURm)	58.94	54.76	62.22	81.49	89.57	100.58	108.29	109.69
Net gearing	74.59%	61.64%	52.04%	68.75%	72.68%	78.05%	79.40%	75.36%
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	1.30	1.38	1.44	1.48
Quick ratio	0.76	0.79	0.97	0.96	0.96	1.02	1.06	1.09
Net interest cover	6.37	6.93	3.80	3.52	3.46	4.02	5.10	6.05
Net debt/EBITDA	2.79	2.21	2.02	3.26	3.18	3.19	2.87	2.55
Tangible BVPS	-1.12	1.44	3.03	1.82	2.53	3.38	4.50	5.88
Capex/Sales	-6.69%	-4.08%	-11.57%	-4.42%	-4.10%	-3.95%	-3.82%	-3.76%
Working capital/Sales	21.23%	21.27%	17.51%	19.69%	19.92%	20.22%	20.51%	20.80%
EV/Sales	1.15	1.06	0.71	0.66	0.60	0.55	0.51	0.49
EV/EBITDA	10.25	8.75	7.04	8.64	7.68	6.86	5.72	5.02
EV/EBIT	11.99	10.75	8.95	12.66	11.06	9.78	7.86	6.69
P/Tangible BVPS	-15.59	12.07	5.75	9.56	6.89	5.16	3.87	2.97
P/E	7.29	7.33	7.52	13.56	12.30	10.31	7.74	6.34
P/FCF	33.60	-4.21	-13.26	-23.46	-14.89	-148.62	11.61	7.75

Source: Company information, Dr. Kalliwoda Research GmbH



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
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VERKAUFEN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung von mindestens - 10 % aufweisen	SELL

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