

May 16, 2013

Europe | Germany | IT & Software

DR. KALLIWODA
RESEARCH GmbH

Update

BUY

Target price: EUR 7.50

Overview

Industry: IT Services & Software
Country: Germany
ISIN: DE0007008906
Reuters: RTCG.DE
Bloomberg: RTC GR
Website: www.realtech.de

Last price: 4.66
High: 6.45 Low: 3.95
Price 52 W.: 6.45
Market cap. (EURm): 25.09
Number of shares (m): 5.39

Shareholders

Daniele Di Croco 16.44%
Rainer Schmidt 14.22%
Peter Stier 13.84%
BW-Versorgungsanstalt 5.39%
Free float 50.11%

Performance

4 weeks -12.93%
13 weeks -3.96%
26 weeks 7.11%
52 weeks -20.85%
YTD 7.08%

Dividend

	in EUR	in %
2009	0.50	10.73%
2010	0.00	0.00%
2011	0.30	6.44%
2012E	0.00	0.00%

52-Week Chart



Analyst

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REALTECH AG

Q1/13 results do not change our opinion

- REATECH's Q1/13 results came in as expected by management. Revenues equaled €9.5m (+0.4% y-o-y), whereby the Asia/Pacific region performed best. EBIT (€-1m vs. €-0.4m in Q1/12) and net income (€-1.2m vs. €-0.7m) were negatively affected by a 8% lower gross profit in the Software segment and 15% higher R&D expenses, which were related to the projects Simplify and SAP Infrastructure Management.
- In Q1/13, the main growth driver was the segment Consulting, where sales increased by 3.6% y-o-y to €6.6m. The reason was a further improvement in the utilization of consultants. While the gross margin in the Consulting segment remained roughly flat y-o-y at 23.8%, in the Software segment, which contributed 30.2% to total sales, it went down from 84% in Q1/12 to 82.2%. Software sales decreased by 6.3% y-o-y to €29m.
- As net income went down y-o-y and investments into working capital increased, operating cash flow declined from €0.6m in Q1/12 to €-0.3m. Compared to Q1/12, the total cash position decreased by €0.8m to €10.5m. At the end of March 2013, REALTECH had net cash of €3.8m and an equity ratio of 44.9%.
- Although Q1/13 results were relatively weak, we have kept our estimates and the 12-months DCF-based price target of €7.50 unchanged. We expect much better sales and profit figures in H2/13, when REALTECH will introduce new products on the market. In our view, the stock remains a BUY as in the long run the company should be able to benefit from its co-operation with SAP in the areas of mobile data access, cloud computing and Big Data.

Key Figures

EURm	2009	2010	2011	2012	2013E	2014E
Net sales	61.68	39.50	39.18	39.84	47.72	52.16
EBITDA	3.71	5.33	1.41	1.65	3.43	5.21
EBIT	2.58	4.18	0.17	0.42	1.96	3.60
Net income	1.20	-1.37	0.81	-0.21	0.46	0.84
EPS	0.23	-0.26	0.15	-0.04	0.09	0.16
BVPS	5.26	4.60	4.77	4.40	4.49	4.64
RoE	4.27%	-5.26%	3.22%	-0.84%	1.94%	3.40%
EBIT margin	4.18 %	10.58 %	0.43 %	1.05 %	4.10 %	6.90 %
P/E	20.44x	neg	31.00x	neg	54.03x	29.97x
P/BVPS	0.88x	1.01x	0.98x	1.06x	1.04x	1.00x
EV/EBITDA	5.74x	4.00x	15.14x	12.92x	6.21x	4.09x

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1 Company profile

REALTECH AG is one of the leading German IT consultancies. The company was founded in 1994 in Walldorf, near Heidelberg, and has been listed on the Frankfurt stock exchange since 1999. Apart from Germany, REALTECH also has operations in other European countries, Asia/Pacific and North America. At the end of March 2013, it had 362 employees, thereof 268 in Germany.

In the past, the fast progress of IT technology has resulted in a high number of enterprise application systems as well as a diverse, heterogenic IT landscape. Especially, non-integrated standalone systems, proprietary software and isolated applications have led to significant integration deficits, which at company level have limited cross-functional work processes and complicated information supply for disposition tasks. REALTECH's IT consulting services can facilitate an instant integration of customers and suppliers into the value chain, which in turn can prevent media disruption and redundancies and allow new forms of intercompany collaboration. REALTECH's products allow IT departments or IT outsourcers to run a variety of applications and IT systems securely and efficiently and reduce IT costs significantly.

2 SWOT Analysis

Strength

- **Due to the long-standing co-operation with and proximity to SAP** REALTECH has a know-how edge when it comes to SAP applications.
- **A unique selling point in the area of Consulting** is the combination of SAP knowledge as well as supplemental business and strategic consulting. Thus, REALTECH can provide a fast and long-term project success. Due to the partnership, which is also valid in foreign markets, it is also possible to integrate international locations into a comprehensive IT landscape.
- **theGuard! product family** is an internationally unique software portfolio for the monitoring and the secure operation of IT systems for company-wide use. In Europe, REALTECH is the largest manufacturer of IT service management solutions. Unique selling points are the close connection of all disciplines, the centralized storage according to standards such as ITIL as well as the application in small companies, simultaneously guaranteeing future scalability of product use.

Opportunities

- **The OEM contract with SAP** in the area of IT infrastructure management as well as expansion of SAP solutions should all contribute to internationalization and growth of high-margin sales.
- **Due to standardization** of the consulting portfolio. product sales in new countries and third-party sales of the enterprise solution for SAP ByDesign, there is an opportunity to generate high scale effects.
- **A higher demand for change management support**, driven by the trend to use external suppliers in order to further develop SAP software should lead to additional sales.
- **IT systems increasingly constitute the basis** for cross-departmental business processes, which lead to a higher level of complexity. Thus, there is higher demand for REALTECH's solutions for flexible, automated and failsafe systems.

Weaknesses

- **Concentration on SAP solutions** means a high dependence on market acceptance and SAP's existing customers. Thus, there is high business risk. However, a wide geographic diversification with branches in Europe, Asia and the US and cross-industry product distribution in over 25 countries reduce the above-mentioned risk.
- **There is strong competition** in the area of Consulting.

Threats

- **The ongoing consolidation** within the IT industry can intensify competition through new or stronger competitors. This would result in a loss of revenues or lower prices.
- **A lack of qualified personnel** caused by a structural shortage of supply in the industry would make it more difficult for the company to become aware of its opportunities. This is being counteracted by REALTECH's reputation as an attractive training provider, which stems from the company's SAP know-how.

3 Valuation

In order to value REALTECH, we have used our DCF model, which derives a 12-months price target for the stock of €7.50. Compared to the current market level, this corresponds to an upside of 61%.

DCF model

WACC assumptions

Growth assumptions

Long-term growth rate	2.0%
Assimilation phase (from 2015)	5 years
Sales growth at the beginning	10.0%
Margin development (p.a)	-1 BP

Equity

Risk-free rate	2.3%
Market risk premium	5.0%
Beta	1.50

Equity costs

9.8%

Debt costs

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

Debt costs (after tax)

4.2%

Equity	100
Debt	0
Gearing	0.0%

WACC

9.8%

Discounted Cash Flow Model (Basis 05/2013)

in EURm	Phase 1								
	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
Net sales	47.72	52.16	59.09	65.00	69.88	73.37	75.57	77.46	79.01
(y-o-y change)	19.8%	9.3%	13.3%	10.0%	7.5%	5.0%	3.0%	2.5%	2.0%
EBIT	1.96	3.60	4.14	4.62	4.90	5.08	5.17	5.23	5.24
(EBIT margin)	4.1%	6.9%	7.0%	7.1%	7.0%	6.9%	6.8%	6.8%	6.6%
NOPLAT	1.37	2.52	2.90	3.23	3.43	3.56	3.62	3.66	3.66
+ Depreciation	1.47	1.61	1.82	2.01	2.16	2.26	2.33	2.39	2.44
= Net operating cash flow	2.84	4.13	4.72	5.24	5.59	5.82	5.95	6.05	6.10
- Total investments (Capex and WC)	-2.58	-2.38	-2.72	-2.80	-2.85	-2.83	-2.76	-2.80	-2.69
Capital expenditure	-1.84	-1.89	-2.14	-2.31	-2.45	-2.54	-2.59	-2.64	-2.68
Working capital	-0.74	-0.49	-0.58	-0.50	-0.40	-0.29	-0.17	-0.16	-0.01
= Free cash flow (FCF)	0.26	1.75	2.00	2.43	2.74	3.00	3.19	3.25	3.41
PV of FCFs	0.24	1.50	1.57	1.73	1.78	1.77	1.72	1.59	1.52

PV of FCFs in explicit period	13.42
PV of FCFs in terminal period	20.34
Enterprise value (EV)	33.76
+ Net cash / - net debt	3.79
+ Investments / - Minorities	-0.76
Shareholder value	36.79
Number of shares outstanding (m)	5.39
WACC	9.8%
Equity costs	9.8%
Debt costs before tax	6.0%
Tax rate	30.0%
Debt costs after tax	4.2%
Equity ratio	100.0%
Debt ratio	0.0%
Fair value per share in € (today)	6.83
Fair value per share in € (in 12 months)	7.50

Sensitivity analysis		Terminal EBIT margin						
		3.8%	4.8%	5.8%	6.8%	7.8%	8.8%	9.8%
WACC	6.8%	8.26	9.62	10.97	12.33	13.69	15.05	16.40
	7.8%	7.05	8.09	9.12	10.16	11.19	12.23	13.27
	8.8%	6.18	7.00	7.81	8.63	9.45	10.26	11.08
	9.8%	5.53	6.18	6.84	7.50	8.16	8.81	9.47
	10.8%	5.01	5.55	6.09	6.63	7.17	7.71	8.25
	11.8%	4.60	5.04	5.49	5.94	6.39	6.84	7.28

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	
All for One Steeb AG	0.6	0.6	7.6	7.2	12.3	10.7	15.5	12.8	n.a.	n.a.	
itelligence AG	1.2	1.1	12.3	11.9	18.8	17.2	21.8	20.2	3.1	2.9	
KPS AG	1.2	1.1	12.5	9.1	9.8	8.7	9.7	8.5	n.a.	n.a.	
Orbis AG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Plaut AG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	
Seven Principles AG	0.3	0.3	22.1	10.1	17.7	8.4	19.9	8.7	0.9	0.9	
SNP Schneider Neureither & Partner AG	2.1	1.7	11.6	11.2	13.1	8.5	17.3	11.2	n.a.	n.a.	
NanoFocus AG	0.7	0.6	9.3	6.1	16.2	8.8	54.0	30.0	1.0	1.0	
Median	0.9	0.8	11.9	9.6	14.7	8.8	18.6	12.0	1.0	1.0	
Mean	1.0	0.9	12.6	9.3	14.7	10.4	23.0	15.2	1.7	1.6	
Peer Benchmark	0.9	0.8	11.9	9.6	14.7	8.8	18.6	12.0	1.0	1.0	
Discount (-)/Premium (+)	-27%	-27%	-22%	-36%	11%	1%	191%	150%	0%	0%	
Valuation											
Peer Benchmark	0.9	0.8	11.9	9.6	14.7	8.8	18.6	12.0	1.0	1.0	
NanoFocus AG financials	47.7	52.2	3.4	5.2	2.0	3.6	0.1	0.2	4.5	4.6	
Implied Enterprise Value	43.7	43.7	40.9	49.8	28.7	31.6					
+ Cash and Cash Equivalents	10.5	10.5	10.5	10.5	10.5	10.5					
- Financial Debt	6.7	6.7	6.7	6.7	6.7	6.7					
- 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	47.5	47.5	44.7	53.6	32.5	35.4					
Number of Shares	5.4	5.4	5.4	5.4	5.4	5.4					
Implied fair value per share	8.8	8.8	8.3	10.0	6.0	6.6	1.6	1.9	4.7	4.7	
Weights	17%	17%	17%	17%	17%	17%	25%	25%	25%	25%	
Results	8.08						3.19				
Weights	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	
Fair Value Implied by Both Peer Multiples:						6.13 EUR					
Premium (Discount) to Peer Benchmark: 0 %											
Fair Value per Share 6.13 EUR											

Source: Dr. Kalliwoda | Research 2013

Based on our peer group multiples, the implied fair value equals EUR 6.13 per share.

4 Q1/13 results

Revenues

In Q1/13, REALTECH generated total sales of €9.5m, which were 0.4% higher y-o-y. While the Consulting segment grew by 3.6% y-o-y to €6.6m due to a further improvement of capacity utilisation, in the Software segment revenues dropped by 6.3% y-o-y to €2.9m. In terms of geographic sales split, Germany and Asia/Pacific, which were the only regions with positive sales growth, increased their share from 89.7% in Q1/12 to 93%.

Q1/13 vs. our estimates**Q1/13 vs. previous year**

in EURm	Q1/13	Q1/12	change (%)
Net sales	9.48	9.44	0.4%
EBITDA	-0.67	-0.10	548.5%
EBITDA margin	-7.0%	-1.1%	
EBIT	-0.98	-0.39	150.3%
EBIT margin	-10.3%	-4.1%	
Net income	-1.18	-0.67	74.5%
Net margin	-12.4%	-7.1%	

Source: Company information, Dr. Kalliwoda Research GmbH

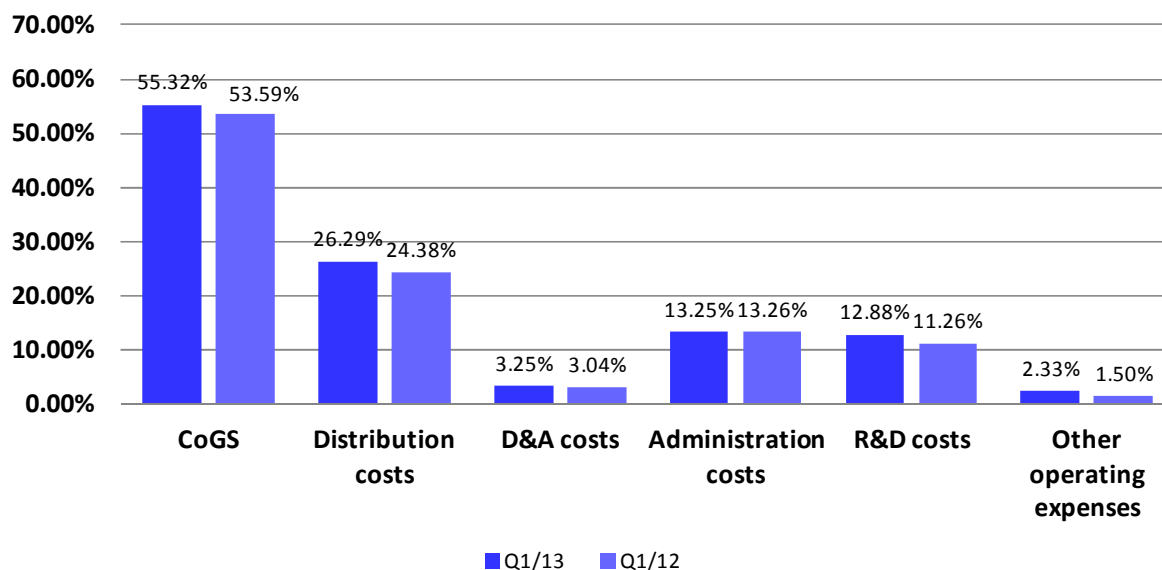
Sales and Gross margins according to segments**Sales and Gross margins according to segments Q1/13 vs. Q1/12**

	Q1/13	Q1/12		Q1/13	Q1/12
Consulting			Group		
Sales €m	6.62	6.39	Total sales	9.48	9.44
share in total sales	69.8%	67.7%	change y-o-y	0.4%	
Gross margin	23.8%	24.0%			
Software					
Sales €m	2.86	3.05			
share in total sales	30.2%	32.3%			
Gross margin	82.2%	84.0%			
Germany			USA		
Sales €m	6.49	6.34	Sales €m	0.58	0.74
share in total sales	68.5%	67.2%	share in total sales	6.1%	7.9%
RoE (Portugal, Nordic)			Asia/Pacific		
Sales €m	0.09	0.23	Sales €m	2.32	2.12
share in total sales	1.0%	2.5%	share in total sales	24.5%	22.5%

Source: Company information, Dr. Kalliwoda Research GmbH

Profitability

Share in sales Q1/13 vs. Q1/12



Source: Company information, Dr. Kalliwoda Research GmbH

Between January and March 2013, REALTECH's EBIT and net income deteriorated from €-0.4m to €-1m and €-0.7m to €-1.2m respectively. The reason was a higher share of CoGS, distribution and R&D expenses y-o-y. While gross margin declined due to a weaker development of the Software segment, distribution and R&D expenses were affected by costs associated with the projects Simplify and SAP Infrastructure Management. Net income declined less than EBIT due to lower interest and tax expenses y-o-y.

Balance Sheet and Cash Flow

At the end of March 2013, the most important positions on REALTECH's balance sheet were (1) Equity of €22.5m (ratio of 44.9%) (2) Property, Plant & Equipment of €13.3m and (3) Trade receivables of €12.5m. As of 31 March 2013, the company had interest-bearing debt of €6.7m (31/12/12: €6.7m) and liquid funds of €10.5m (€11.3m).

Due to a higher net loss y-o-y and an increase of working capital by €1.5m (Q1/12: €0.9m) REALTECH's operating cash flow deteriorated from €0.6m to €-0.3m. Together with a cash outflow from investing of €0.4m (€0.1m) and negative cash effects from exchange rate movements of €0.2m (€0.1m), this led to a total cash outflow in Q1/13 of €0.8m.

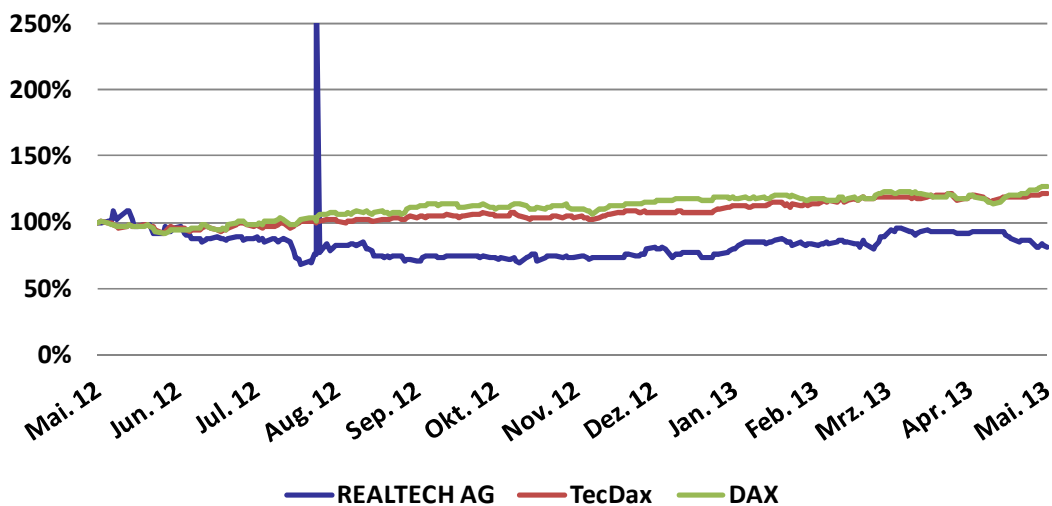
5 Outlook

As expected by REALTECH's management, results in Q1/13 were weaker y-o-y as the market environment remained challenging. However, the coming quarters are supposed to show better results especially due to new products, which the company will introduce in H2/13. According to a BITKOM survey from the beginning of 2013, market sentiment in the German IT & Telco sector is improving as 75% of industry members expect increasing sales in H1/13. Because of that, REALTECH continues to invest into software development, technological innovations and new employees.

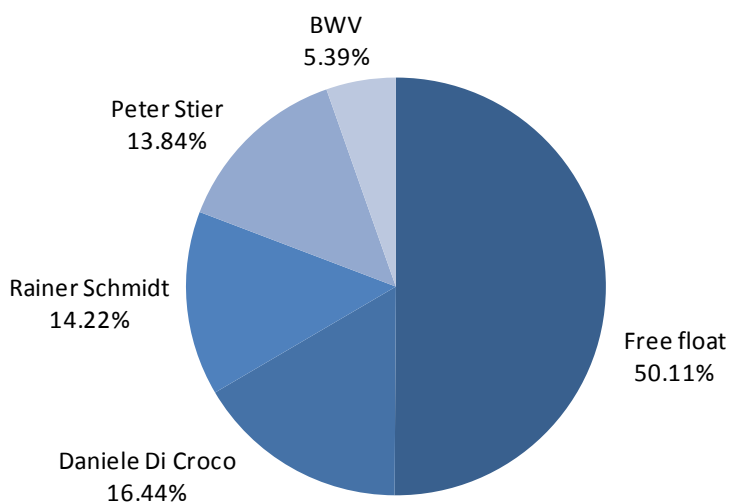
After Q1/13 results, we have kept our estimates and the price target for REALTECH unchanged. Our forecasts for 2013 and 2014 are slightly below the company's guidance, which predicts revenues of €47.9m and EBIT of €2.1m in 2013 and €52.2m and €7m in 2014 respectively.

Stock and shareholder structure

Stock Price Development



Shareholder Structure



6 Profit and loss statements

Profit and loss statement - Realtech AG						
	Fiscal year					
in EURm	2009	2010	2011	2012	2013E	2014E
Sales split						
Consulting	49.53	26.60	26.43	27.56	33.05	36.17
Software	12.15	12.90	12.74	12.28	14.67	15.99
Net sales	61.68	39.50	39.18	39.84	47.72	52.16
Change in inventories	0.00	0.00	0.00	0.00	0.00	0.00
Total Output	61.68	39.50	39.18	39.84	47.72	52.16
Cost of goods sold	-39.69	-20.39	-20.99	-20.52	-23.43	-24.52
Gross profit	21.99	19.11	18.18	19.32	24.29	27.64
Other operating income	2.04	2.04	1.05	1.32	1.35	1.38
Distribution costs	-8.48	-6.48	-7.61	-8.22	-9.68	-10.40
Depreciation & Amortization	-1.13	-1.15	-1.24	-1.23	-1.47	-1.61
Administration costs	-6.68	-4.66	-4.97	-5.44	-6.37	-6.81
R&D costs	-3.85	-3.62	-4.30	-4.36	-5.23	-5.71
Other operating expenses	-1.31	-1.05	-0.94	-0.97	-0.93	-0.89
EBIT	2.58	4.18	0.17	0.42	1.96	3.60
Net financial results	-0.15	-0.20	-0.21	0.09	0.10	0.11
EBT	2.43	3.98	-0.04	0.51	2.06	3.71
Income taxes	-1.12	-2.38	-0.17	-0.47	-0.62	-1.11
Minority interests	-0.10	-0.01	-0.09	-0.24	-0.98	-1.76
Net income / loss	1.20	1.59	-0.30	-0.21	0.46	0.84
EPS	0.23	-0.26	0.15	-0.04	0.09	0.16
DPS	0.50	0.00	0.30	0.00	0.00	0.00
Change y-o-y						
Net sales	n.a	-35.95%	-0.82%	1.68%	19.78%	9.30%
Total Output	n.a	-35.95%	-0.82%	1.68%	19.78%	9.30%
Cost of goods sold	n.a	-48.61%	2.94%	-2.27%	14.20%	4.63%
Gross profit	n.a	-13.10%	-4.83%	6.25%	25.71%	13.81%
Other operating income	n.a	-0.01%	-48.69%	26.61%	2.00%	2.00%
Distribution costs	n.a	-23.61%	17.53%	7.98%	17.75%	7.41%
Depreciation & Amortization	n.a	1.54%	7.64%	-0.71%	19.78%	9.30%
Administration costs	n.a	-30.14%	6.64%	9.33%	17.15%	6.84%
R&D costs	n.a	-5.78%	18.64%	1.53%	19.78%	9.30%
Other operating expenses	n.a	-20.09%	-10.58%	3.89%	-4.46%	-4.13%
EBIT	n.a	62.18%	-95.98%	148.79%	367.82%	83.94%
Net financial results	n.a	30.79%	4.71%	-144.79%	10.88%	9.81%
EBT	n.a	64.12%	-100.93%	-1474.92%	303.51%	80.27%
Income taxes	n.a	111.93%	-92.74%	174.83%	30.21%	80.27%
Net income / loss	n.a	32.40%	-118.99%	-31.81%	-325.26%	80.27%
EPS	n.a	-213.32%	-158.20%	-125.47%	-325.26%	80.27%
DPS	n.a	-100.00%	#DIV/0!	n.a	#DIV/0!	n.a
Share in total sales						
Net sales	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Total Output	157.42 %	100.82 %	100.00 %	101.68 %	121.80 %	133.13 %
Cost of goods sold	-101.30 %	-52.06 %	-53.59 %	-51.50 %	-49.10 %	-47.00 %
Gross profit	56.12 %	48.77 %	46.41 %	48.50 %	50.90 %	53.00 %
Other operating income	5.20 %	5.20 %	2.67 %	3.32 %	2.83 %	2.64 %
Distribution costs	-21.65 %	-16.54 %	-19.44 %	-20.64 %	-20.29 %	-19.94 %
Depreciation & Amortization	-2.89 %	-2.94 %	-3.16 %	-3.09 %	-3.09 %	-3.09 %
Administration costs	-17.04 %	-11.91 %	-12.70 %	-13.65 %	-13.35 %	-13.05 %
R&D costs	-9.81 %	-9.25 %	-10.97 %	-10.95 %	-10.95 %	-10.95 %
Other operating expenses	-3.34 %	-2.67 %	-2.39 %	-2.44 %	-1.95 %	-1.71 %
EBIT	6.58 %	10.67 %	0.43 %	1.05 %	4.10 %	6.90 %
Net financial results	-0.38 %	-0.50 %	-0.52 %	0.23 %	0.21 %	0.21 %
EBT	6.20 %	10.17 %	-0.09 %	1.28 %	4.31 %	7.11 %
Income taxes	-2.86 %	-6.07 %	-0.44 %	-1.19 %	-1.29 %	-2.13 %
Net income / loss	3.07 %	4.06 %	-0.77 %	-0.52 %	0.97 %	1.60 %

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7 Balance sheets

Balance sheet - Realtech AG						
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Assets						
Cash and cash equivalents	7.30	6.36	13.22	11.26	11.95	13.94
Securities	0.00	0.00	0.00	0.00	0.00	0.00
Trade accounts and notes receivables	17.99	16.71	9.88	11.44	13.71	14.98
Other current assets	1.74	4.35	4.93	5.47	6.56	7.17
Current assets	27.04	27.42	28.04	28.17	32.21	36.09
Property, plant and equipment	8.98	14.32	13.64	13.29	13.52	13.74
Other intangible assets	0.64	0.62	0.44	0.47	0.62	0.68
Goodwill	4.34	4.33	4.33	4.33	4.33	4.33
Other financial assets	0.15	0.20	0.66	0.30	0.36	0.40
Deferred tax assets	0.22	2.54	2.91	3.10	2.96	2.71
Non-current assets	14.32	22.01	21.98	21.50	21.80	21.86
Total assets	41.35	49.43	50.02	49.68	54.01	57.95
Liabilities						
Trade payables	1.93	1.46	1.36	1.95	2.19	2.26
Other liabilities	4.80	12.08	10.25	11.94	14.31	15.64
Short-term leasing debt	0.00	0.26	1.82	2.05	2.06	2.07
Provisions	5.68	3.04	3.05	2.58	3.09	3.38
Current liabilities	12.41	16.85	16.48	18.52	21.65	23.34
Long-term leasing debt	0.00	5.33	5.14	4.69	4.59	4.49
Deferred tax liabilities	0.38	1.85	1.84	1.88	1.74	1.49
Long-term liabilities	0.38	7.18	6.99	6.57	6.33	5.98
Total liabilities	12.79	24.03	23.47	25.09	27.98	29.32
Shareholders equity	27.79	24.46	25.61	23.71	24.18	25.01
Minority interests	0.78	0.94	0.93	0.87	1.85	3.61
Total equity and liabilities	41.35	49.43	50.02	49.68	54.01	57.95

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8 Cash flow statements

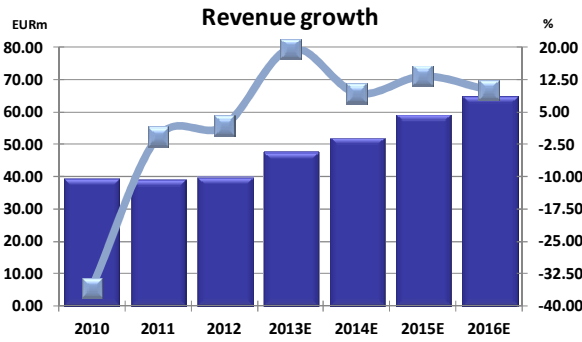
Cash flow statement - Realtech AG						
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Net income / loss	1.20	-1.37	0.81	-0.21	0.46	0.84
Depreciation & Amortization	1.13	1.15	1.24	1.23	1.47	1.61
Change of working capital	5.36	0.81	6.73	-0.97	-0.74	-0.49
Others	-2.58	1.65	-6.23	0.74	0.51	0.29
Net operating cash flow	5.11	2.24	2.54	0.79	1.71	2.25
Cash flow from investment	-0.62	-1.12	4.33	-0.52	-1.84	-1.89
Free cash flow	4.49	1.12	6.88	0.27	-0.14	0.36
Cash flow from financing	-2.50	-2.62	-0.05	-2.08	0.83	1.64
Change of cash	1.99	-0.94	6.86	-1.96	0.69	1.99
Cash at the beginning of the period	5.32	7.30	6.36	13.22	11.26	11.95
Cash at the end of the period	7.30	6.36	13.22	11.26	11.95	13.94

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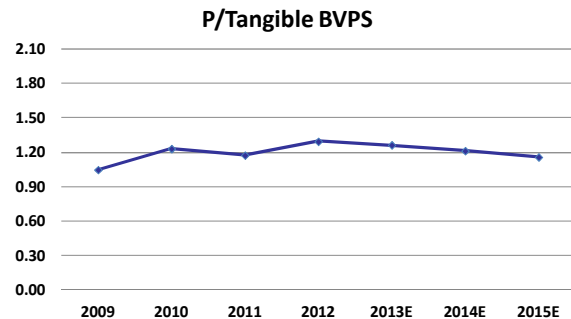
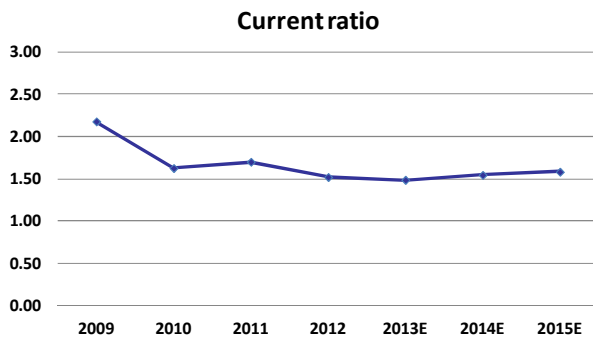
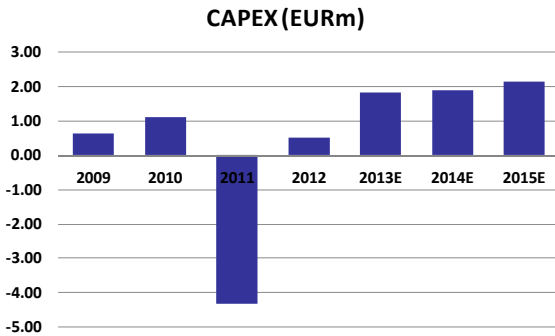
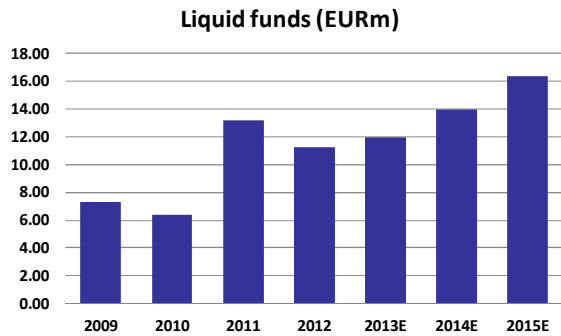
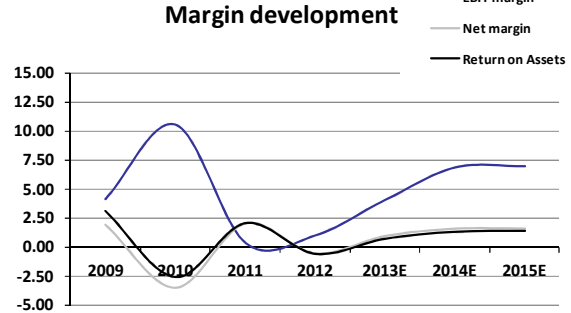
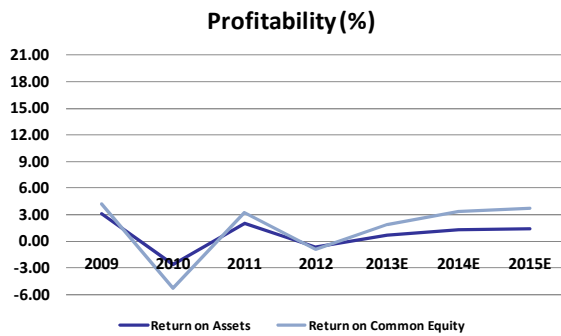
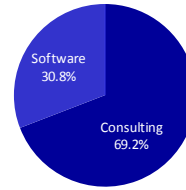
9 Financial ratios

Fiscal year	2009	2010	2011	2012	2013E	2014E	2015E	2016E
Gross margin	35.65%	48.37%	46.41%	48.50%	50.90%	53.00%	52.50%	52.00%
EBITDA margin	6.02%	13.50%	3.59%	4.14%	7.19%	9.99%	10.09%	10.19%
EBIT margin	4.18%	10.58%	0.43%	1.05%	4.10%	6.90%	7.00%	7.10%
Net margin	1.95%	-3.48%	2.06%	-0.52%	0.97%	1.60%	1.63%	1.65%
Return on equity (ROE)	4.27%	-5.26%	3.22%	-0.84%	1.94%	3.40%	3.77%	4.04%
Return on assets (ROA)	3.08%	-2.60%	2.03%	-0.60%	0.70%	1.30%	1.38%	1.42%
Return on capital employed (ROCE)	4.79%	5.17%	2.83%	0.09%	4.23%	7.28%	7.78%	8.06%
Net debt (in EURm)	-7.30	-0.77	-6.25	-4.52	-5.30	-7.38	-9.87	-12.73
Net gearing	-26.29%	-3.14%	-24.41%	-19.05%	-21.91%	-29.50%	-37.98%	-47.07%
Equity ratio	67.19%	49.49%	51.21%	47.73%	44.77%	43.17%	40.99%	39.38%
Current ratio	2.18	1.63	1.70	1.52	1.49	1.55	1.58	1.63
Quick ratio	2.04	1.37	1.40	1.23	1.19	1.24	1.27	1.32
Net interest cover	17.20	21.33	0.82	-4.55	-19.20	-32.16	-33.93	-34.99
Net debt/EBITDA	-1.97	-0.14	-4.45	-2.74	-1.54	-1.42	-1.66	-1.92
Tangible BVPS	4.44	3.78	3.97	3.60	3.68	3.84	4.02	4.22
Capex/Sales	-2.07%	-16.38%	-0.96%	-2.30%	-3.87%	-3.63%	-3.62%	-3.55%
Working capital/Sales	21.10%	19.04%	8.19%	7.59%	7.89%	8.15%	8.17%	8.19%
EV/Sales	0.35	0.54	0.54	0.53	0.45	0.41	0.36	0.33
EV/EBITDA	5.74	4.00	15.14	12.92	6.21	4.09	3.57	3.22
EV/EBIT	8.26	5.09	126.69	50.92	10.89	5.92	5.15	4.61
P/Tangible BVPS	1.05	1.23	1.17	1.29	1.26	1.21	1.16	1.10
P/E	20.44	-18.04	31.00	-121.70	54.03	29.97	26.11	23.43
P/FCF	22.11	3.61	90.87	-182.63	69.67	47.81	37.79	109.69

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
AKKUMULIEREN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung zwischen 5% und 10% aufweisen	ACCUMULATE
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
VERKAUFEN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung von mindestens - 10 % aufweisen	SELL

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