



Company Flash Note

Reason: Estimates revision

2 July 2018

Buy

Recommendation unchanged

Share price: EUR 6.73

closing price as of 29/06/2018

Target price: EUR 11.40

from Target Price: EUR 13.00

Upside/Downside Potential 69.4%

Reuters/Bloomberg EUCG.DE/EUCA.GY

Market capitalisation (EURm) 48

Current N° of shares (m) 7

Free float 100%

Daily avg. no. trad. sh. 12 mth 8

Daily avg. trad. vol. 12 mth (m) 1.04

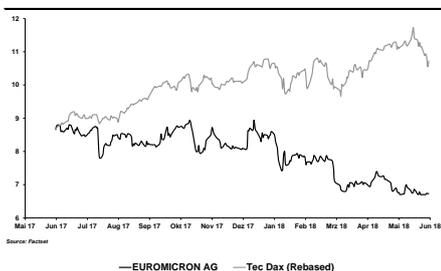
Price high/low 12 months 6.70 / 8.94

Abs Perfs 1/3/12 mths (%) -1.03/-5.21/-22.29

Key financials (EUR)	12/17	12/18e	12/19e
Sales (m)	333	347	365
EBITDA (m)	10	13	17
EBITDA margin	2.9%	3.7%	4.5%
EBIT (m)	1	4	7
EBIT margin	0.3%	1.2%	2.0%
Net Profit (adj.)(m)	(1)	1	2
ROCE	1.9%	2.2%	2.7%
Net debt/(cash) (m)	86	86	82
Net Debt Equity	1.1	1.1	1.0
Net Debt/EBITDA	9.0	6.7	5.0
Int. cover(EBITDA/Fin.int)	2.0	2.9	4.1
EV/Sales	0.4	0.4	0.4
EV/EBITDA	15.4	10.6	8.1
EV/EBITDA (adj.)	10.8	9.2	8.1
EV/EBIT	nm	33.5	17.9
P/E (adj.)	nm	48.5	21.1
P/BV	0.7	0.6	0.6
OpFCF yield	-21.3%	0.2%	8.5%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.13)	0.14	0.32
BVPS	10.86	10.80	11.12
DPS	0.00	0.00	0.00

Shareholders

Carl Ernst Veit Paas 4%; LAZARD FRERES 3%; Chr. Bischoff 3%;



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Transformation will lead to margin improvement

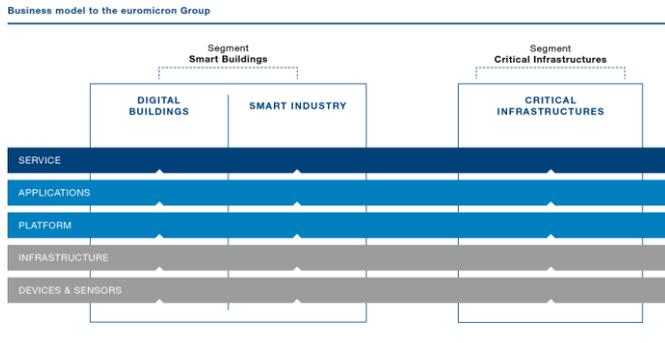
euromicron is expected to finalise the transformation phase of the overall group transformation program by year-end 2018e. From 2019e onwards it is planned to enter the innovation and growth period. Among other targets the group wants to increase the share of the smart service business for all three target markets. This and a better operational leverage and the shortfall of reorganisation costs should lead to a higher profitability. These favourable perspectives are not fully represented in the current share price level. We have reduced our TP to EUR 11.40 per share from EUR 13.00, but maintain our Buy recommendation with an upside potential of currently 69%.

- ✓ **German ICT-market continues to grow:** According to Bitkom in 2018e the German ICT-market will continue to grow by 1.7% yoy. More relevant for euromicron is the expected growth in the Information Technology (IT-Hardware, Software, IT-Services) sub-segment of 3.0% to EUR 88.8m.
- ✓ **Next steps in transformation strategy:** The main focus this year will be the realisation of organic growth. In addition euromicron is prepared to do selective investments in the strategic business areas, as KORAMIS last year is a good example. Furthermore improvements in profitability will have higher priority. Having finalised the reorganisation, from 2019e onwards management will pay more attention on growth again. That includes also selective and strategic M&A-transactions.
- ✓ **Return to growth:** This year euromicron wants to achieve revenues of EUR 340-360m, while our forecast amounted to EUR 347m. For the following years we estimate a topline growth between 3-5% p.a.
- ✓ **Margin improvement expected:** This year's operating EBITDA-margin target of 4.0%-5.0% compares to our estimate of 4.3% or in absolute terms EUR 14.9m. For this year we calculate with special costs of EUR 2.0m (2017: EUR 4.0m). From 2019e onwards we estimate no further reorganisation costs. On EBITDA-level the company in total spend between 2015 and 2018e EUR 18.7m for the repositioning of the group. In addition with operational improvements we expect the operating EBITDA-margin to further increase to 4.5%.
- ✓ **Working capital control:** 2017 the working capital to sales ratio increased to 12.9% from 11.8% a year earlier. The highest ratio with 28.2% (27.6%) was visible in the Smart Buildings segments. This year's goal is to reduce the ratio to 10% while mid- to long-term a level below 10% is possible in our view.
- ✓ **Key risks** comprise e.g. 1) General risks coming from the long-term project business like for example cost overruns or penalty payments. 2) Goodwill to equity-ratio of >100% somewhat unusual high; inherent potential risk of impairments. 3) The need to hire skilled employees could become more difficult. 4) General risk of an economic downturn, in particular in the Buildings/Construction industry could lower profitability.



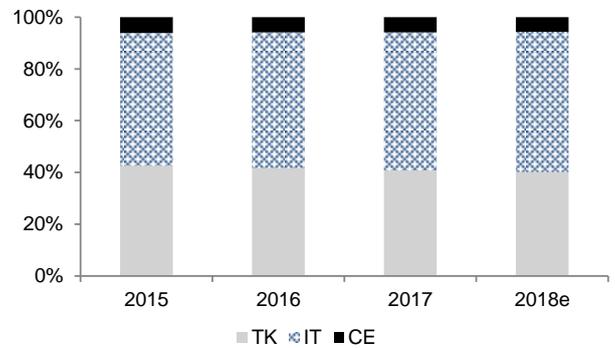
Investment Case in Charts

Exhibit 1: Offering integrated solutions



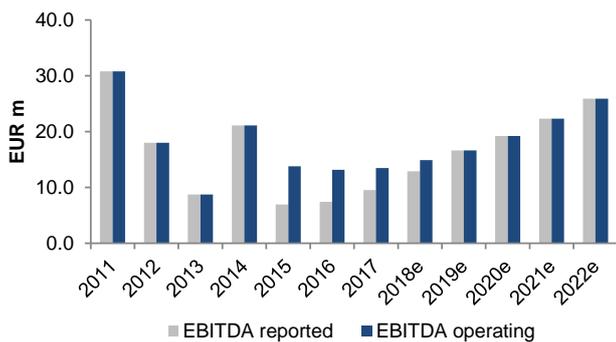
Source: Company data

Exhibit 2: German ICT-market will continue to grow 2018e



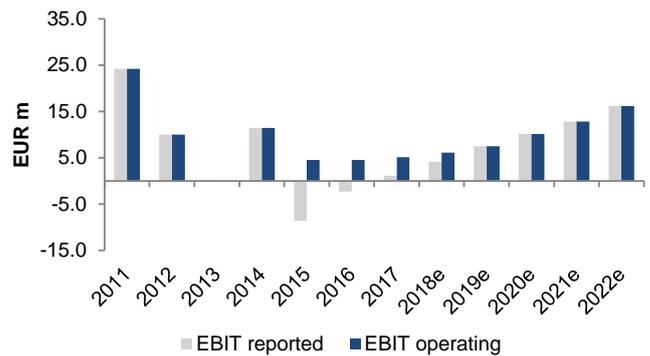
Source: Bitkom

Exhibit 3: Margin improvement on EBITDA level . . .



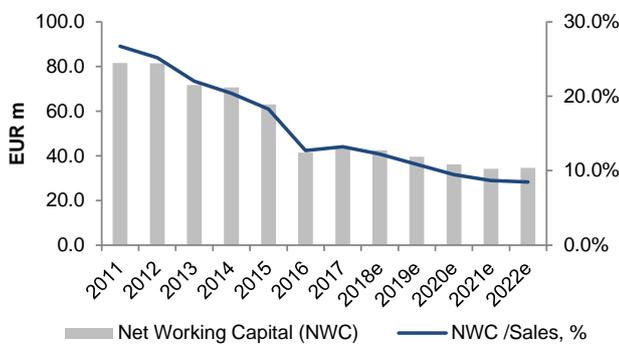
Source: Company data, equinet research

Exhibit 4: . . . an on EBIT level too



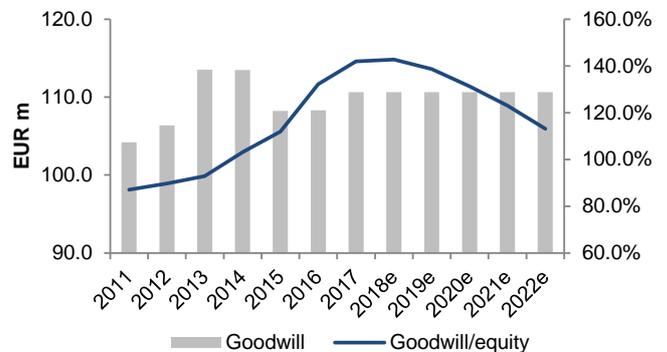
Source: Company data, equinet research

Exhibit 5: Working capital control with high priority



Source: Company data, equinet research

Exhibit 6: euromicron with high goodwill exposure



Source: Company data, equinet research

market trend signals further moderate growth. According to Bitkom, the German ICT-market in 2018e will grow by nearly 2% to EUR 154.7bn. The sub-segment of Information Technology, which is more relevant for euromicron, is expected to grow by 3.0% (see Exhibit 2).

In our view euromicron is on track to reach the targeted full-year 2018e sales corridor of EUR 340-360m and our estimate amounted to EUR 347m. Our estimated operating EBITDA-margin for 2018e is expected to reach 4.3% (2016: 4.0%). In our DCF-model we use the reported EBIT and expect for 2018e a margin of 1.2% after 0.3% a year before. The strategy, among other factors, to increase the share of smart services business, lays the foundation for a further margin improvement after the expected finalization of the reorganization phase in 2018. That is the main driver in our DCF calculation.

Calculating with a sustainable EBIT-margin of 6.0% we calculate an enterprise value of EUR 169.1m. Including financial debt, pensions and other items our equity value currently amounted to EUR 81.50m or EUR 11.40 per share. Currently that offers an upside potential of 69% for the shares and we confirm our Buy rating for euromicron.

Outlook 2018e and mid-term perspectives

Strategy in brief

euromicron is a German specialist for digitalised infrastructures in three defined end-markets: Smart Buildings, Industry 4.0 and Critical Infrastructures. The company separates from other players by its high degree of vertical integration, covering sensors and devices, infrastructure, platforms, applications and services. Products and solutions from euromicron help customers to migrate traditional infrastructures into the digital world. The main advantages for customers in our view are the possibility to save costs, becoming more flexible, to optimize production and lay the foundation for new/modified business models. Market potential is really huge due to the fact that the majority of the German medium-sized-companies have a lack of investments in this area.

The company started 2015 with the first step of the overall transformation process. After two years of reorganisation 2017 and 2018 will be the years of transformation. During this period the particular focus is for example on portfolio optimization, organic growth and strengthening the strategic business areas. From 2019 onwards the innovation and growth phase should start.

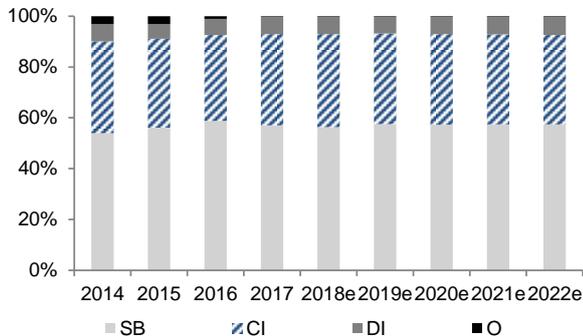
With regard to the planned margin improvement it is important that euromicron will be able to increase the share of smart services business in addition to the bread and butter-business.

Financial targets for 2018e

Within the Q1 2018 reporting euromicron confirmed the full-year financial targets. Group sales are expected to reach EUR 340-360m and the operating EBITDA-margin should reach 4.0-5.0%. With regard to sales the first quarter generated 22% of our full-year estimate of EUR 347m. End of Q1 the order backlog reached EUR 145.1m (+8.5% yoy) which is a good basis in our view to reach the full-year estimate. Typically the last quarter contributes an above-average share.

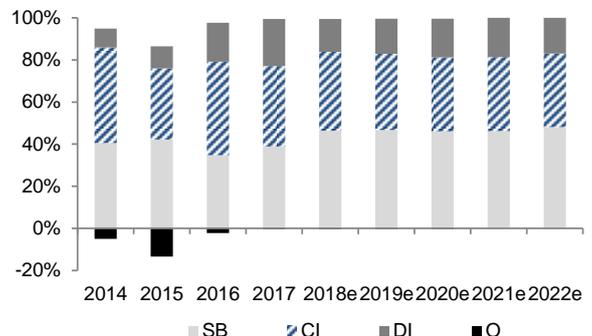
With regard to EBITDA we expect the second half of the year to generate the major part of our full year's estimate of EUR 14.9m. This excludes EUR 2.0m of special costs, so that the reported EBITDA will amount to EUR 12.9m.

Exhibit 8: Sales by division



Source: Company data, equinet research

Exhibit 9: Operating EBITDA by division

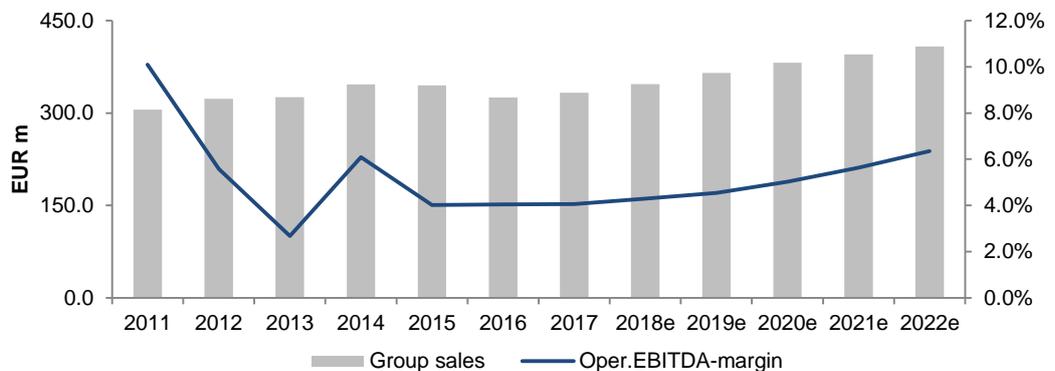


Source: Company data, equinet Research

(SB = Smart Buildings; CI = Critical Infrastructure; DI = Distribution; O = Other)

Mid- to long-term we expect the Distribution segment slightly to improve its operating EBITDA-margin level. SB and CI historically came from a lower level and will have more upside potential in our view. Therefore the portion of the smart service business has to grow. The transformation is expected to be finished by year-end 2018 and that's why the negative EBITDA contribution will phase out within the upcoming years.

Exhibit 10: euromicron with margin recovery



Source: Company data, equinet Research

Mid-term euromicron wants to reach an operating EBITDA-margin of ~8%. The main triggers to reach this goal are in particular the increasing share of the service business, a strict cost control and a focus on the working capital management.

At the end of 2017 the group had unused credit lines in the amount of EUR 23.5m (EUR 37.5m). In March 2018 the management negotiated a follow-up financing framework contract in the amount of EUR 113m and in addition a EUR 30m (increase to EUR 40m possible) factoring line due 31.03.2021. Two rates of repayment were fixed: EUR 2.5m due 31 March 2019 and EUR 25.0m due 31 January 2020. That gives the company enough financial flexibility in our view to finalize the "transformation"-phase end of 2018 and thereafter to enter into the "innovation & growth"-phase.

AGM update

Following the resignation of Mr. Hansjosten from the executive board in early May 2018 one week before the AGM two members of the supervisory board stepped down what came out as a surprise to us. According to the rules of the German companies act (AktG.) two new members were ordered by the local court. Exhibit 11 shows the current members for both the executive and supervisory board.

Exhibit 11: euromicron: Current board members

Executive Board			Supervisory Board		
B. Meyer	Spokeswoman	since 2015	E. Freitag	Chairwoman	since 2016
J. Trierweiler	Board member	since 2018	Dr. M. Sanfleber	ordinary member	since June 2018
			K.P. Frohmüller	ordinary member	since June 2018

Source: Company data

Selective other information from the AGM:

- Financial targets 2018 again confirmed: Group sales should reach EUR 340-360m, while we estimate EUR 347m. The operating EBITDA-margin should reach a corridor of 4.0-5.0% and we are estimating 4.3% related to sales. Special costs could reach up to EUR 2.0m.
- EPS guidance given for the first time: 2018e: Slightly negative to close to break-even. We are estimating EUR 0.14. 2019e: EUR 0.25 – 0.50; compares to our forecast of EUR 0.32.
- Deutsche Bahn currently is the biggest single customer with a sales share of ~10%
- Approval for a new authorized capital in the amount of EUR 7,339,020 until 12 June 2023.

Exhibit 12: euromicron: Latest available shareholder structure

Major shareholders	Shareholding (%)
Carl Ernst Veit Paas	3.56%
LAZARD FRERES GESTION S.A.S.	3.47%
Christian Bischoff	3.04%
Universal-Investment-GmbH	3.01%

Source: Company data, FactSet

euromicron AG : Summary tables

PROFIT & LOSS (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Sales	346	345	325	333	347	365
Cost of Sales & Operating Costs	-323	-325	-312	-319	-332	-348
Non Recurrent Expenses/Income	0.0	-13.1	-5.8	-4.0	-2.0	0.0
EBITDA	23.5	6.9	7.4	9.5	12.9	16.6
EBITDA (adj.)*	23.5	20.1	13.2	13.5	14.9	16.6
Depreciation	-12.0	-15.6	-8.7	-8.4	-8.8	-9.1
EBITA	11.5	-8.6	-1.3	1.1	4.1	7.5
EBITA (adj)*	11.5	4.5	4.5	5.1	6.1	7.5
Amortisations and Write Downs <i>of which PPA amortisation</i>	0.0	0.0	-1.0	0.0	0.0	0.0
EBIT	11.5	-8.6	-2.3	1.1	4.1	7.5
EBIT (adj.)*	11.5	4.5	4.5	5.1	6.1	7.5
Net Financial Interest	-3.7	-4.1	-5.4	-4.7	-4.4	-4.0
Other Financials	0.0	0.0	0.0	0.0	0.0	0.0
Associates	0.0	0.0	0.0	0.0	0.0	0.0
Other Non Recurrent Items	0.0	0.0	0.0	0.0	0.0	0.0
Earnings Before Tax (EBT)	7.8	-12.7	-7.6	-3.6	-0.3	3.4
Tax	-4.9	-0.4	-4.9	0.1	0.1	-1.0
<i>Tax rate</i>	<i>63.4%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>1.4%</i>	<i>30.0%</i>	<i>30.0%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.3	-0.1	-0.2	-0.3	-0.2	-0.1
Net Profit (reported)	2.6	-13.2	-12.7	-3.8	-0.4	2.3
Net Profit (adj.)	2.6	-4.1	-7.9	-1.0	1.0	2.3
CASH FLOW (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Cash Flow from Operations before change in NWC	-3.0	-3.0	-28.8	1.1	9.6	12.7
Change in Net Working Capital	1.1	7.5	21.7	-2.6	1.5	2.8
Cash Flow from Operations	-1.9	4.5	-7.1	-1.6	11.1	15.5
Capex	-6.3	-6.5	-7.2	-10.8	-11.0	-11.4
Net Financial Investments	3.4	-2.6	-0.5	-2.7	0.0	0.0
Free Cash Flow	-4.9	-4.6	-14.8	-15.0	0.0	4.1
Dividends	0.0	0.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	0.0	0.0	0.0	0.0	0.0	0.0
Change in Net Debt	-4.9	-4.6	-14.8	-15.0	0.0	4.1
NOPLAT	8.0	3.2	3.2	3.6	4.3	5.2
BALANCE SHEET & OTHER ITEMS (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Net Tangible Assets	14.1	15.3	15.6	19.1	21.8	24.4
Net Intangible Assets (incl. Goodwill)	134	126	125	127	127	126
Net Financial Assets & Other	0.9	1.0	0.9	0.5	0.6	0.7
Total Fixed Assets	149	142	141	147	149	151
Inventories	29.0	30.8	28.4	31.5	31.8	30.9
Trade receivables	85.8	80.7	58.9	61.5	61.6	61.0
Other current assets	7.6	6.7	9.3	7.4	7.9	8.3
Cash (-)	-15.7	-10.7	-6.8	-5.0	-4.5	-7.1
Total Current Assets	138	129	103	105	106	107
Total Assets	287	271	245	252	255	259
Shareholders Equity	110	96.6	81.9	77.9	77.5	79.8
Minority	0.4	0.4	0.5	0.6	0.6	0.6
Total Equity	110	97.0	82.4	78.5	78.1	80.4
Long term interest bearing debt	55.8	54.8	65.5	78.6	77.5	75.4
Provisions	3.1	3.1	3.1	3.2	3.4	3.4
Other long term liabilities	13.1	7.5	6.7	7.5	7.8	8.1
Total Long Term Liabilities	72.0	65.3	75.2	89.2	88.7	86.9
Short term interest bearing debt	9.0	10.0	11.0	12.0	13.0	14.0
Trade payables	44.2	48.4	45.9	49.0	51.0	52.2
Other current liabilities	51.8	50.1	30.1	23.4	24.1	25.1
Total Current Liabilities	105	108	87.0	84.4	88.1	91.3
Total Liabilities and Shareholders' Equity	287	271	245	252	255	259
Net Capital Employed	176	162	162	175	175	174
Net Working Capital	70.6	63.0	41.4	44.0	42.5	39.6
GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
<i>Sales growth</i>	<i>5.2%</i>	<i>-0.4%</i>	<i>-5.7%</i>	<i>2.3%</i>	<i>4.2%</i>	<i>5.2%</i>
EBITDA (adj.)* growth	84.7%	-14.5%	-34.5%	2.7%	10.2%	11.2%
<i>EBITA (adj.)* growth</i>	<i>108.0%</i>	<i>-60.7%</i>	<i>0.0%</i>	<i>13.3%</i>	<i>19.3%</i>	<i>22.5%</i>
<i>EBIT (adj)* growth</i>	<i>108.0%</i>	<i>-60.7%</i>	<i>0.0%</i>	<i>13.3%</i>	<i>19.3%</i>	<i>22.5%</i>

euromicron AG : Summary tables

GROWTH & MARGINS	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Net Profit growth	n.m.	n.m.	n.m.	n.m.	n.m.	129.6%
EPS adj. growth	n.m.	n.m.	n.m.	n.m.	n.m.	129.6%
DPS adj. growth						
EBITDA (adj)* margin	6.8%	5.8%	4.0%	4.1%	4.3%	4.5%
EBITA (adj)* margin	3.3%	1.3%	1.4%	1.5%	1.8%	2.0%
EBIT (adj)* margin	3.3%	1.3%	1.4%	1.5%	1.8%	2.0%
RATIOS	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Net Debt/Equity	0.4	0.6	0.8	1.1	1.1	1.0
Net Debt/EBITDA	2.1	7.8	9.5	9.0	6.7	5.0
Interest cover (EBITDA/Fin.interest)	6.4	1.7	1.4	2.0	2.9	4.1
Capex/D&A	52.6%	41.6%	75.0%	128.3%	125.0%	125.3%
Capex/Sales	1.8%	1.9%	2.2%	3.2%	3.2%	3.1%
NWC/Sales	20.4%	18.3%	12.7%	13.2%	12.2%	10.9%
ROE (average)	2.2%	-3.9%	-8.9%	-1.2%	1.3%	2.9%
ROCE (adj.)	3.7%	1.5%	1.7%	1.9%	2.2%	2.7%
WACC	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
ROCE (adj.)/WACC	0.4	0.2	0.2	0.2	0.2	0.3
PER SHARE DATA (EUR)***	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Average diluted number of shares	7.2	7.2	7.2	7.2	7.2	7.2
EPS (reported)	0.36	-1.85	-1.76	-0.53	-0.06	0.32
EPS (adj.)	0.36	-0.57	-1.10	-0.13	0.14	0.32
BVPS	15.33	13.46	11.41	10.86	10.80	11.12
DPS	0.00	0.00	0.00	0.00	0.00	0.00
VALUATION	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
EV/Sales	0.4	0.3	0.4	0.4	0.4	0.4
EV/EBITDA	5.7	16.0	15.5	15.4	10.6	8.1
EV/EBITDA (adj.)*	5.7	5.5	8.7	10.8	9.2	8.1
EV/EBITA	11.6	-12.8	-89.2	134.3	33.5	17.9
EV/EBITA (adj.)*	11.6	24.6	25.4	28.7	22.5	17.9
EV/EBIT	11.6	n.m.	n.m.	n.m.	33.5	17.9
EV/EBIT (adj.)*	11.6	24.6	25.4	28.7	22.5	17.9
P/E (adj.)	31.7	n.m.	n.m.	n.m.	48.5	21.1
P/BV	0.7	0.6	0.5	0.7	0.6	0.6
Total Yield Ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	0.6	0.5	0.6	0.8	0.7	0.7
OpFCF yield	-10.1%	-3.6%	-34.1%	-21.3%	0.2%	8.5%
OpFCF/EV	-6.2%	-1.8%	-12.5%	-8.4%	0.1%	3.1%
Payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)	12/2014	12/2015	12/2016	12/2017	12/2018e	12/2019e
Price** (EUR)	11.39	7.57	5.85	8.09	6.73	6.73
Outstanding number of shares for main stock	7.2	7.2	7.2	7.2	7.2	7.2
Total Market Cap	82	54	42	58	48	48
Net Debt	49	54	70	86	86	82
<i>o/w Cash & Marketable Securities (-)</i>	<i>-16</i>	<i>-11</i>	<i>-7</i>	<i>-5</i>	<i>-4</i>	<i>-7</i>
<i>o/w Gross Debt (+)</i>	<i>65</i>	<i>65</i>	<i>77</i>	<i>91</i>	<i>90</i>	<i>89</i>
Other EV components	2	2	3	3	3	3
Enterprise Value (EV adj.)	133	111	114	146	137	133

Source: Company, equinet Bank estimates.

Notes

* Where EBITDA (adj.) or EBITA (adj.) = EBITDA (or EBITA) -/+ Non Recurrent Expenses/Income and where EBIT (adj.) = EBIT -/+ Non Recurrent Expenses/Income - PPA amortisation

**Price (in local currency): Fiscal year end price for Historical Years and Current Price for current and forecasted years

Sector: Electronic & Electrical Equipment/Electrical Components & Equipment

Company Description: euromicron went public in 1998 and is organized as a strategic management holding, while the operating business is done by currently 16 operating companies. The group operates in the target markets of Digital Buildings, Smart Industry and Critical Infrastructures. 2017 the group generates sales of EUR 333m with some 1,800 employees. Currently the group is in a transformation process and from 2019 onwards wants to enter the "innovation & growth" phase.

Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
1&1DRILLISCHAG	Sen	66.00	Buy		Manz AG	Rüzgar	37.00	Neutral	2/3
2GEnergy	Rüzgar	23.50	Accumulate	2/3/5	MAXAutomation AG	Becker	9.40	Buy	2/3
Aareal Bank	Häßler	42.00	Neutral		Merck	Miemietz	112.00	Buy	
adidas	Josefson	228.00	Accumulate		Merkur Bank	Häßler	10.00	Buy	2/7
Adler Modemaerkte	Josefson	6.35	Buy	7	Metro AG	Bruns	17.00	Buy	2
ADLER Real Estate	Mayer	18.00	Buy		MLP	Häßler	7.50	Buy	2/3
Aixtron	Sen	11.60	Accumulate	2/3	MTU Aero Engines	Rüzgar	130.00	Reduce	2
Allianz	Häßler	200.00	Neutral		Munich Re	Häßler	210.00	Accumulate	
Axel Springer	Josefson	67.00	Accumulate		Nemet schek SE	Mildner	47.00	Reduce	5
Bayer	Miemietz	118.00	Buy		Norma Group	Schuldt	62.00	Neutral	
Baywa	Bruns	33.00	Buy	2/7	OHB SE	Rüzgar	40.00	Neutral	7
BB Biotech	Miemietz	73.00	Buy	7	OVB Holding AG	Häßler	20.00	Neutral	2/5/7
Biotest	Miemietz	25.00	Neutral	2/3	Patrizia	Mayer	18.00	Neutral	
BMW	Schuldt	95.00	Buy		Pfeiffer Vacuum	Sen	162.00	Buy	5
Brenntag	Hinkel	59.80	Buy	2	Procredit Holding	Häßler	15.00	Buy	2/3/5
Ceconomy AG	Bruns	8.00	Neutral		PSI SOFTWARE AG	Mildner	20.00	Buy	2/3
comdirect	Häßler	11.20	Neutral		Puma	Josefson	565.00	Buy	
Commerzbank	Häßler	13.00	Neutral		PWO	Schuldt	52.00	Buy	2/3
Continental	Schuldt	270.00	Buy		Rheinmetall	Rüzgar	118.00	Neutral	
CORESTATE Capital Holding S. A.	Mayer	72.00	Buy	2/5	RIB Software	Mildner	25.00	Buy	2/3
CTS Eventim	Heilmann	39.50	Neutral		RTL Group	Josefson	72.00	Accumulate	
Daimler AG	Schuldt	71.00	Buy		S&T AG	Sen	27.00	Buy	2/3
Daldrup & Soehne	Becker	13.50	Buy	2/3/5	SAF-Holland	Schuldt	17.00	Neutral	
Demire	Mayer	4.55	Buy	2/5	Schaeffler	Tanzer	14.30	Buy	
Deutsche Bank	Häßler	14.00	Buy		Schaltbau Holding AG	Becker	32.70	Buy	2/7
Deutsche EuroShop	Mayer	30.00	Neutral		SCOUT24	Heilmann	31.00	Reduce	2
Deutsche Pfandbriefbank	Häßler	14.50	Accumulate		Siegfried Holding AG	Miemietz	338.00	Neutral	7
Deutsche Telekom	Sen	13.30	Neutral		Siemens Healthineers AG	Rüzgar	39.00	Accumulate	2
Duerr	Augustin	114.00	Buy		SLM Solutions	Sen	24.00	Sell	
DWS	Häßler	34.00	Buy		SMT Scharf AG	Rüzgar	17.50	Neutral	2/3
ErlingKlinger	Schuldt	7.00	Sell		Software AG	Mildner	30.00	Sell	
elumeo SE	Josefson	10.90	Accumulate		Stabilus	Tanzer	91.00	Buy	
Epigenomics AG	Miemietz	3.70	Buy	2/3	Suedzucker	Bruns	12.00	Sell	
Euromicron AG	Becker	11.40	Buy	2/3/5	SuessMicroTec	Sen	13.80	Accumulate	2/3
Evonik	Hinkel	39.00	Buy		Surteco	Mildner	30.50	Buy	2/3
Eyemaxx Real Estate	Mayer	16.00	Buy	2/5/7	Symrise AG	Hinkel	67.00	Neutral	
Ferratum	Häßler	23.00	Buy		Syzygy AG	Heilmann	11.50	Accumulate	2/3
Fielmann	Heilmann	55.00	Reduce		TAKKT AG	Bruns	18.50	Neutral	2
First Sensor AG	Becker	27.00	Accumulate	7	Talanx Group	Häßler	40.00	Accumulate	
Freenet	Sen	36.00	Buy	2	Technotrans	Becker	45.20	Accumulate	2/3
FuchsPetrolub	Hinkel	48.00	Neutral		TELECOLUMBUS	Sen	9.70	Buy	
Gea Group	Augustin	33.00	Neutral		Telefonica Deutschland	Sen	3.40	Sell	
Gerrheimer AG	Rüzgar	69.00	Neutral		United Internet	Sen	63.00	Buy	
Gerry Weber	Josefson	5.75	Reduce		Vapiano	Bruns	26.50	Buy	2/7
Gesco	Becker	34.20	Accumulate	2/3	va-Q-tec	Sen	17.00	Neutral	2/3
GFT Technologies	Mildner	15.50	Buy	2/3	Viscom	Rüzgar	28.00	Buy	2/3
Gigaset	Sen	0.85	Accumulate	2/3	Volkswagen	Schuldt	162.00	Neutral	
Grenke	Häßler	90.00	Neutral		Wacker Neuson SE	Becker	27.20	Neutral	
Hannover Re	Häßler	110.00	Neutral		windeln.de	Josefson	3.10	Buy	2
Heidelberg Pharma	Miemietz	3.50	Accumulate	2/3	XING SE	Heilmann	305.00	Buy	
Heidelberger Druck	Augustin	3.60	Buy		Zalando	Josefson	44.50	Neutral	
HELLA GmbH & Co. KGaA	Tanzer	57.00	Accumulate						
Hornbach Holding	Bruns	89.00	Buy						
Hugo Boss	Josefson	81.00	Buy						
Hypoport AG	Häßler	176.00	Accumulate	2/7					
INDUS Holding AG	Becker	64.50	Neutral						
Intershop Communications AG	Mildner	1.85	Accumulate	2/7					
K+S AG	Hinkel	24.40	Neutral						
Koenig & Bauer	Augustin	72.00	Neutral						
Krones AG	Augustin	123.00	Accumulate						
KWS SAAT	Hinkel	348.00	Buy						
Lanxess	Hinkel	83.00	Buy						
Leoni	Schuldt	57.00	Neutral						
Linde	Hinkel	176.00	Neutral						
Logwin	Mildner	148.00	Neutral	2/3					

* = Coverage suspended

Source: equinet Recommendations

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Buy - The stock is expected to generate a total return of over 20% during the next 12 months time horizon.

Accumulate - The stock is expected to generate a total return of 10% to 20% during the next 12 months time horizon.

Hold - The stock is expected to generate a total return of 0% to 10% during the next 12 months time horizon

Reduce - The stock is expected to generate a total return of 0 to -10% during the next 12 months time horizon

Sell - The stock is expected to generate a total return below -10% during the next 12 months time horizon

Basis of Valuation

Equinet Bank uses for valuation purposes primarily DCF-Valuations and Sum-Of-The-Parts-Valuations as well as peer group comparisons.

Share prices

Share prices in this analysis are the German closing prices of the last trading day before the publication.

Sources

Equinet Bank has made any effort to carefully research all information contained in the analysis. The information on which the analysis is based has been obtained from sources which we believe to be reliable such as, for example, Reuters, Bloomberg and the relevant press as well as the company which is the subject of the analysis. Only that part of the research note is made available to the issuer, who is the subject of the analysis, which is necessary to properly reconcile with the facts. Should this result in considerable changes a reference is made in the research note.

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Recommendation history for EUROMICRON AG

Date	Recommendation	Target price	Price at change date
02. Jul 18	Buy	11.40	6.73
06. Nov 15	Buy	13.00	8.81
06. Aug 15	Buy	14.00	8.72

Source: Factset & ESN, price data adjusted for stock splits.

This chart shows equinet Bank continuing coverage of this stock; the current analyst may or may not have covered it over the entire period. Current analyst: Winfried Becker (since 30/01/2018)



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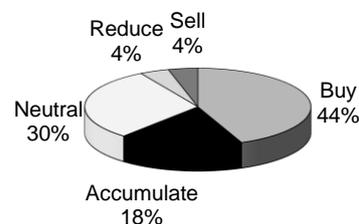
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- **Accumulate:** the stock is expected to generate total return of **5% to 15%** during the next 12 months time horizon
- **Neutral:** the stock is expected to generate total return of **-5% to +5%** during the next 12 months time horizon
- **Reduce:** the stock is expected to generate total return of **-5% to -15%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -15%** during the next 12 months time horizon
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Equinet Bank Ratings Breakdown



For full ESN Recommendation and Target price history (in the last 12 months) please see ESN Website [Link](#)

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