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Euromicron AG	2	Expanding IT security know-how by strategic acquisition (Buy)

Statistics

Index	Closing	1 Day	1 Month
DAX	11.597	0,0%	3,7%
MDAX	22.635	0,0%	5,6%
Tec-DAX	1.836	-0,1%	6,0%
SDAX	9.706	0,0%	4,0%
Bund-Future	163	-0,2%	1,2%

DAX Movers

Most up	1 Day	Most down	1 Day
Commerzbank AG	4,3%	Vonovia SE	-1,8%
Volkswagen AG Pref	1,0%	ThyssenKrupp AG	-1,6%
Deutsche Bank AG	0,8%	Henkel AG & Co. KGaA Pref	-0,9%
Deutsche Lufthansa	0,7%	Fresenius SE & Co. KGaA	-0,7%
HeidelbergCement AG	0,7%	Infineon Technologies AG	-0,6%

TecDax Movers

Most up	1 Day	Most down	1 Day
Pfeiffer Vacuum Tect	3,6%	STRATEC Biomedical AG	-2,9%
JENOPTIK AG	3,4%	SMA Solar Technology AG	-2,2%
Wirecard AG	3,2%	GFT Technologies AG	-2,0%
Siltronic AG	1,8%	United Internet AG	-2,0%
SLM Solutions Group	1,8%	Nordex SE	-1,9%

6 Months	Ytd	52w High	52w Low
17,6%	1,0%	11.692	8.699
12,9%	2,0%	22.685	17.434
12,6%	1,4%	1.860	1.464
9,5%	2,0%	9.738	7.504
-0,5%	-0,7%	169	159

MDAX Movers

Most up	1 Day	Most down	1 Day
Schaeffler AG	4,1%	Aurubis AG	-3,7%
Stroer SE & Co. KGaA	3,3%	K+S AG	-1,7%
HUGO BOSS AG	3,2%	RHON-KLINIKUM AG	-1,6%
Bilfinger SE	2,9%	Deutsche Wohnen AG	-1,6%
Wacker Chemie AG	2,4%	Jungheinrich AG Pref	-1,6%

SDAX Movers

Most up	1 Day	Most down	1 Day
Grammer AG	7,1%	Stabilus SA	-4,1%
Biotest AG Pref	4,2%	KWS SAAT SE	-3,0%
GRENKE AG	1,9%	Heidelberger Druckmaschinen AG	-2,3%
ElingKlinger AG	1,8%	TLG Immobilien AG	-1,4%
VTG Aktiengesellschaft	1,7%	Amadeus FiRe AG	-1,4%

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For our disclosures in respect of section 34b of the German Securities Trading Act (Wertpapierhandelsgesetz) and our disclaimer please see the end of this document. The following internet link provides further remarks on our financial analyses: www.equinet-ag.de

Buy

Recommendation unchanged

Share price: EUR 6.40

closing price as of 18/01/2017

Target price: EUR 13.00

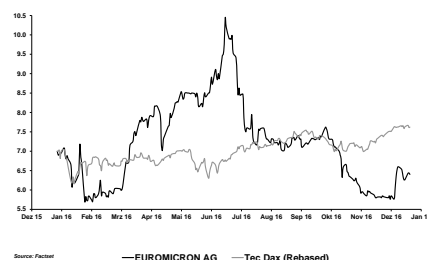
Target Price unchanged

Reuters/Bloomberg

EUCG.DE/EUCA.GY

Market capitalisation (EURm)	46
Current N° of shares (m)	7
Free float	100%
Daily avg. no. trad. sh. 12 mth	10
Daily avg. trad. vol. 12 mth (m)	5
Price high 12 mth (EUR)	10.44
Price low 12 mth (EUR)	5.70
Abs. perf. 1 mth	10.02%
Abs. perf. 3 mth	-12.32%
Abs. perf. 12 mth	-11.71%

Key financials (EUR)	12/15	12/16e	12/17e
Sales (m)	345	355	369
EBITDA (m)	7	14	24
EBITDA margin	2.0%	3.9%	6.4%
EBIT (m)	(3)	4	14
EBIT margin	nm	1.2%	3.9%
Net Profit (adj.)(m)	(5)	2	8
ROCE	0.8%	2.8%	5.3%
Net debt/(cash) (m)	77	82	72
Net Debt/Equity	0.8	0.8	0.7
Debt/EBITDA	11.1	6.0	3.1
Int. cover(EBITDA/Fin. int)	1.8	4.0	7.6
EV/Sales	0.4	0.4	0.4
EV/EBITDA	20.7	10.0	5.5
EV/EBITDA (adj.)	12.5	8.4	5.5
EV/EBIT	nm	31.1	9.1
P/E (adj.)	nm	18.5	6.0
P/BV	0.6	0.4	0.4
OpFCF yield	-5.3%	-13.4%	22.3%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.67)	0.32	1.07
BVPS	13.47	13.54	14.61
DPS	0.00	0.00	0.00



Source: Factset

—EUROMICRON AG — Tec Dax (Rebased)

Expanding IT security know-how by strategic acquisition

The facts: Yesterday late morning, euromicron announced that its subsidiary telent GmbH acquired a majority stake in KORAMIS, a service provider specializing in IT security, as of the beginning of 2017.

Our analysis: euromicron AG is expanding telent's value chain to include cyber security for critical infrastructures and industrial infrastructures. The high pace of innovation and increasing networking of plant and systems means that integrated, efficient IT security concepts are now vital. That goes in particular for operators of critical infrastructures. The related commitment of KORAMIS, which is based in Saarbrücken, in this field means that euromicron is supplementing its portfolio with appropriate in-house expertise.

euromicron's focus in the past two years has been on intensive reorganization and strategic repositioning of the entire euromicron Group in the future market of the IoT. With this acquisition, the company expands its portfolio systematically to include complementary solutions and technologies. With KORAMIS, euromicron welcomes 32 IT security specialists who enable the company to offer its customers a one-stop shop for tailored, secure all-round solutions for process and enterprise networks.

A key driver behind the expansion of telent's portfolio is the German IT Security Act (IT-SiG), which defines new standards for protecting information technology. Consequently, IT infrastructures must meet the very highest requirements, especially in the energy sector, as must other operators of critical infrastructures. The objective is to ensure the availability, fault tolerance and long service life of systems in the face of increasing cyber-attacks. Together with its independent subsidiary KORAMIS, telent GmbH meets the new requirements demanded of system integrators and service providers. KORAMIS has established customer relationships in the automotive, production, energy, chemicals, pharmaceuticals and transportation industries.

Conclusion & Action: We rate it as positive that euromicron successfully expanded its know-how in the field of IT security – a topic which is becoming increasingly important and relevant – not least for customers. With this move, euromicron is strengthening confidence of customers and shows investors that the strategic positioning is of high priority. KORAMIS is a profitable but rather small company – hence, the acquisition has only a marginal financial impact. We are glad euromicron found a partner in KORAMIS with 32 IT security specialists given the scarcity of skilled labour in this field. We believe euromicron is well positioned now to face the requirements of the German IT Security Act and potential IT security risks.

We keep our price target of EUR 13.00 based on our DCF valuation, and reiterate our Buy recommendation.

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