

Euromicron AG

Germany/Electronic & Electrical Equipment

Analysen



Buy

Recommendation unchanged

Share price: EUR 20.01

closing price as of 21/10/2012

Target price: EUR 30.00

Target Price unchanged

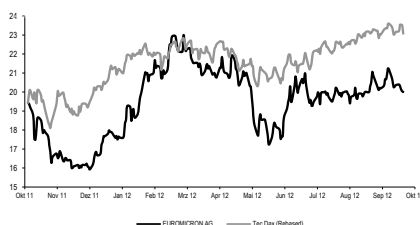
Reuters/Bloomberg

EUCG.DE/EUC GY

Market capitalisation (EURm)	133
Current N° of shares (m)	7
Free float	100%

Daily avg. no. trad. sh. 12 mth	
Daily avg. trad. vol. 12 mth (m)	
Price high 12 mth (EUR)	23.00
Price low 12 mth (EUR)	15.93
Abs. perf. 1 mth	-4.10%
Abs. perf. 3 mth	-1.65%
Abs. perf. 12 mth	6.79%

Key financials (EUR)	12/11	12/12e	12/13e
Sales (m)	305	340	357
EBITDA (m)	31	35	39
EBITDA margin	10.1%	10.3%	10.9%
EBIT (m)	24	27	31
EBIT margin	7.9%	8.0%	8.5%
Net Profit (adj.)(m)	12	16	18
ROCE	8.0%	8.5%	8.6%
Net debt/(cash) (m)	60	56	64
Net Debt/Equity	0.5	0.4	0.5
Debt/EBITDA	1.9	1.6	1.6
Int. cover(EBITDA/Fin. int)	5.8	9.0	10.0
EV/Sales	0.5	0.6	0.6
EV/EBITDA	5.2	5.8	5.5
EV/EBITDA (adj.)	5.2	5.8	5.5
EV/EBIT	6.6	7.5	7.0
P/E (adj.)	6.8	8.3	7.3
P/BV	0.7	1.0	1.0
OpFCF yield	-23.5%	7.1%	-0.9%
Dividend yield	5.7%	6.0%	6.7%
EPS (adj.)	2.33	2.41	2.74
BVPS	22.81	19.47	21.00
DPS	1.15	1.20	1.35



Source: Factset

— Euromicron AG — Target Price (Revised)

Euromicron takes over RSR Datacom GmbH & Co. KG

The facts: The owner of RSR Datacom, Wolfgang J. Richardt, has put his trust in Euromicron's (EUCA) of experience in **creating succession arrangements and integrating small and mid-sized enterprises in a group with a medium-sized character**. A crucial reason for this is the high degree of agreement on business policy and understanding for the customer. "I'm delighted that we have EUCA as a partner. With its prudent integration policy it will ensure that our company will retain its identity on the market for our customers and our around 70 employees and so give it a long-term perspective to keep on operating successfully and to expand," states Richardt, the company's principal partner.

RSR Datacom GmbH & Co. KG is a vendor-independent system integrator based in Essen. The company specializes in **consulting, planning and project planning for, as well as assembly, commissioning, documentation and round-the-clock maintenance of communications technology in the fields of public address and dispatcher control systems, cable and alarm technology and radio relay and multiplexer systems**. Under the brand name ProCom and with its subsidiary ProCom Professional Communication & Service GmbH, RSR Datacom also develops, produces and distributes rugged and innovative public address systems that are used nationally and internationally in industry, at rail and transport companies, for tunnel systems in the transport sector and in the process industry. With this move, the EUCA Group will expand its sales market for its own products to countries outside Europe, such as China, Russia and Brazil. As part of their business in Germany, both EUCA and RSR Datacom are very highly regarded by key accounts such as **Deutsche Bahn, Vodafone and HeidelbergCement**.

The current Managing Director Marco Alvino will continue to run RSR Datacom and its subsidiary. The principal partner, Wolfgang J. Richardt, will accompany and secure transfer of the company under a consultancy agreement. **The company generates sales in the upper single-digit million range.**

Dr. Willibald Späth, Chairman of the Executive Board of EUCA AG, expects that the takeover will help the group expand its expertise in system business and its product portfolio to include "innovative solutions for highly specialized applications which have been developed and produced in-house." After capital measures aimed at developing the company were ratified at the 2012 General Meeting, Späth has signaled with the acquisition of RSR GmbH & Co. KG the group's intention to start taking over smallish specialist companies so as to expand and broaden the group's competence and expert workforce. **"This systematic strengthening of our company will complement the integration phase from 2012 to 2014,"** added Späth in conclusion.

Our analysis: EUCA continues with its strategy to enter into succession arrangements when they are complementary to the existing business or regional portfolio. We welcome the step in principle and hope to retrieve further information from the management on the financials of RSR.

Conclusion & Action: For the time being, we keep our model assumptions unchanged. We confirm our 'Buy' rating and PT of EUR 30.

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