

January 07, 2015

Europe | Germany | Technology

DR. KALLIWODA  
RESEARCH GmbH

## Update

## BUY

Target price: €20

## Overview

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

Last price	10.87
	High Low
Price 52 weeks:	16.05 10.99
Market cap (EURm)	78.01
Number of shares (m)	7.18

## Shareholder structure

Allianz Global Investors	2.74%
FPM Funds Luxembourg	2.72%
Universal-Investment GmbH	1.57%
Free float	94.54%

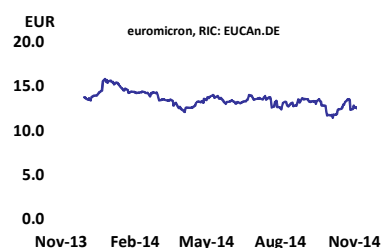
## Performance

4 weeks	-11.18%
13 weeks	-18.37%
26 weeks	-16.74%
52 weeks	-21.14%
YTD	-23.07%

## Dividend

	in EUR	in %
2011	0.71	6.53%
2012	0.30	2.76%
2013	0.00	0.00%
2014E	0.42	3.89%

## 52-Week Chart



## Analyst

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## euromicron AG

## Positive sales trend in 9M/12

- For Q3/2014 euromicron reported a significant increase in the level of sales. Total revenues came in at €246.59m and thus +6% higher y-o-y (vs. Q3/2013: 233.28m), reaching the level of €84.40m, +5.7% in the period from July to September 2014. These sales figures recorded in 9M/12 represent the highest achieved in euromicron history.
- In the first nine months of 2014, the best performing segment was euromicron WAN services which improved its revenues by 7.36% y-o-y to €73.79m (29.9% of total sales). In a growing direction were also both the segments euromicron Sued (+4.62% y-o-y to €95.61m) and euromicron Nord (+1.9% y-o-y to €85.96m). With an EBIT margin of 10.06% euromicron Nord is still the most important profitable segment. Although these increase in revenues, consolidated EBIT went down to €7.73m (vs Q3/2013: 11.67m). However, excluding non-recurring expenses, such as integration and structural costs for Agenda 500, the adjusted group operating income would have been €12.6m.
- Despite lower net income and the change in working capital decreased OCF to €-41.81m (vs Q3/2013: €-10.95m), cash provided by the financing activities, which equaled €28.18m (+61.75% y-o-y), led to a positive cash position at the end of the period of €12.57m. At the end of September 2014 the equity ratio was around 40%.
- Due to the one-off expenses for the program Agenda 500 and consequent decline of the operating margin, we have slightly decreased our estimates. Thus we have adjusted our 12-months DCF-based target price from €24.40 to €20.06. However, due to the upside, which at the current level equals to 84.36% we left unchanged the rating and we recommend BUYING euromicron. Although current weakness, we believe that the company will successfully complete the project Agenda 500 for the year 2015.

## Key Figures

in EURm	2011	2012	2013	2014E	2015E	2016E
Net sales	305.31	330.03	329.37	348.47	377.75	394.74
EBITDA	30.73	25.03	14.41	23.14	29.27	37.34
EBIT	24.16	17.08	5.51	13.72	19.06	26.68
Net income	12.19	8.57	-0.89	6.06	9.25	13.87
EPS	2.32	1.29	-0.12	0.84	1.29	1.93
BVPS	22.75	17.79	17.03	17.45	18.10	19.06
RoE	11.70%	7.20%	-0.74%	4.90%	7.25%	10.40%
EBIT margin	7.91 %	5.18 %	1.67 %	3.94 %	5.05 %	6.76 %
P/E	5.80x	10.46x	neg	15.92x	10.43x	6.96x
P/BVPS	0.59x	0.76x	0.79x	0.77x	0.74x	0.71x
EV/EBITDA	5.98x	7.34x	12.75x	7.94x	6.28x	4.92x

Source: Company data, Dr. Kalliwoda Research GmbH © Copyright 2014

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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



euromicron systems GmbH (D)	ELABO GmbH (D)	telent GmbH (D)
EUROMICRON Werkzeuge GmbH (D)	euromicron austria GmbH (A)	RSR Datacom GmbH & Co. KG (D)
LWL-Sachsenkabel GmbH (D)	euromicron solutions GmbH (D)	ProCom Professional & Services GmbH (D)
MICROSENS GmbH & Co. KG (D)	Qubix S.p.A (I)	
MICROSENS Sp.z.o.o. (PL)	SKM Skyline GmbH (D)	
Stark- und Schwachstrommontage GmbH (D)	euromicron NGB Fiber Optics GmbH (Ö)	
	Avalan GmbH (D)	
	WCS Fiber Optics B.V. (N)	
	euromicron benelux S.A. (L)	
	ATECS AG (S)	
	Secure Information Management GmbH (D)	
	euromicron networks GmbH (D)	



Test and Working Station Systems	Optical, Wireless and Wired Networks	Active/Passive Optical Network Components
TDM-, IP- and MPLS-Systems	Analysis, Planning, Maintenance and Implementation	Wiring Systems
Intelligent Networks		Spare Parts Service
Switches and Cable Systems		
Monitoring Stations		

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## 2 Valuation

In order to value euromicron, we have used our DCF model, which derives a 12-months price target for the stock of €20.04. Compared to the current market level, this corresponds to an upside of 84.36%.

### DCF model

#### Discounted Cash Flow Model (Basis 12/2014)

in EURm	Phase 1								
	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E
<b>Net sales</b>	<b>348.47</b>	<b>377.75</b>	<b>394.74</b>	<b>410.53</b>	<b>423.67</b>	<b>435.11</b>	<b>445.99</b>	<b>455.80</b>	<b>464.92</b>
(y-o-y change)	5.8%	8.4%	4.5%	4.0%	3.2%	2.7%	2.5%	2.2%	2.0%
<b>EBIT</b>	<b>13.72</b>	<b>19.06</b>	<b>26.68</b>	<b>30.21</b>	<b>34.56</b>	<b>36.36</b>	<b>36.34</b>	<b>35.76</b>	<b>35.44</b>
(EBIT margin)	3.9%	5.0%	6.7%	7.3%	8.1%	8.3%	8.1%	7.8%	7.6%
<b>NOPLAT</b>	<b>9.61</b>	<b>13.34</b>	<b>18.67</b>	<b>21.15</b>	<b>24.20</b>	<b>25.45</b>	<b>25.44</b>	<b>25.03</b>	<b>24.81</b>
+ Depreciation	9.42	10.21	10.67	11.09	11.45	11.76	12.05	12.32	12.56
= Net operating cash flow	19.02	23.55	29.34	32.24	35.64	37.21	37.49	37.35	37.37
- Total investments (Capex and WC)	-19.05	-21.64	-20.30	-20.63	-20.64	-20.74	-21.00	-21.13	-21.31
Capital expenditure	-15.20	-15.99	-16.45	-16.88	-17.23	-17.54	-17.84	-18.10	-18.35
Working capital	-3.85	-5.64	-3.85	-3.75	-3.41	-3.19	-3.17	-3.03	-2.96
= Free cash flow (FCF)	-0.03	1.92	9.04	11.61	15.00	16.47	16.49	16.22	16.06
<b>PV of FCFs</b>	<b>-0.03</b>	<b>1.76</b>	<b>7.66</b>	<b>9.07</b>	<b>10.81</b>	<b>10.95</b>	<b>10.11</b>	<b>9.18</b>	<b>8.38</b>

PV of FCFs in explicit period	67.90
PV of FCFs in terminal period	151.96
<b>Enterprise value (EV)</b>	<b>219.86</b>
+ Net cash / - net debt (31 September 2013)	-87.20
+ Investments / - Minorities	0.00
<b>Shareholder value</b>	<b>132.66</b>
Number of shares outstanding (m)	<b>7.18</b>
WACC	8.4%
Equity costs	9.9%
Debt costs before tax	7.0%
Tax rate	30.0%
Debt costs after tax	4.9%
Equity share	70.0%
Debt share	30.0%
<b>Fair value per share in € (today)</b>	<b>18.49</b>
<b>Fair value per share in € (in 12 months)</b>	<b>20.04</b>

Sensitivity analysis		Terminal EBIT margin						
		4.6%	5.6%	6.6%	7.6%	8.6%	9.6%	10.6%
WACC	5.4%	23.87	33.50	43.13	52.76	62.39	72.02	81.65
	6.4%	16.16	23.06	29.96	36.86	43.76	50.66	57.56
	7.4%	11.23	16.45	21.66	26.88	32.10	37.31	42.53
	8.4%	7.79	11.87	15.96	<b>20.04</b>	24.12	28.21	32.29
	9.4%	5.22	8.51	11.79	15.07	18.35	21.63	24.91
	10.4%	3.24	5.92	8.61	11.30	13.98	16.67	19.36

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### 3 Q3/14 results

#### Revenues

In 9M/14, euromicron generated total sales of €2466m, which improved by +6% y-o-y. In the same period, new orders reached €250.5 (vs Q3/2013: €249m), while order books went down from €141.1m to €130.4m. Germany remained the main market for commercial activities, which result was €209.0m (vs. Q3/2013: €206.9m), and accounting for 85% of total sales. Foreign sales reached the level of €37.6m, +43% compared to the previous year

Between January and September 2014 euromicron WAN services segment was the main driver, where sales grew of 7.36% y-o-y to €73.79m (29.9% of total revenues), while operating margin slightly decrease from 6.61% to 6.19%. Both the other two segments recorded a positive growth, respectively euromicron Süd +1.90% to €95.61m (38.8% of total sales) and euromicron Nord +1.90% to €85.96m (34.9% of total sales).

#### Q3/14 results vs. previous year

##### Q3/14 vs. previous year

in EURm	Q3/14	Q3/13	Q3/14 vs.
			Q3/13
Net sales	246.59	233.28	5.7%
EBITDA	12.62	16.56	-23.8%
EBITDA margin	5.1%	7.1%	
EBIT	7.73	11.67	-33.7%
EBIT margin	3.1%	5.0%	
Net income	3.50	6.09	-42.5%
Net margin	1.4%	2.6%	

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#### Sales and EBIT margins according to segments

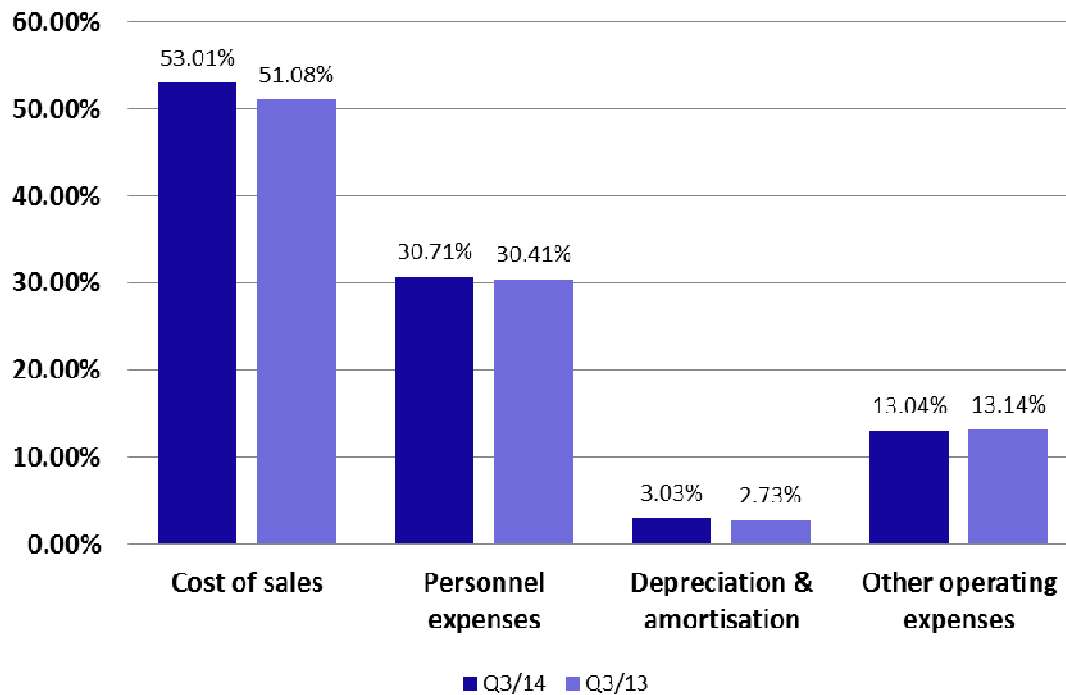
##### Sales and EBIT margins according to segments Q3/14 vs. Q3/13

	Q3/14	Q3/13		Q3/14	Q3/13
euromicron Nord			euromicron WAN services		
Sales €m	85.96	84.35	Sales €m	73.79	68.73
share in total sales	34.86%	36.16%	share in total sales	29.9%	29.5%
EBIT margin	10.06%	14.21%	EBIT margin	6.19%	6.61%
euromicron Süd			Group (after consolidation)		
Sales €m	95.61	91.39	Total sales	246.59	233.28
share in total sales	38.77%	39.18%	change y-o-y	5.71%	
EBIT margin	-0.62%	0.04%			
Germany			Rest of the World		
Sales €m	208.97	206.91	Sales €m	12.32	6.23
share in total sales	84.74%	88.70%	share in total sales	5.0%	2.7%
Euro zone					
Sales €m	25.30	20.14			
share in total sales	10.26%	8.63%			

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## Profitability

### Share in total revenues Q3/14 vs. Q3/13



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Following the increase in sales, costs of raw materials changed from €119.2m to €130.7m compared to the last year. With the aim to reach the target performances of Agenda 500, group operating margin was lowered by one-off integration and structure costs to €7.73m (vs. Q3/13: EUR 11.67m). However, considering euromicron EBITDA margin, that reached the level of 6.2%, this figure was inside the management target corridor of 6% to 8% for 2014 and higher compared to the same quarter in 2013. Consolidated net income was positive for €3.50m (vs Q3/13: EUR 6.09m).

### Balance Sheet and Cash Flow

At the end of September 2014 euromicron reported an amount of total asset of €316.63m in the balance sheet. Due to season reason, both inventories and the gross amount rose by €14.5m. Stable the level of trade accounts receivable to €36m because an optimized cash management system. Cash decreased from €26.3m to €12.6m due to a lower use of factoring and an higher level of work in progress. On the other side, due to improvement in working capital and cash optimization, net debt decreased from 94.8m to €87.2m at the end of Q3/14. In the same period, the amount of Equity was €126m and the equity ratio was almost 40%.

As tradition in 9M/14, cash flow from operating activities lowered its result, decreased to €41.8m. The reason is an increase of inventories, up-front financing projects and the incidence of the factoring. Adjusted figures without the effect of the factoring would have given an OCF negative for €11.93m.

## 4 Outlook

Although 9M/14 revenues came in very positive, EBIT was still affected by Agenda 500 projects and transition. However company guidance remained unchanged. euromicron aims to optimize its structures, acquisitions and integrations in order to achieve an EBIT margin in the planned corridor of 8% and 11% by 2016. According the management, euromicron consider the opportunity to taking over companies with the goal of complete its portfolio, especially in the developments of cloud applications.

In our opinion there are some uncertainties in the macro scenario and external factors that might have a negatively impact on the company future results. We see margin of risks for the German market coming from the effects of the sanctions on Russia adopted by the EU, and on the low level of economic dynamism in Europe, especially in the IT market. Although we forecast that the segment WAN service will continue to develop well over the coming quarters, we think that it might not be able to completely offset the above-mentioned negative effects. Consequently, we have adjusted our 12-months price target from the previously €24.00 to €20, maintain our BUY rating.

For the end of the year we expect a constant trend in sales, boosted from the positive order book results. We see positive the borrower's note loan of €20m placed in October, in order to improve its financing and restoring the target ratio of 50% short-term to 50% long-term funding. In this context, the stable liquidity base and a solid equity ratio (40%) might represent the basis for a profitable growth and sustainable earnings.

Sales estimates according to segments 2014E-2016E			
in EURm	2014E	2015E	2016E
euromicron Nord	119.06	128.68	134.08
change y-o-y	5.5%	8.1%	4.2%
share in total sales	34.2%	34.1%	34.0%
euromicron Süd	120.95	130.74	136.22
change y-o-y	5.5%	8.1%	4.2%
share in total sales	34.7%	34.6%	34.5%
euromicron WAN services	108.46	118.33	124.44
change y-o-y	6.5%	9.1%	5.2%
share in total sales	31.1%	31.3%	31.5%
Total sales	348.47	377.75	394.74

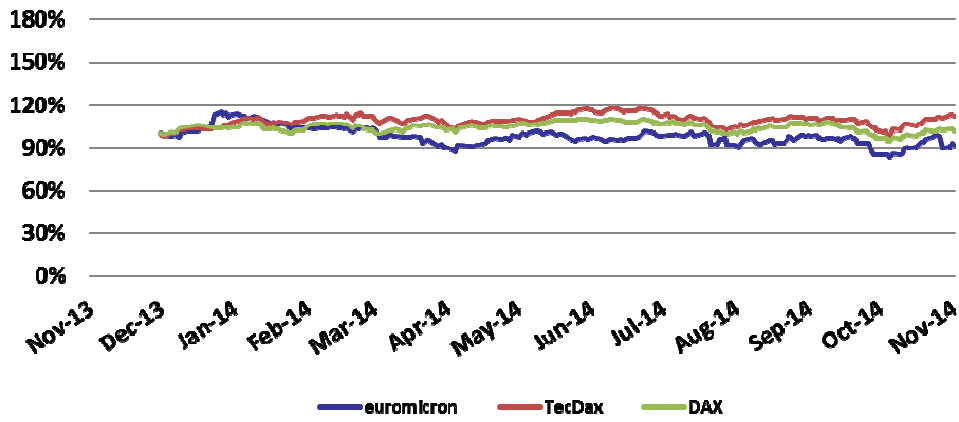
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Our forecasts 2014E - 2016E			
in EURm	2014E	2015E	2016E
Net sales	348.47	377.75	394.74
EBITDA	23.14	29.27	37.34
EBITDA margin	6.6%	7.7%	9.5%
EBIT	13.72	19.06	26.68
EBIT margin	3.9%	5.0%	6.8%
Net income	6.06	9.25	13.87
Net margin	1.7%	2.4%	3.5%

Source: Dr. Kalliwoda Research GmbH © Copyright 2015

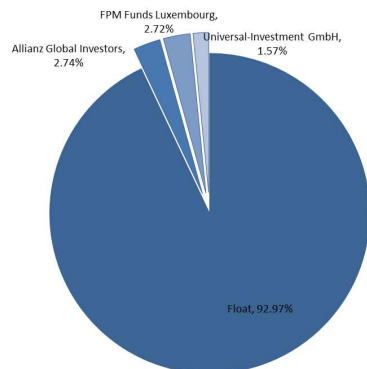
## 5 Stock and shareholder structure

### Share performance



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### Shareholder structure



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## 6 Profit and loss statements

Profit and loss statement - euromicron AG						
in EURm	Fiscal year					
	2011	2012	2013	2014E	2015E	2016E
<b>Sales split</b>						
<i>euromicron Nord</i>	116.79	108.29	112.86	119.06	128.68	134.08
<i>euromicron Süd</i>	137.63	119.16	114.65	120.95	130.74	136.22
<i>WAN Services</i>	66.85	102.58	101.86	108.46	118.33	124.44
<i>Consolidation</i>	-15.96	0.00	0.00	0.00	0.00	0.00
<b>Net sales</b>	<b>305.31</b>	<b>330.03</b>	<b>329.37</b>	<b>348.47</b>	<b>377.75</b>	<b>394.74</b>
<i>Internally produced and capitalised assets</i>	1.95	5.61	3.13	1.90	1.90	1.90
<i>Change in inventories</i>	-7.44	-5.85	-0.70	1.53	1.58	1.49
<b>Total Output</b>	<b>299.81</b>	<b>329.79</b>	<b>331.81</b>	<b>351.91</b>	<b>381.22</b>	<b>398.14</b>
<i>Cost of goods sold</i>	-159.62	-171.00	-176.44	-187.13	-202.72	-211.71
<b>Gross profit</b>	<b>140.19</b>	<b>158.79</b>	<b>155.37</b>	<b>164.78</b>	<b>178.51</b>	<b>186.43</b>
<i>Other operating income</i>	2.72	2.80	1.90	1.94	1.98	2.02
<i>Personnel costs</i>	-76.93	-93.59	-99.18	-104.49	-112.43	-116.62
<i>Depreciation &amp; Amortization</i>	-6.56	-7.94	-8.90	-9.42	-10.21	-10.67
<i>Other operating expenses</i>	-35.26	-42.97	-43.68	-39.09	-38.79	-34.48
<b>EBIT</b>	<b>24.16</b>	<b>17.08</b>	<b>5.51</b>	<b>13.72</b>	<b>19.06</b>	<b>26.68</b>
<i>Net financial results</i>	-6.36	-4.86	-3.81	-4.06	-4.31	-4.56
<b>EBT</b>	<b>17.80</b>	<b>12.23</b>	<b>1.70</b>	<b>9.67</b>	<b>14.75</b>	<b>22.12</b>
<i>Income taxes</i>	-4.94	-3.40	-2.47	-2.90	-4.43	-6.64
<i>Minority interests</i>	-0.67	-0.26	-0.12	-0.70	-1.08	-1.61
<b>Net income / loss</b>	<b>12.19</b>	<b>8.57</b>	<b>-0.89</b>	<b>6.06</b>	<b>9.25</b>	<b>13.87</b>
<i>EPS</i>	2.32	1.29	-0.12	0.84	1.29	1.93
<i>DPS</i>	1.15	0.30	0.00	0.42	0.64	0.97
<b>Change y-o-y</b>						
<i>Net sales</i>	n.a	8.10%	-0.20%	5.80%	8.40%	4.50%
<i>Total Output</i>	n.a	10.00%	0.61%	6.06%	8.33%	4.44%
<i>Cost of goods sold</i>	n.a	7.13%	3.18%	6.06%	8.33%	4.44%
<i>Gross profit</i>	n.a	13.26%	-2.15%	6.06%	8.33%	4.44%
<i>Other operating income</i>	n.a	2.68%	-32.03%	2.00%	2.00%	2.00%
<i>Personnel costs</i>	n.a	21.65%	5.98%	5.35%	7.60%	3.73%
<i>Depreciation &amp; Amortization</i>	n.a	21.03%	12.06%	5.80%	8.40%	4.50%
<i>Other operating expenses</i>	n.a	21.86%	1.65%	-10.50%	-0.78%	-11.10%
<i>EBIT</i>	n.a	-29.30%	-67.75%	149.13%	38.89%	39.94%
<i>Net financial results</i>	n.a	-23.70%	-21.58%	6.57%	6.16%	5.80%
<i>EBT</i>	n.a	-31.31%	-86.09%	468.27%	52.62%	49.91%
<i>Income taxes</i>	n.a	-31.19%	-27.46%	17.64%	52.62%	49.91%
<i>Minority interests</i>	n.a	-61.19%	-52.31%	468.27%	52.62%	49.91%
<i>Net income / loss</i>	n.a	-29.71%	-110.36%	-782.63%	52.62%	49.91%
<i>EPS</i>	n.a	-44.58%	-109.62%	-782.63%	52.62%	49.91%
<i>DPS</i>	n.a	-73.91%	-100.00%	n.a	n.a	49.91%
<b>Share in total sales</b>						
<i>Net sales</i>	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
<i>Total Output</i>	98.20 %	99.93 %	100.74 %	100.98 %	100.92 %	100.86 %
<i>Cost of goods sold</i>	-52.28 %	-51.81 %	-53.57 %	-53.70 %	-53.67 %	-53.63 %
<i>Gross profit</i>	45.92 %	48.11 %	47.17 %	47.29 %	47.26 %	47.23 %
<i>Other operating income</i>	0.89 %	0.85 %	0.58 %	0.56 %	0.52 %	0.51 %
<i>Personnel costs</i>	-25.20 %	-28.36 %	-30.11 %	-29.98 %	-29.76 %	-29.54 %
<i>Depreciation &amp; Amortization</i>	-2.15 %	-2.41 %	-2.70 %	-2.70 %	-2.70 %	-2.70 %
<i>Other operating expenses</i>	-11.55 %	-13.02 %	-13.26 %	-11.22 %	-10.27 %	-8.74 %
<i>EBIT</i>	7.91 %	5.18 %	1.67 %	3.94 %	5.05 %	6.76 %
<i>Net financial results</i>	-2.08 %	-1.47 %	-1.16 %	-1.16 %	-1.14 %	-1.15 %
<i>EBT</i>	5.83 %	3.70 %	0.52 %	2.77 %	3.91 %	5.60 %
<i>Income taxes</i>	-1.62 %	-1.03 %	-0.75 %	-0.83 %	-1.17 %	-1.68 %
<i>Minority interests</i>	-0.22 %	-0.08 %	-0.04 %	-0.20 %	-0.28 %	-0.41 %
<i>Net income / loss</i>	3.99 %	2.60 %	-0.27 %	1.74 %	2.45 %	3.51 %

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## 7 Balance sheets

Balance sheet - euromicron AG						
in EURm	Fiscal year					
	2011	2012	2013	2014E	2015E	2016E
<b>Assets</b>						
Cash and cash equivalents	7.30	5.41	38.83	45.44	40.36	40.49
Inventories	25.08	27.50	27.96	29.65	32.13	33.55
Trade accounts and notes receivables	88.07	96.77	98.35	104.06	112.80	117.88
Other current assets	5.17	7.47	6.43	6.80	7.37	7.70
Other financial assets	1.16	0.23	2.22	2.35	2.54	2.66
<b>Current assets</b>	<b>126.78</b>	<b>137.38</b>	<b>173.79</b>	<b>188.30</b>	<b>195.19</b>	<b>202.27</b>
Property, plant and equipment	15.13	16.26	14.47	15.76	17.04	18.33
Other intangible assets	18.26	21.03	23.71	28.21	32.71	37.21
Goodwill	103.63	106.37	113.53	113.53	113.53	113.53
Financial assets	0.73	0.72	0.96	1.02	1.10	1.15
Other assets	0.18	0.20	0.11	0.11	0.12	0.13
Deferred tax assets	0.47	1.93	2.30	0.00	0.00	0.00
<b>Non-current assets</b>	<b>138.39</b>	<b>146.50</b>	<b>155.07</b>	<b>158.62</b>	<b>164.50</b>	<b>170.34</b>
<b>Total assets</b>	<b>265.16</b>	<b>283.88</b>	<b>328.86</b>	<b>346.92</b>	<b>359.69</b>	<b>372.61</b>
<b>Liabilities</b>						
Trade payables	31.62	42.87	54.64	56.92	60.56	62.08
Tax liabilities	9.70	7.98	11.17	11.81	12.81	13.38
Personnel liabilities	9.67	9.83	11.47	12.14	13.16	13.75
Other short-term liabilities	13.88	6.07	5.59	5.91	6.41	6.69
Short-term bank debt	29.76	31.00	30.39	29.39	28.39	27.39
Finance lease	0.30	0.60	0.51	0.55	0.59	0.63
Other financial liabilities	2.97	6.78	36.81	36.61	36.41	36.21
Provisions	1.22	2.06	2.31	2.44	2.65	2.77
<b>Current liabilities</b>	<b>99.12</b>	<b>107.19</b>	<b>152.88</b>	<b>155.77</b>	<b>160.96</b>	<b>162.90</b>
Long-term bank debt	24.67	37.59	32.81	45.81	54.01	56.01
Leasing debt	1.46	2.16	1.67	1.92	2.17	2.42
Other financial debt	10.79	8.03	7.32	7.36	7.40	7.44
Pension provisions	0.73	0.98	0.95	1.00	1.09	1.13
Provisions	0.48	1.16	1.78	1.88	2.04	2.13
Other liabilities	0.00	0.00	0.21	0.00	0.00	0.00
Deferred tax liabilities	7.87	7.74	8.66	6.84	0.00	0.00
<b>Long-term liabilities</b>	<b>46.00</b>	<b>57.65</b>	<b>53.39</b>	<b>64.81</b>	<b>66.70</b>	<b>69.13</b>
<b>Total liabilities</b>	<b>145.12</b>	<b>164.83</b>	<b>206.26</b>	<b>220.58</b>	<b>227.66</b>	<b>232.03</b>
<b>Shareholders equity</b>	<b>119.56</b>	<b>118.52</b>	<b>122.21</b>	<b>125.24</b>	<b>129.86</b>	<b>136.80</b>
Minority interests	0.48	0.53	0.39	1.10	2.17	3.78
<b>Total equity and liabilities</b>	<b>265.16</b>	<b>283.88</b>	<b>328.86</b>	<b>346.92</b>	<b>359.69</b>	<b>372.61</b>

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## 8 Cash flow statements

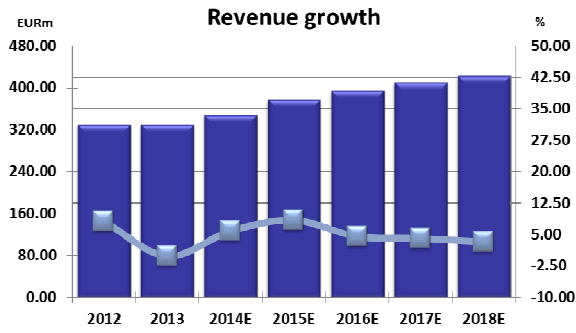
Cash flow statement - euromicron AG						
in EURm	Fiscal year					
	2011	2012	2013	2014E	2015E	2016E
Net income / loss	12.19	8.57	-0.89	6.06	9.25	13.87
Depreciation & Amortization	6.56	7.94	8.90	9.42	10.21	10.67
Change of working capital	-25.36	-11.82	9.12	-3.85	15.10	-3.85
Others	7.08	2.27	22.30	0.72	1.42	0.72
<b>Net operating cash flow</b>	<b>0.47</b>	<b>6.96</b>	<b>39.43</b>	<b>12.35</b>	<b>35.99</b>	<b>21.41</b>
<b>Cash flow from investment</b>	<b>-20.40</b>	<b>-13.29</b>	<b>-5.13</b>	<b>-15.20</b>	<b>-16.96</b>	<b>-15.20</b>
Free cash flow	-19.92	-6.33	34.31	-2.86	19.03	6.20
<b>Cash flow from financing</b>	<b>18.65</b>	<b>4.45</b>	<b>-0.89</b>	<b>9.46</b>	<b>-24.11</b>	<b>-6.07</b>
Change of cash	-1.27	-1.89	33.42	6.61	-5.08	0.13
Cash at the beginning of the period	8.57	7.30	5.41	38.83	45.44	40.36
Cash at the end of the period	7.30	5.41	38.83	45.44	40.36	40.49

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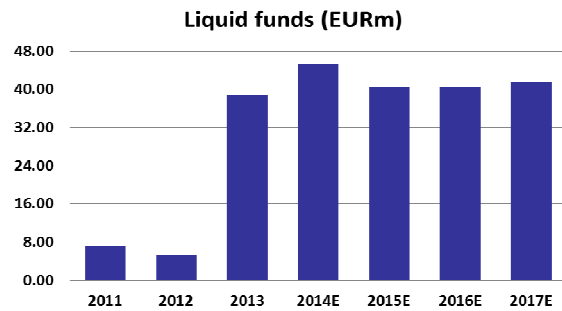
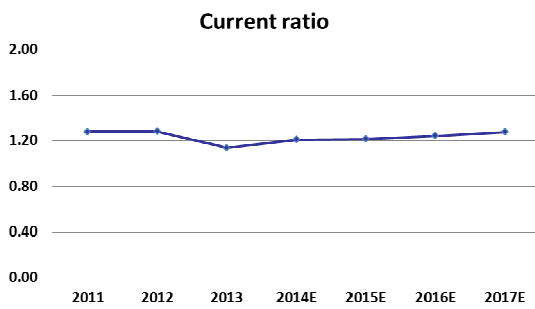
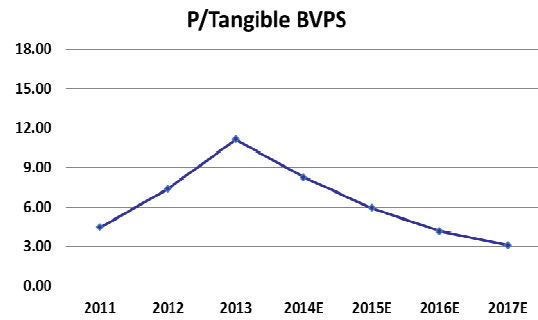
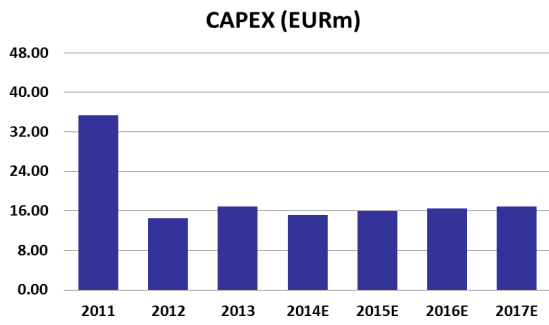
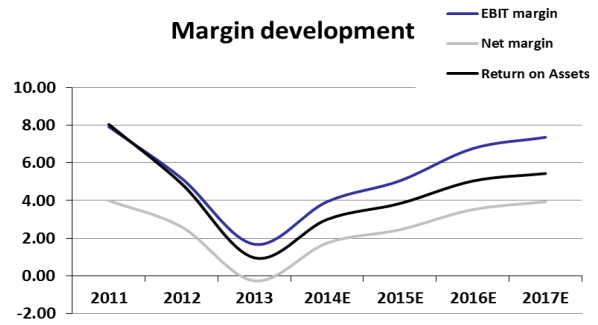
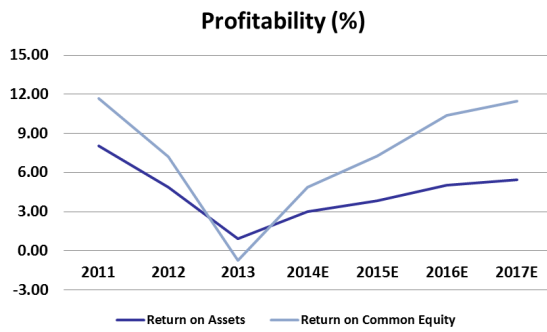
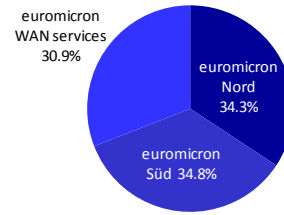
## 9 Financial ratios

Fiscal year	2011	2012	2013E	2014E	2015E	2016E	2017E	2018E
Gross margin	46.76%	48.15%	46.82%	46.82%	46.82%	46.82%	46.82%	46.82%
EBITDA margin	10.06%	7.58%	4.38%	6.64%	7.75%	9.46%	10.06%	10.86%
EBIT margin	8.06%	5.18%	1.66%	3.90%	5.00%	6.70%	7.30%	8.10%
Net margin	4.07%	2.60%	-0.27%	1.72%	2.43%	3.48%	3.90%	4.44%
Return on equity (ROE)	11.70%	7.20%	-0.74%	4.90%	7.25%	10.40%	11.47%	12.66%
Return on assets (ROA)	8.04%	4.89%	0.95%	2.99%	3.84%	5.03%	5.43%	5.95%
Return on capital employed (ROCE)	10.51%	6.98%	-1.41%	5.03%	6.71%	8.90%	9.54%	10.42%
Net debt (in EURm)	62.22	81.49	69.41	74.85	87.15	88.08	87.52	84.93
Net gearing	52.04%	68.75%	56.79%	59.77%	67.11%	64.39%	60.41%	55.02%
Equity ratio	45.09%	41.75%	37.16%	36.10%	36.10%	36.71%	37.53%	38.84%
Current ratio	1.28	1.28	1.14	1.21	1.21	1.24	1.28	1.30
Quick ratio	0.97	0.96	0.91	0.97	0.97	0.99	1.02	1.04
Net interest cover	3.80	3.52	1.45	3.38	4.42	5.85	6.78	7.93
Net debt/EBITDA	2.02	3.26	4.82	3.23	2.98	2.36	2.12	1.85
Tangible BVPS	3.03	1.82	1.21	1.63	2.28	3.24	4.37	5.69
Capex/Sales	-11.57%	-4.42%	-5.15%	-4.36%	-4.23%	-4.17%	-4.11%	-4.07%
Working capital/Sales	17.51%	19.69%	15.14%	15.42%	15.72%	16.02%	16.31%	16.61%
EV/Sales	0.60	0.56	0.56	0.53	0.49	0.47	0.45	0.43
EV/EBITDA	5.98	7.34	12.75	7.94	6.28	4.92	4.45	3.99
EV/EBIT	7.60	10.76	33.35	13.39	9.64	6.89	6.08	5.32
P/Tangible BVPS	4.44	7.38	11.12	8.24	5.91	4.15	3.08	2.36
P/E	5.80	10.46	-108.70	15.92	10.43	6.96	5.98	5.10
P/FCF	-4.84	-15.25	2.81	-33.80	5.07	15.56	-110.85	9.37

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### Sales split 2013



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