

November 8, 2013

Europe | Germany | IT & Software

DR. KALLIWODA
RESEARCH GmbH

Update

BUY

Target price: EUR 4.50

Overview

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

Last price: 3.57
 High 5.70 Low 2.75
 Price 52 W.: 5.70 2.75
 Market cap. (EURm) 19.23
 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%

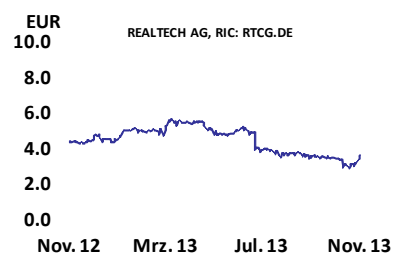
Performance

4 weeks 9.49%
 13 weeks 0.87%
 26 weeks -23.59%
 52 weeks -17.11%
 YTD -17.26%

Dividend

	in EUR	in %
2009	0.50	14.01%
2010	0.00	0.00%
2011	0.30	8.40%
2012	0.00	0.00%

52-Week Chart



Analyst

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REALTECH AG

9M/13 results show improvement q-o-q

- In 9M/13, REALTECH's profitability deteriorated y-o-y, albeit at a slower pace q-o-q. Revenues totaled €28.3m (-2.8% y-o-y), whereby Germany was the only region showing a positive development y-o-y. EBIT (€-3.5m vs. €-10k in 9M/12) and net income (€-4.1m vs. €-0.7m) were negatively affected especially by lower gross margins of both the Consulting and Software segment as well as a higher share of distribution expenses (26.6% vs. 21.1%).
- Between January and September 2013, both Consulting (-1.8% to €19.8m) and the Software segment (-5.2% to €8.4m) showed a weaker performance y-o-y, which stemmed from a lower utilization of consultants, respectively sales of software licenses. Compared to 9M/12, clients from Germany (68.5% vs. 65.7%) and Asia/Pacific (25.4% vs. 25.2%) increased their share in REALTECH's total revenues.
- As net income went down y-o-y, operating cash flow deteriorated from €-0.7m in 9M/12 to €-2.1m. Cash flow from investing (€-0.9m vs. €-0.5m) was affected by investments in spare parts as well as those associated with the "Simplify" project. However, cash flow from financing was €0 compared to €-1.7m in 9M/12 as there was no dividend payout (9M/12: €1.6m or €0.30 per share). At the end of September 2013, REALTECH had interest-bearing debt of €6.4m and liquid funds of €8.1m. Net gearing equaled -9.1%.
- REALTECH's management have maintained their EBIT guidance for full-year 2013, which forecasts a low single-digit operating loss. However, we have decided to reduce our EBIT and net income estimates for this and the next fiscal year, which together with lower net cash q-o-q results in a new 12-months DCF-based price target of €4.50 (previously: €5.80). In our opinion, despite current weakness REALTECH remains an attractive long-term investment. Although results will be negatively affected by restructuring in the short run, we think that an investment in the stock bears little risk as net cash equals €1.7m and P/BVPS just 0.8x.

Key Figures

in EURm	2009	2010	2011	2012	2013E	2014E
Net sales	61.68	39.50	39.18	39.84	41.02	44.10
EBITDA	3.71	5.33	1.41	1.65	-2.75	1.27
EBIT	2.58	4.18	0.17	0.42	-4.02	-0.09
Net income	1.20	-1.37	0.81	-0.21	-0.88	0.01
EPS	0.23	-0.26	0.15	-0.04	-0.16	0.00
BVPS	5.26	4.60	4.77	4.40	4.24	4.24
RoE	4.27%	-5.26%	3.22%	-0.84%	-3.80%	0.02%
EBIT margin	4.18 %	10.58 %	0.43 %	1.05 %	-9.80 %	-0.20 %
P/E	15.67x	neg	23.76x	neg	neg	3592.17x
P/BVPS	0.68x	0.78x	0.75x	0.81x	0.84x	0.84x
EV/EBITDA	4.71x	3.28x	12.42x	10.60x	neg	13.72x

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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 September 2013, it had 370 employees, thereof 278 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	Weaknesses
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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.
Opportunities	Threats
<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 €4.50. Compared to the current market level, this corresponds to an upside of 26%.

DCF model

Discounted Cash Flow Model (Basis 11/2013)

in EURm	Phase 1								
	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
Net sales	41.02	44.10	49.96	54.96	59.08	62.03	63.89	65.49	66.80
(y-o-y change)	3.0%	7.5%	13.3%	10.0%	7.5%	5.0%	3.0%	2.5%	2.0%
EBIT	-4.02	-0.09	2.00	3.54	3.75	3.94	3.99	4.09	4.11
(EBIT margin)	-9.8%	-0.2%	4.0%	6.5%	6.4%	6.4%	6.3%	6.3%	6.2%
NOPLAT	-2.81	-0.06	1.40	2.48	2.63	2.76	2.80	2.87	2.88
+ Depreciation	1.27	1.36	1.54	1.70	1.82	1.91	1.97	2.02	2.06
= Net operating cash flow	-1.55	1.30	2.94	4.18	4.45	4.67	4.77	4.89	4.94
- Total investments (Capex and WC)	-1.50	-2.21	-2.46	-2.51	-2.45	-2.44	-2.37	-2.41	-2.31
Capital expenditure	-1.55	-1.63	-1.84	-1.99	-2.10	-2.18	-2.22	-2.27	-2.30
Working capital	0.05	-0.58	-0.62	-0.53	-0.35	-0.26	-0.15	-0.14	-0.01
= Free cash flow (FCF)	-3.04	-0.91	0.48	1.67	2.00	2.24	2.40	2.47	2.63
PV of FCFs	-3.00	-0.82	0.39	1.25	1.36	1.39	1.36	1.28	1.24

PV of FCFs in explicit period	4.44
PV of FCFs in terminal period	16.67
Enterprise value (EV)	21.10
+ Net cash / - net debt	1.76
+ Investments / - Minorities	-0.78
Shareholder value	22.08
Number of shares outstanding (m)	5.39
WACC	9.7%
Equity costs	9.7%
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)	4.10
Fair value per share in € (in 12 months)	4.50

Sensitivity analysis		Terminal EBIT margin						
		3.3%	4.3%	5.3%	6.3%	7.3%	8.3%	9.3%
WACC	6.7%	4.69	5.91	7.13	8.34	9.56	10.78	12.00
	7.7%	3.81	4.74	5.67	6.60	7.54	8.47	9.40
	8.7%	3.19	3.92	4.66	5.39	6.13	6.86	7.60
	9.7%	2.72	3.31	3.90	4.50	5.09	5.69	6.28
	10.7%	2.35	2.84	3.33	3.82	4.30	4.79	5.28
	11.7%	2.06	2.46	2.87	3.28	3.68	4.09	4.50

Source: Dr. Kalliwoda Research GmbH

4 9M/13 results

Revenues

In 9M/13, REALTECH generated total sales of €28.3m, which were 2.8% lower y-o-y. Both the Consulting (-1.8% to €19.8m) and Software segment (-5.2% to €8.4m) showed a weaker performance y-o-y. The reasons were a lower utilisation of consultants, respectively weaker license sales.

In terms of geographic sales split, Germany (+1.3% to €19.4m) was the only market to show a positive development y-o-y. It increased its share in total sales from 65.7% in 9M/12 to 68.5%. Although in Asia/Pacific revenues declined by 2.2% y-o-y to €7.2m, the region also increased its share (25.4% vs. 25.2% in 9M/12)

9M/13 vs. previous year

9M/13 vs. previous year			
in EURm	9M/13	9M/12	change (%)
Net sales	28.27	29.09	-2.8%
EBITDA	-2.42	0.91	-366.5%
EBITDA margin	-8.6%	3.1%	
EBIT	-3.51	-0.01	36125.9%
EBIT margin	-12.4%	0.0%	
Net income	-4.07	-0.72	468.4%
Net margin	-14.4%	-2.5%	

Source: Company information, Dr. Kalliwoda Research GmbH

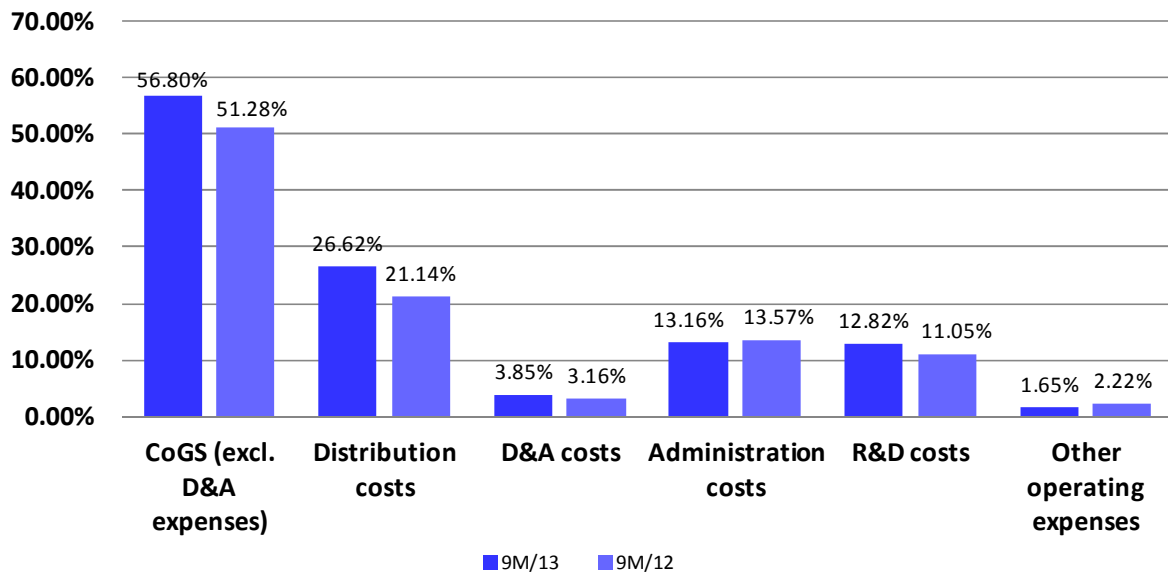
Sales and Gross margins according to segments

Sales and Gross margins according to segments 9M/13 vs. 9M/12					
	9M/13	9M/12		9M/13	9M/12
Consulting			Group		
Sales €m	19.84	20.20	Total sales	28.27	29.09
share in total sales	70.2%	69.5%	change y-o-y	-2.8%	
Gross margin	23.2%	28.4%			
Software					
Sales €m	8.42	8.88			
share in total sales	29.8%	30.5%			
Gross margin	77.5%	84.7%			
Germany			USA		
Sales €m	19.35	19.10	Sales €m	1.44	2.18
share in total sales	68.5%	65.7%	share in total sales	5.1%	7.5%
RoE (Portugal, Nordic)			Asia/Pacific		
Sales €m	0.30	0.47	Sales €m	7.17	7.34
share in total sales	1.1%	1.6%	share in total	25.4%	25.2%

Source: Company information, Dr. Kalliwoda Research GmbH

Profitability

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



Source: Company information, Dr. Kalliwoda Research GmbH

Between January and September 2013, REALTECH generated an EBIT of €-3.5m (9M/12: €-10k) and a net income of €-4.1m (€-0.7m). The main reasons for the weaker profitability y-o-y were (1) lower gross margins in both the Consulting and Software segment (2) higher share of distribution expenses due to investments in marketing and related staff and (3) higher share of R&D expenses relating to the “Timplify” project.

Balance Sheet and Cash Flow

At the end of September 2013, REALTECH had an equity position of €19.4m (equity ratio of 45.3%) and working capital of €2m (31/12/2012: €2.3m). Interest-bearing debt amounted to €6.4m, after €6.7m at the end of December 2012.

Although in contrast to last year there was a cash inflow from working capital of €1.8m (9M/12: €-1.6m), operating cash flow deteriorated from €-0.7m to €-2.1m due to a higher net loss. Together with a cash outflow from investing of €0.9m (€0.5m) and FX effects of €-0.4m (9M/12: €0.1m), this resulted in a total cash outflow of €3.4m (9M/12: €2.8m). At the end of September 2013, REALTECH had liquid funds of €8.1m and its net gearing equalled 9.1%.

5 Outlook

Although 9M/13 results were weak, REALTECH's management have confirmed their guidance from 26 June of a negative low single-digit EBIT in 2013. As reasons for the negative results, the company mentioned lower-than-expected software sales relating to the co-operation with SAP and the "Timplify" project. We have decided to lower our EBIT and net income forecasts for 2013 and 2014, which together with a lower net cash figure q-o-q reduces our 12-months DCF-based PT from previously €5.80 to €4.50.

In the short run, we expect that REALTECH's results will be negatively affected by a higher share of marketing expenses and costs associated with restructuring measures e.g. stronger horizontal integration of both segments Consulting and Software, concentration on core competencies and most promising markets. However, we believe that from 2015 at the latest results will clearly recover as the company should be able to benefit from its longstanding expertise in SAP technology and its highly-qualified technology consultants.

Changes to our forecasts 2013E-2015E

Our forecasts 2013E - 2015E						
in EURm	2013E		2014E		2015E	
	old	new	old	new	old	new
Net sales	41.02	41.02	44.10	44.10	49.96	49.96
EBITDA	-1.02	-2.75	2.95	1.27	4.06	3.54
EBITDA margin	-2.5%	-6.7%	6.7%	2.9%	8.1%	7.1%
EBIT	-2.29	-4.02	1.59	-0.09	2.52	2.00
EBIT margin	-5.6%	-9.8%	3.6%	-0.2%	5.0%	4.0%
Net income	-0.49	-0.88	0.38	0.01	0.60	0.48
Net margin	-1.2%	-2.2%	0.9%	0.0%	1.2%	1.0%

Source: Dr. Kalliwoda Research GmbH

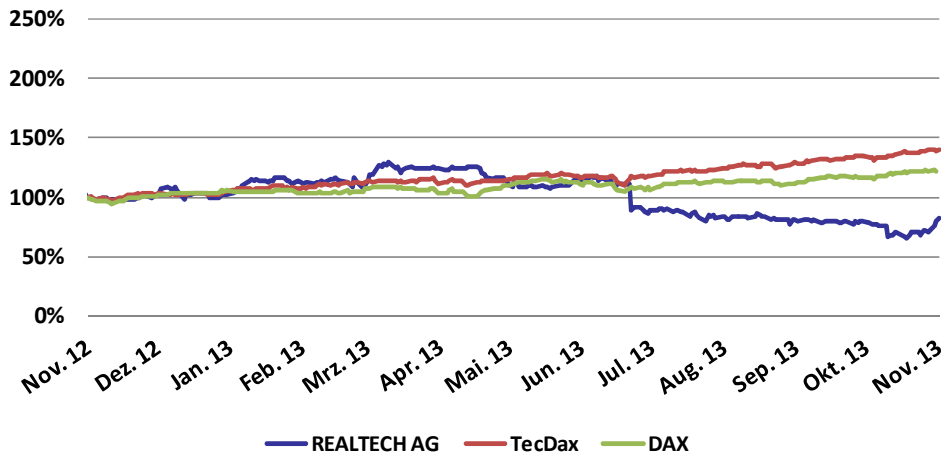
Sales model

Sales estimates according to segments 2013E-2015E			
in EURm	2013E	2014E	2015E
Consulting	28.41	30.58	34.68
change y-o-y	4.3%	3.1%	7.6%
share in total sales	69.2%	69.3%	69.3%
Software	12.61	13.52	15.28
change y-o-y	-3.7%	2.7%	7.2%
share in total sales	30.8%	30.7%	30.7%
Total sales	41.02	44.10	49.96

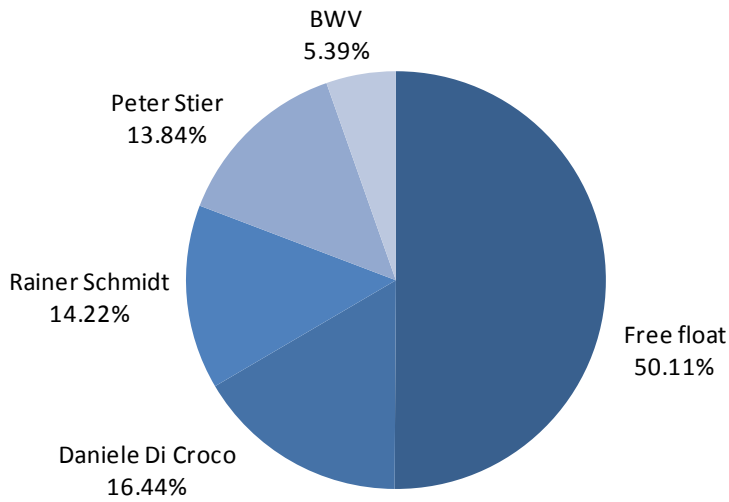
Source: Dr. Kalliwoda Research GmbH

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						
<i>Consulting</i>	49.53	26.60	26.43	27.56	28.41	30.58
<i>Software</i>	12.15	12.90	12.74	12.28	12.61	13.52
Net sales	61.68	39.50	39.18	39.84	41.02	44.10
<i>Change in inventories</i>	0.00	0.00	0.00	0.00	0.00	0.00
Total Output	61.68	39.50	39.18	39.84	41.02	44.10
<i>Cost of goods sold</i>	-39.69	-20.39	-20.99	-20.52	-22.97	-21.17
Gross profit	21.99	19.11	18.18	19.32	18.05	22.93
<i>Other operating income</i>	2.04	2.04	1.05	1.32	1.35	1.38
<i>Distribution costs</i>	-8.48	-6.48	-7.61	-8.22	-10.66	-11.02
<i>Depreciation & Amortization</i>	-1.13	-1.15	-1.24	-1.23	-1.27	-1.36
<i>Administration costs</i>	-6.68	-4.66	-4.97	-5.44	-5.48	-5.75
<i>R&D costs</i>	-3.85	-3.62	-4.30	-4.36	-4.49	-4.83
<i>Other operating expenses</i>	-1.31	-1.05	-0.94	-0.97	-1.52	-1.43
EBIT	2.58	4.18	0.17	0.42	-4.02	-0.09
<i>Net financial results</i>	-0.15	-0.20	-0.21	0.09	0.10	0.11
EBT	2.43	3.98	-0.04	0.51	-3.92	0.02
<i>Income taxes</i>	-1.12	-2.38	-0.17	-0.47	1.18	-0.01
<i>Minority interests</i>	-0.10	-0.01	-0.09	-0.24	1.86	-0.01
Net income / loss	1.20	1.59	-0.30	-0.21	-0.88	0.01
<i>EPS</i>	0.23	-0.26	0.15	-0.04	-0.16	0.00
<i>DPS</i>	0.50	0.00	0.30	0.00	0.00	0.00
Change y-o-y						
<i>Net sales</i>	n.a	-35.95%	-0.82%	1.68%	2.97%	7.50%
<i>Total Output</i>	n.a	-35.95%	-0.82%	1.68%	2.97%	7.50%
<i>Cost of goods sold</i>	n.a	-48.61%	2.94%	-2.27%	11.96%	-7.86%
<i>Gross profit</i>	n.a	-13.10%	-4.83%	6.25%	-6.58%	27.05%
<i>Other operating income</i>	n.a	-0.01%	-48.69%	26.61%	2.00%	2.00%
<i>Distribution costs</i>	n.a	-23.61%	17.53%	7.98%	29.71%	3.37%
<i>Depreciation & Amortization</i>	n.a	1.54%	7.64%	-0.71%	2.97%	7.50%
<i>Administration costs</i>	n.a	-30.14%	6.64%	9.33%	0.70%	5.08%
<i>R&D costs</i>	n.a	-5.78%	18.64%	1.53%	2.97%	7.50%
<i>Other operating expenses</i>	n.a	-20.09%	-10.58%	3.89%	56.23%	-6.11%
<i>EBIT</i>	n.a	62.18%	-95.98%	148.79%	-1061.21%	-97.81%
<i>Net financial results</i>	n.a	30.79%	4.71%	-144.79%	10.88%	9.81%
<i>EBT</i>	n.a	64.12%	-100.93%	-1474.92%	-868.03%	-100.61%
<i>Income taxes</i>	n.a	111.93%	-92.74%	174.83%	-347.84%	-100.61%
<i>Minority interests</i>	n.a	-86.85%	585.70%	161.28%	-868.03%	-100.61%
<i>Net income / loss</i>	n.a	32.40%	-118.99%	-31.81%	328.76%	-100.61%
<i>EPS</i>	n.a	-213.32%	-158.20%	-125.47%	328.76%	-100.61%
<i>DPS</i>	n.a	-100.00%	n.a	n.a	n.a	n.a
Share in total sales						
<i>Net sales</i>	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
<i>Total Output</i>	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
<i>Cost of goods sold</i>	-64.35 %	-51.63 %	-53.59 %	-51.50 %	-56.00 %	-48.00 %
<i>Gross profit</i>	35.65 %	48.37 %	46.41 %	48.50 %	44.00 %	52.00 %
<i>Other operating income</i>	3.30 %	5.16 %	2.67 %	3.32 %	3.29 %	3.12 %
<i>Distribution costs</i>	-13.75 %	-16.40 %	-19.44 %	-20.64 %	-26.00 %	-25.00 %
<i>Depreciation & Amortization</i>	-1.84 %	-2.91 %	-3.16 %	-3.09 %	-3.09 %	-3.09 %
<i>Administration costs</i>	-10.83 %	-11.81 %	-12.70 %	-13.65 %	-13.35 %	-13.05 %
<i>R&D costs</i>	-6.23 %	-9.17 %	-10.97 %	-10.95 %	-10.95 %	-10.95 %
<i>Other operating expenses</i>	-2.12 %	-2.65 %	-2.39 %	-2.44 %	-3.70 %	-3.23 %
<i>EBIT</i>	4.18 %	10.58 %	0.43 %	1.05 %	-9.80 %	-0.20 %
<i>Net financial results</i>	-0.24 %	-0.50 %	-0.52 %	0.23 %	0.25 %	0.25 %
<i>EBT</i>	3.94 %	10.09 %	-0.09 %	1.28 %	-9.55 %	0.05 %
<i>Income taxes</i>	-1.82 %	-6.02 %	-0.44 %	-1.19 %	2.87 %	-0.02 %
<i>Minority interests</i>	-0.17 %	-0.03 %	-0.24 %	-0.61 %	4.53 %	-0.03 %
<i>Net income / loss</i>	1.95 %	4.03 %	-0.77 %	-0.52 %	-2.15 %	0.01 %

Dr. Kalliwoda | Research © 2013

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	8.26	7.52
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	11.78	12.67
Other current assets	1.74	4.35	4.93	5.47	5.64	6.06
Current assets	27.04	27.42	28.04	28.17	25.68	26.24
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	0.53	0.57
Goodwill	4.34	4.33	4.33	4.33	4.33	4.33
Other financial assets	0.15	0.20	0.66	0.30	0.31	0.34
Deferred tax assets	0.22	2.54	2.91	3.10	3.37	3.37
Non-current assets	14.32	22.01	21.98	21.50	22.06	22.35
Total assets	41.35	49.43	50.02	49.68	47.74	48.59
Liabilities						
Trade payables	1.93	1.46	1.36	1.95	2.15	1.95
Other liabilities	4.80	12.08	10.25	11.94	12.30	13.22
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	2.66	2.86
Current liabilities	12.41	16.85	16.48	18.52	19.16	20.10
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	2.14	2.14
Long-term liabilities	0.38	7.18	6.99	6.57	6.74	6.63
Total liabilities	12.79	24.03	23.47	25.09	25.90	26.73
Shareholders equity	27.79	24.46	25.61	23.71	22.83	22.83
Minority interests	0.78	0.94	0.93	0.87	-0.99	-0.97
Total equity and liabilities	41.35	49.43	50.02	49.68	47.74	48.59

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8 Cash flow statements

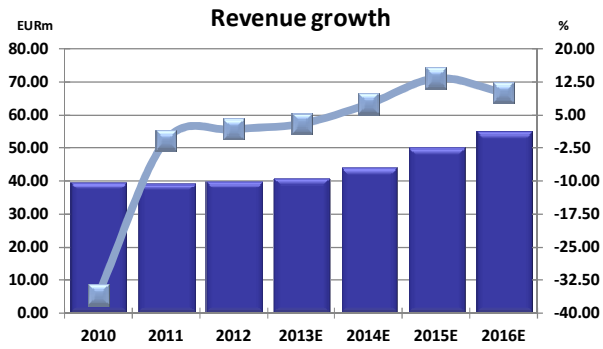
Cash flow statement - Realtech AG						
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Net income / loss	1.20	-1.37	0.81	-0.21	-0.88	0.01
Depreciation & Amortization	1.13	1.15	1.24	1.23	1.27	1.36
Change of working capital	5.36	0.81	6.73	-0.97	0.05	-0.58
Others	-2.58	1.65	-6.23	0.74	0.08	0.20
Net operating cash flow	5.11	2.24	2.54	0.79	0.51	0.98
Cash flow from investment	-0.62	-1.12	4.33	-0.52	-1.55	-1.63
Free cash flow	4.49	1.12	6.88	0.27	-1.04	-0.64
Cash flow from financing	-2.50	-2.62	-0.05	-2.08	-1.96	-0.10
Change of cash	1.99	-0.94	6.86	-1.96	-3.00	-0.74
Cash at the beginning of the period	5.32	7.30	6.36	13.22	11.26	8.26
Cash at the end of the period	7.30	6.36	13.22	11.26	8.26	7.52

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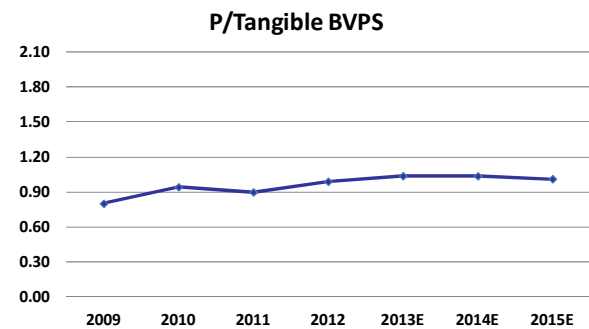
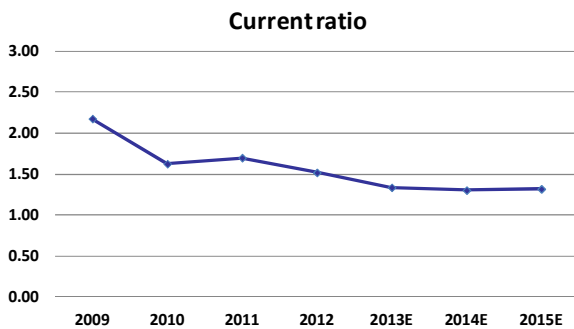
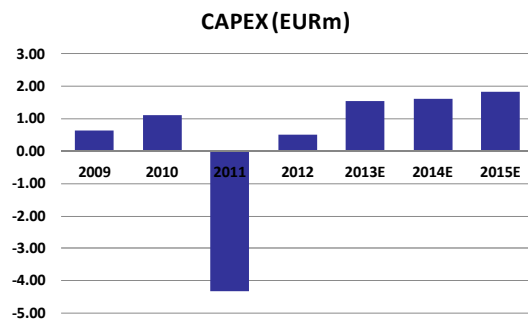
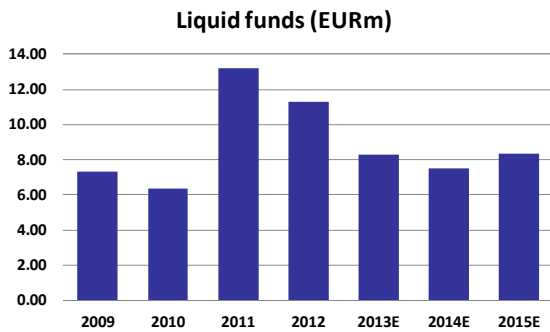
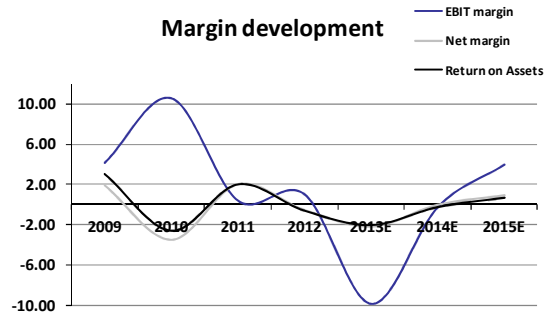
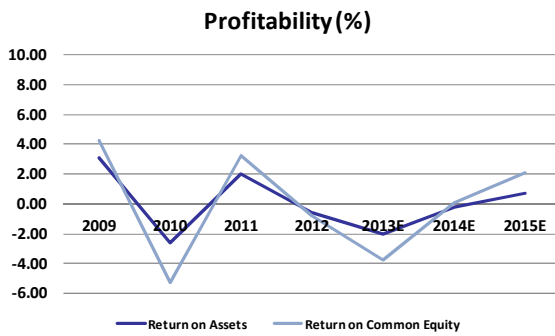
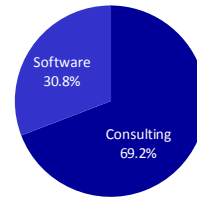
9 Financial ratios

Fiscal year	2009	2010	2011	2012	2013E	2014E	2015E	2016E
Gross margin	35.65%	48.37%	46.41%	48.50%	44.00%	52.00%	54.50%	56.00%
EBITDA margin	6.02%	13.50%	3.59%	4.14%	-6.71%	2.89%	7.09%	9.54%
EBIT margin	4.18%	10.58%	0.43%	1.05%	-9.80%	-0.20%	4.00%	6.45%
Net margin	1.95%	-3.48%	2.06%	-0.52%	-2.15%	0.01%	0.96%	1.51%
Return on equity (ROE)	4.27%	-5.26%	3.22%	-0.84%	-3.80%	0.02%	2.07%	3.50%
Return on assets (ROA)	3.08%	-2.60%	2.03%	-0.60%	-2.02%	-0.22%	0.71%	1.29%
Return on capital employed (ROCE)	4.79%	5.17%	2.83%	0.09%	-9.85%	-0.22%	4.70%	7.76%
Net debt (in EURm)	-7.30	-0.77	-6.25	-4.52	-1.61	-0.96	-1.86	-3.90
Net gearing	-26.29%	-3.14%	-24.41%	-19.05%	-7.06%	-4.19%	-7.96%	-16.16%
Equity ratio	67.19%	49.49%	51.21%	47.73%	47.82%	46.99%	44.75%	42.92%
Current ratio	2.18	1.63	1.70	1.52	1.34	1.31	1.32	1.38
Quick ratio	2.04	1.37	1.40	1.23	1.05	1.00	1.01	1.07
Net interest cover	17.20	21.33	0.82	-4.55	39.44	0.79	-16.39	-26.87
Net debt/EBITDA	-1.97	-0.14	-4.45	-2.74	0.59	-0.75	-0.52	-0.74
Tangible BVPS	4.44	3.78	3.97	3.60	3.43	3.44	3.52	3.68
Capex/Sales	-2.07%	-16.38%	-0.96%	-2.30%	-3.78%	-3.69%	-3.69%	-3.61%
Working capital/Sales	21.10%	19.04%	8.19%	7.59%	7.24%	8.05%	8.35%	8.54%
EV/Sales	0.28	0.44	0.45	0.44	0.43	0.40	0.35	0.32
EV/EBITDA	4.71	3.28	12.42	10.60	-6.34	13.72	4.93	3.33
EV/EBIT	6.78	4.18	103.90	41.76	-4.34	-198.04	8.74	4.93
P/Tangible BVPS	0.80	0.94	0.90	0.99	1.04	1.04	1.01	0.97
P/E	15.67	-13.83	23.76	-93.28	-21.75	3592.17	40.20	23.18
P/FCF	16.95	2.76	69.64	-18.31	-29.59	-307.86	56.21	-19.57

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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