

## Company Flash Note

## Reason: Company newsflow

16 August 2018

### Buy

Recommendation unchanged

**Share price: EUR 5.76**

closing price as of 15/08/2018

**Target price: EUR 11.40**

Target Price unchanged

**Upside/Downside Potential 97.9%**

Reuters/Bloomberg

EUCG.DE/EUCA.GY

**Market capitalisation (EURm) 41**

Current N° of shares (m) 7

**Free float 100%**

Daily avg. no. trad. sh. 12 mth 7

Daily avg. trad. vol. 12 mth (m) 49.99

Price high/low 12 months 5.76 / 8.94

Abs Perfs 1/3/12 mths (%) -12.06/-20.66/-29.06

**Key financials (EUR)**

Sales (m) 12/17 333 12/18e 347 12/19e 365

EBITDA (m) 10 12 17

EBITDA margin 2.9% 3.4% 4.5%

EBIT (m) 1 3 7

EBIT margin 0.3% 0.9% 2.0%

Net Profit (adj.)(m) (1) 1 2

ROCE 1.9% 2.4% 2.7%

Net debt/(cash) (m) 86 87 85

Net Debt Equity 1.1 1.1 1.1

Net Debt/EBITDA 9.0 7.3 5.1

Int. cover(EBITDA/Fin.int) 2.0 2.5 3.9

EV/Sales 0.4 0.4 0.4

EV/EBITDA 15.4 11.0 7.8

EV/EBITDA (adj.) 10.8 8.5 7.8

EV/EBIT nm 42.2 17.3

P/E (adj.) nm 40.0 19.2

P/BV 0.7 0.5 0.5

OpFCF yield -21.3% -2.3% 6.9%

Dividend yield 0.0% 0.0% 0.0%

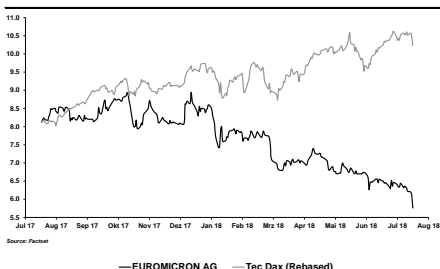
EPS (adj.) (0.13) 0.14 0.30

BVPS 10.86 10.66 10.96

DPS 0.00 0.00 0.00

### Shareholders

Carl Ernst Veit Paas 5%; LAZARD FRERES 3%; Chr. Bischoff 3%;



### Analyst(s)

Winfried Becker

winfried.becker@equinet-ag.de

+49 69 58997-416

## Transformation process continues

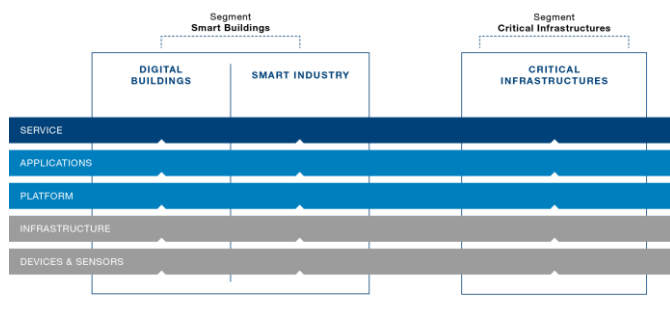
euromicron completed an unspectacular first half 2018 and confirmed its full-year financial guidance. Q2 sales and operating EBITDA came out below our estimates, but given the volatile project business and the seasonal character, we continue in our view that the dominant part of the full-year profit will be realised in Q3 and Q4. euromicron will finalise the transformation phase of its overall group transformation program by year-end 2018e. The main triggers are an increase of the share of smart service business for all three target markets. We will maintain our target price of EUR 11.40 per share and confirm our Buy recommendation.

- ✓ **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 3.1% to EUR 88.8bn.
- ✓ **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. Furthermore improvements in profitability will have higher priority. By ongoing transformation of business processes, from 2019e onwards management will pay more attention to growth again.
- ✓ **H1 '18 incoming orders** declined by 4.2% (like-for-like) to EUR 159.8m. The group's order book amounted to EUR 139.1m and is allocated mainly to the Smart Buildings segment (share of 60%) and to the Critical Infrastructure segment (share of 38%).
- ✓ **Other highlights:** The group's working capital ratio improved to 20.8% from 21.9%. Mainly due to these lower working capital requirements the reported cash flow improved to EUR -8.8m from EUR -20.1m. In contrast the net financial debt slightly increased to EUR 100.9m from EUR 98.6m, while the liquidity position is slightly down.
- ✓ **Margin improvement expected:** This year's operating EBITDA-margin target corridor of 4.0%-5.0% compares to our forecast of 4.3%. For this year now we calculate with higher special costs of EUR 3.5m (before: EUR 2.0m), given the fact that in H1 18 already EUR 2.5m are included in the accounts. From 2019e onwards we estimate no further special costs. In our scenario the operating EBITDA-margin will increase further to 4.5%.
- ✓ **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

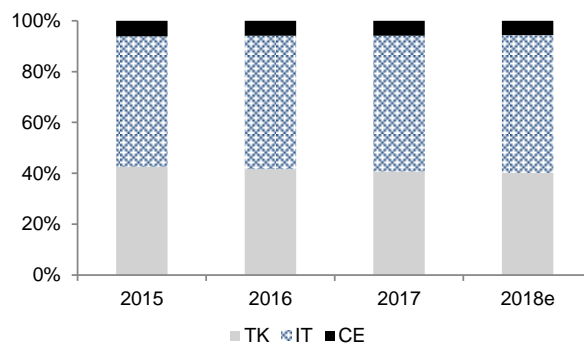
Exhibit 1: Offering integrated solutions

Business model to the euromicron Group



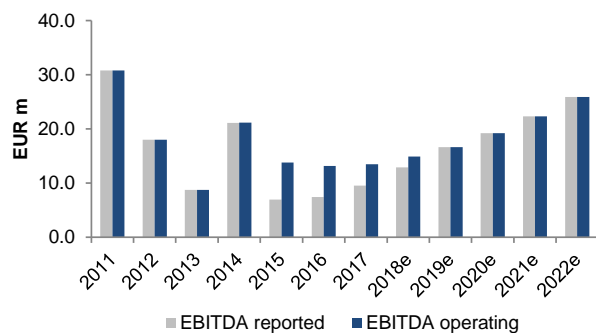
Source: Company data

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



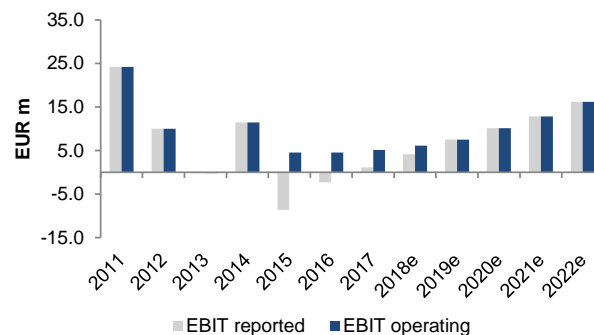
Source: Bitkom

Exhibit 3: Margin improvement on EBITDA level...



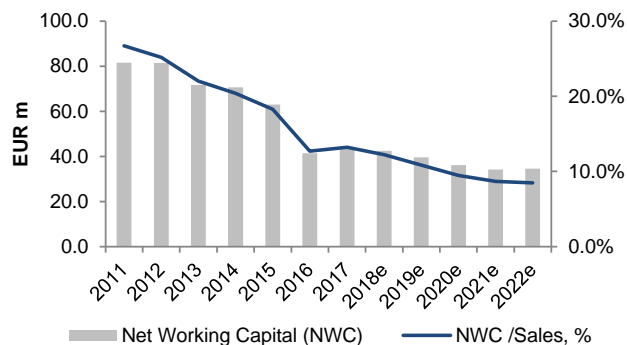
Source: Company data, equinet Research

Exhibit 4: ...and on EBIT level too



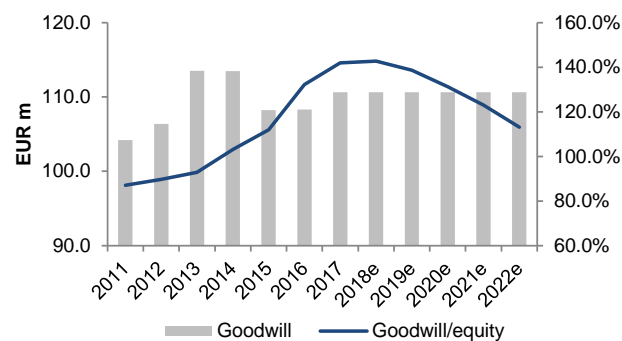
Source: Company data, equinet Research

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

## Valuation update

- TP left unchanged at EUR 11.40 per share
- Keeping our BUY recommendation
- Base parameters in our DCF-model have not changed

euromicron completed a “normal” first half according to internal planning and with the transformation process being on track. The full-year financial guidance for 2018 was confirmed and we have left our target price unchanged at EUR 11.40 per share.

### Exhibit 7: euromicron: DCF-valuation

	Phase I					Phase II					Phase III	
EUR m	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e		
Revenues	347	365	382	395	408	420	432	443	454	464		
growth rate	4.2%	5.2%	4.6%	3.5%	3.2%	3.0%	2.8%	2.6%	2.4%	2.2%		
EBIT	3.1	7.5	10.1	12.8	16.2	18.4	20.7	23.0	25.4	27.8		
EBIT margin	0.9%	2.0%	2.6%	3.2%	4.0%	4.4%	4.8%	5.2%	5.6%	6.0%		
Tax	0.0	-0.1	-3.0	-3.8	-4.9	-5.5	-6.2	-6.9	-7.6	-8.4		
Tax rate	0%	0%	30%	30%	30%	30%	30%	30%	30%	30%		
Depr. & Amort.	8.8	9.1	9.1	9.5	9.7	11.0	11.8	12.4	12.8	13.3		
% of sales	2.5%	2.5%	2.4%	2.4%	2.4%	2.6%	2.7%	2.8%	2.8%	2.9%		
Capex	-11.0	-11.4	-11.6	-11.6	-12.1	-12.5	-12.9	-13.3	-13.6	-13.9		
% of sales	3.2%	3.0%	3.0%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%		
Change in WC & P	1.5	1.7	1.2	1.1	-0.4	-0.4	-0.4	-0.3	-0.3	-0.3		
% of sales	-0.4%	-0.5%	-0.3%	-0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Free Cash Flow	2.4	6.8	5.7	7.9	8.5	11.0	13.0	14.9	16.7	18.5	252.2	
growth rate	nm	nm	-14.9%	37.5%	8.0%	28.2%	18.6%	14.4%	12.0%	11.0%	2.0%	
Present Value FCF	2.3	6.0	4.6	5.8	5.7	6.7	7.3	7.6	7.8	7.9	107.8	
PV Phase I	24.5					Risk free rate	3.50%	Targ. equity ratio			80%	
PV Phase II	37.4					Premium Equity	5.00%	Beta			1.5	
PV Phase III	107.8					Premium Debt	2.00%	WACC			9.49%	
Enterprise value	169.6					Sensitivity	Growth in phase III					
- Net Debt (Cash)	85.6						1.0%	1.5%	2.0%	2.5%	3.0%	
- Pension Provisions	1.4					8.54%	12.9	14.1	15.5	17.1	19.1	
- Minorities & Peripherals	0.6					9.02%	11.1	12.1	13.3	14.7	16.3	
+ MV of financial assets						WACC 9.49%	9.5	10.4	11.4	12.6	13.9	
- Paid-out dividends for last FY	0.0					9.96%	8.1	8.9	9.8	10.7	11.9	
+/- Other EV items						10.44%	6.9	7.6	8.3	9.1	10.1	
Equity value	82.0											
Number of shares	7.2											
Value per share (€)	11.4											
Current Price (€)	5.8											
Upside	98%											

Source: equinet Research

On this basis the shares offer investors a significant upside potential of 98% Therefore we maintain to recommend the shares as a Buy.

## 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 from 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 typical German mid-sized-companies have a lack of investments in this area.

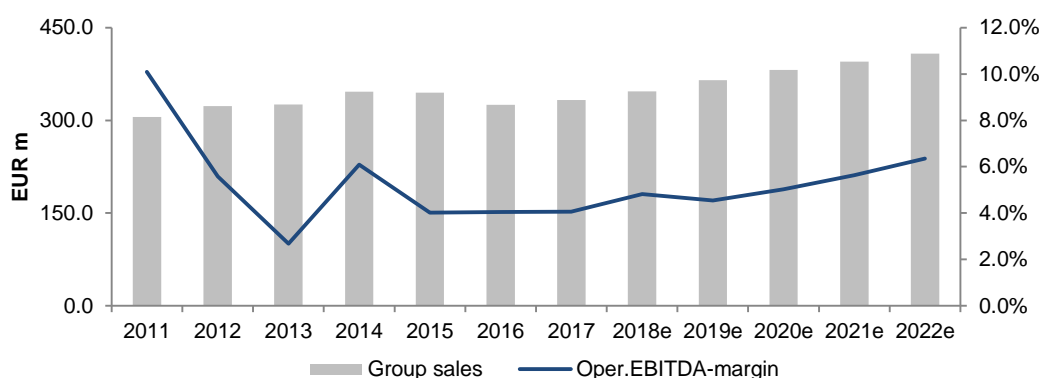
The company started 2015 with the first step of the overall transformation process. After two years of reorganisation 2017 and 2018 will be the years of transformation. During this period the particular focus is for example on portfolio optimization, organic growth and strengthening the strategic business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

## H1/Q2 2018 highlights: euromicron maintained high order level

euromicron completed the first half 2018 with a 4.2% like-for-like order decline to EUR 159.8m. The group's **order book** (continuing operations) end of June increased by 3.5% to EUR 139.1m. This is a solid basis in our view to reach the full-year financial target. The major share of the order book with 60% is allocated to the Smart Buildings segment, followed by the Critical Infrastructure segment with 38%. Due to its nature of business the Distribution segment account for only 2% of the total order book.

**Exhibit 8: euromicron with margin recovery**



Source: Company data, equinet Research

H1 '18 **group sales** (continuing operations) increased by 1% to EUR 150.6m (H1 17: EUR 149.1m). With a significant increase of 14.0% yoy to EUR 12.9m the Distribution segment achieved the strongest growth, followed by the Critical Infrastructure segment with an increase of 6.9% yoy to EUR 56.7m.

The group's **operating EBITDA** increased to EUR 0.8m from EUR 0.7m. While the "special costs" amounted to EUR 2.5m and came out higher than our estimate of EUR 1.0m, the reported EBITDA amounted to EUR -1.7m (H1 '17: EUR -0.9m).

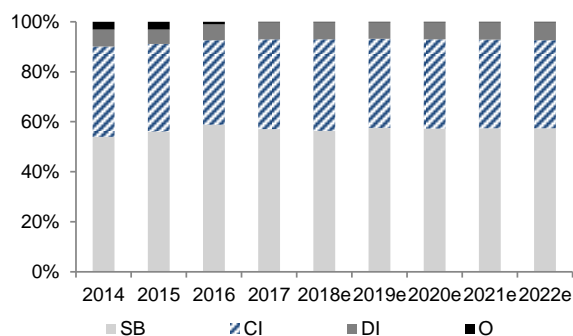
#### Other highlights of the H1 '18 reporting

- Net financial debt slightly increased to EUR 100.9m (H1 '17: EUR 98.6m) and the cash position was slightly down
- The group's working capital ratio (including factoring) improved to 20.8% from 21.9%
- Mainly due to these lower working capital requirements the operating cash flow improved to EUR -8.8m from EUR -20.1m

Looking forward, euromicron has confirmed its full year 2018 financial guidance. Group sales should reach EUR 340-360m, while we have not changed our estimate of EUR 347m. The goal of reaching an operating EBITDA-margin of 4%-5% was confirmed, too. Our estimate amounted to 4.3%. The dominant part of the result will be achieved in Q4 '18 in our view with an operating EBITDA of EUR 8.1m (equinet estimate). For the full year we now expect "special costs" of EUR 3.5m compared to our old estimate EUR 2.0m.

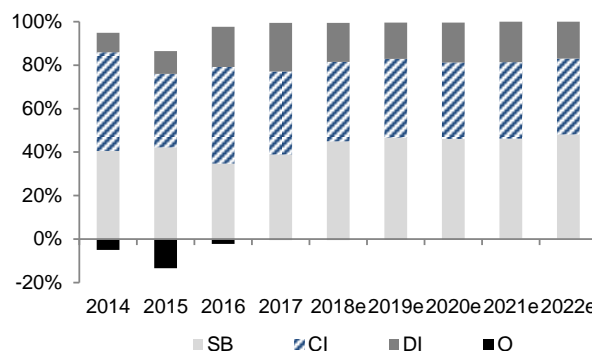
For FY 2019 we continue to forecast further growth. We do not expect additional special costs, so that reported and operating EBITDA will have the same figure of EUR 16.6m (reported EBITDA 2018e: EUR 13.2m).

**Exhibit 9: Sales by division**



Source: equinet Research

**Exhibit 10: Operating EBITDA by division**



Source: equinet Research

**euromicron AG : Summary tables**

<b>PROFIT &amp; LOSS (EURm)</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
<b>Sales</b>	<b>346</b>	<b>345</b>	<b>325</b>	<b>333</b>	<b>347</b>	<b>365</b>
Cost of Sales & Operating Costs	-323	-325	-312	-319	-332	-348
Non Recurrent Expenses/Income	0.0	-13.1	-5.8	-4.0	-3.5	0.0
<b>EBITDA</b>	<b>23.5</b>	<b>6.9</b>	<b>7.4</b>	<b>9.5</b>	<b>11.9</b>	<b>16.6</b>
<b>EBITDA (adj.)*</b>	<b>23.5</b>	<b>20.1</b>	<b>13.2</b>	<b>13.5</b>	<b>15.4</b>	<b>16.6</b>
Depreciation	-12.0	-15.6	-8.7	-8.4	-8.8	-9.1
<b>EBITA</b>	<b>11.5</b>	<b>-8.6</b>	<b>-1.3</b>	<b>1.1</b>	<b>3.1</b>	<b>7.5</b>
<b>EBITA (adj)*</b>	<b>11.5</b>	<b>4.5</b>	<b>4.5</b>	<b>5.1</b>	<b>6.6</b>	<b>7.5</b>
Amortisations and Write Downs	0.0	0.0	-1.0	0.0	0.0	0.0
<i>of which PPA amortisation</i>	<i>0.0</i>	<i>0.0</i>	<i>-1.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<b>EBIT</b>	<b>11.5</b>	<b>-8.6</b>	<b>-2.3</b>	<b>1.1</b>	<b>3.1</b>	<b>7.5</b>
<b>EBIT (adj.)*</b>	<b>11.5</b>	<b>4.5</b>	<b>4.5</b>	<b>5.1</b>	<b>6.6</b>	<b>7.5</b>
Net Financial Interest	-3.7	-4.1	-5.4	-4.7	-4.7	-4.2
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
<b>Earnings Before Tax (EBT)</b>	<b>7.8</b>	<b>-12.7</b>	<b>-7.6</b>	<b>-3.6</b>	<b>-1.6</b>	<b>3.2</b>
Tax	-4.9	-0.4	-4.9	0.1	0.4	-1.0
<i>Tax rate</i>	<i>63.4%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>1.4%</i>	<i>25.0%</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
<b>Net Profit (reported)</b>	<b>2.6</b>	<b>-13.2</b>	<b>-12.7</b>	<b>-3.8</b>	<b>-1.4</b>	<b>2.2</b>
<b>Net Profit (adj.)</b>	<b>2.6</b>	<b>-4.1</b>	<b>-7.9</b>	<b>-1.0</b>	<b>1.0</b>	<b>2.2</b>
<b>CASH FLOW (EURm)</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Cash Flow from Operations before change in NWC	-3.0	-3.0	-28.8	1.1	8.5	12.6
Change in Net Working Capital	1.1	7.5	21.7	-2.6	1.5	1.7
<b>Cash Flow from Operations</b>	<b>-1.9</b>	<b>4.5</b>	<b>-7.1</b>	<b>-1.6</b>	<b>10.1</b>	<b>14.3</b>
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
<b>Free Cash Flow</b>	<b>-4.9</b>	<b>-4.6</b>	<b>-14.8</b>	<b>-15.0</b>	<b>-1.0</b>	<b>2.8</b>
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
<b>Change in Net Debt</b>	<b>-4.9</b>	<b>-4.6</b>	<b>-14.8</b>	<b>-15.0</b>	<b>-1.0</b>	<b>2.8</b>
NOPLAT	8.0	3.2	3.2	3.6	4.6	5.2
<b>BALANCE SHEET &amp; OTHER ITEMS (EURm)</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
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
<b>Total Fixed Assets</b>	<b>149</b>	<b>142</b>	<b>141</b>	<b>147</b>	<b>149</b>	<b>151</b>
Inventories	29.0	30.8	28.4	31.5	31.8	31.5
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	-3.5	-4.8
<b>Total Current Assets</b>	<b>138</b>	<b>129</b>	<b>103</b>	<b>105</b>	<b>105</b>	<b>106</b>
<b>Total Assets</b>	<b>287</b>	<b>271</b>	<b>245</b>	<b>252</b>	<b>254</b>	<b>257</b>
Shareholders Equity	110	96.6	81.9	77.9	76.5	78.7
Minority	0.4	0.4	0.5	0.6	0.6	0.6
Total Equity	110	97.0	82.4	78.5	77.1	79.3
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
<b>Total Long Term Liabilities</b>	<b>72.0</b>	<b>65.3</b>	<b>75.2</b>	<b>89.2</b>	<b>88.7</b>	<b>86.9</b>
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	51.7
Other current liabilities	51.8	50.1	30.1	23.4	24.1	25.1
<b>Total Current Liabilities</b>	<b>105</b>	<b>108</b>	<b>87.0</b>	<b>84.4</b>	<b>88.1</b>	<b>90.8</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>287</b>	<b>271</b>	<b>245</b>	<b>252</b>	<b>254</b>	<b>257</b>
<b>Net Capital Employed</b>	<b>176</b>	<b>162</b>	<b>162</b>	<b>175</b>	<b>175</b>	<b>175</b>
<b>Net Working Capital</b>	<b>70.6</b>	<b>63.0</b>	<b>41.4</b>	<b>44.0</b>	<b>42.5</b>	<b>40.8</b>
<b>GROWTH &amp; MARGINS</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
<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>
<b>EBITDA (adj.)* growth</b>	<b>84.7%</b>	<b>-14.5%</b>	<b>-34.5%</b>	<b>2.7%</b>	<b>14.0%</b>	<b>7.5%</b>
<i>EBITA (adj.)* growth</i>	<i>108.0%</i>	<i>-60.7%</i>	<i>0.0%</i>	<i>13.3%</i>	<i>29.5%</i>	<i>12.9%</i>
<i>EBIT (adj.)* growth</i>	<i>108.0%</i>	<i>-60.7%</i>	<i>0.0%</i>	<i>13.3%</i>	<i>29.5%</i>	<i>12.9%</i>

**euromicron AG : Summary tables**

<b>GROWTH &amp; MARGINS</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Net Profit growth	n.m.	n.m.	n.m.	n.m.	n.m.	108.8%
EPS adj. growth	n.m.	n.m.	n.m.	n.m.	n.m.	108.8%
DPS adj. growth						
EBITDA (adj)* margin	6.8%	5.8%	4.0%	4.1%	4.4%	4.5%
EBITA (adj)* margin	3.3%	1.3%	1.4%	1.5%	1.9%	2.0%
EBIT (adj)* margin	3.3%	1.3%	1.4%	1.5%	1.9%	2.0%
<b>RATIOS</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Net Debt/Equity	0.4	0.6	0.8	1.1	1.1	1.1
Net Debt/EBITDA	2.1	7.8	9.5	9.0	7.3	5.1
Interest cover (EBITDA/Fin.interest)	6.4	1.7	1.4	2.0	2.5	3.9
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%	11.2%
ROE (average)	2.2%	-3.9%	-8.9%	-1.2%	1.3%	2.8%
ROCE (adj.)	3.7%	1.5%	1.7%	1.9%	2.4%	2.7%
WACC	9.5%	9.5%	9.5%	9.5%	9.5%	9.5%
ROCE (adj.)/WACC	0.4	0.2	0.2	0.2	0.3	0.3
<b>PER SHARE DATA (EUR)***</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
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	-0.20	0.30
EPS (adj.)	0.36	-0.57	-1.10	-0.13	0.14	0.30
BVPS	15.33	13.46	11.41	10.86	10.66	10.96
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<b>VALUATION</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
EV/Sales	0.4	0.3	0.4	0.4	0.4	0.4
EV/EBITDA	5.7	16.0	15.5	15.4	11.0	7.8
<b>EV/EBITDA (adj.)*</b>	<b>5.7</b>	<b>5.5</b>	<b>8.7</b>	<b>10.8</b>	<b>8.5</b>	<b>7.8</b>
EV/EBITA	11.6	-12.8	-89.2	134.3	42.2	17.3
<b>EV/EBITA (adj.)*</b>	<b>11.6</b>	<b>24.6</b>	<b>25.4</b>	<b>28.7</b>	<b>19.8</b>	<b>17.3</b>
EV/EBIT	11.6	n.m.	n.m.	n.m.	42.2	17.3
<b>EV/EBIT (adj.)*</b>	<b>11.6</b>	<b>24.6</b>	<b>25.4</b>	<b>28.7</b>	<b>19.8</b>	<b>17.3</b>
<b>P/E (adj.)</b>	<b>31.7</b>	<b>n.m.</b>	<b>n.m.</b>	<b>n.m.</b>	<b>40.0</b>	<b>19.2</b>
P/BV	0.7	0.6	0.5	0.7	0.5	0.5
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%	-2.3%	6.9%
OpFCF/EV	-6.2%	-1.8%	-12.5%	-8.4%	-0.7%	2.2%
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%
<b>EV AND MKT CAP (EURm)</b>	<b>12/2014</b>	<b>12/2015</b>	<b>12/2016</b>	<b>12/2017</b>	<b>12/2018e</b>	<b>12/2019e</b>
Price** (EUR)	11.39	7.57	5.85	8.09	5.76	5.76
Outstanding number of shares for main stock	7.2	7.2	7.2	7.2	7.2	7.2
<b>Total Market Cap</b>	<b>82</b>	<b>54</b>	<b>42</b>	<b>58</b>	<b>41</b>	<b>41</b>
<b>Net Debt</b>	<b>49</b>	<b>54</b>	<b>70</b>	<b>86</b>	<b>87</b>	<b>85</b>
<i>o/w Cash &amp; Marketable Securities (-)</i>	<i>-16</i>	<i>-11</i>	<i>-7</i>	<i>-5</i>	<i>-3</i>	<i>-5</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>
<b>Other EV components</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Enterprise Value (EV adj.)</b>	<b>133</b>	<b>111</b>	<b>114</b>	<b>146</b>	<b>131</b>	<b>129</b>

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.



## Recommendation and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
1&1DRILLISCHAG	Sen	66.00	Buy		Logwin	Mildner	165.00	Accumulate	2/3
2G Energy	Rüzgar	23.50	Accumulate	2/3/5	Manz AG	Rüzgar	37.00	Neutral	2/3
Aareal Bank	Häßler	42.00	Neutral		MAXAutomation SE	Becker	6.70	Buy	2/3
adidas	Josefson	228.00	Accumulate		Merck	Berzhanin	112.00	Buy	
Adler Modemaerkte	Josefson	6.35	Buy	7	Merkur Bank	Häßler	10.00	Buy	2/7
ADLER Real Estate	Mayer	18.00	Buy		Metro AG	Bruns	17.00	Buy	2
Aixtron	Sen	14.00	Buy	2/3	MLP	Häßler	7.50	Buy	2/3
Allianz	Häßler	200.00	Neutral		MTU Aero Engines	Rüzgar	148.00	Reduce	2
Axel Springer	Josefson	67.00	Accumulate		Munich Re	Häßler	210.00	Accumulate	
Bayer	Berzhanin	118.00	Buy		Nemeteschek SE	Mildner	47.00	Reduce	5
Baywa	Bruns	33.00	Buy	2/7	Norma Group	Schuldt	54.00	Neutral	
BB Biotech	Berzhanin	73.00	Buy	7	OHB SE	Rüzgar	40.00	Buy	7
Biotest	Berzhanin	24.10	Neutral	2/3	OVB Holding AG	Häßler	20.00	Neutral	2/5/7
BMW	Schuldt	95.00	Buy		Patrizia	Mayer	20.00	Accumulate	
Brenntag	Hinkel	59.80	Buy	2	Pfeiffer Vacuum	Sen	162.00	Buy	5
Ceconomy AG	Bruns	8.00	Neutral		Procredit Holding	Häßler	15.00	Buy	2/3/5
comdirect	Häßler	11.20	Neutral		PSI SOFTWARE AG	Mildner	20.00	Buy	2/3
Commerzbank	Häßler	9.20	Neutral		Puma	Josefson	565.00	Buy	
Continental	Schuldt	250.00	Buy		PWO	Schuldt	50.00	Buy	2/3
CORESTATE Capital Holding S.A.	Mayer	72.00	Buy	2/5	Rheinmetall	Rüzgar	103.00	Neutral	
CTS Eventim	Heilmann	37.50	Reduce		RIB Software	Mildner	25.00	Buy	2/3
Daimler AG	Schuldt	71.00	Buy		RTL Group	Josefson	72.00	Accumulate	
Daldrup & Soehne	Becker	13.50	Buy	2/3/5	S&TAG	Sen	27.00	Buy	2/3
Demire	Mayer	4.55	Buy	2/5	SAF-Holland	Schuldt	17.00	Neutral	
Deutsche Bank	Häßler	14.00	Buy		Schaeffler	Tanzer	14.30	Buy	
Deutsche EuroShop	Mayer	30.00	Neutral		Schaltbau Holding AG	Becker	32.70	Buy	2/7
Deutsche Pfandbriefbank	Häßler	14.50	Accumulate		SCOUT24	Heilmann	31.00	Reduce	2
Deutsche Telekom	Sen	13.30	Neutral		Siegfried Holding AG	Berzhanin	338.00	Neutral	7
Duerr	Augustin	43.00	Accumulate		Siemens Healthineers AG	Rüzgar	39.00	Neutral	2
DWS	Häßler	34.00	Buy		SLM Solutions	Sen	24.00	Sell	
Eirong Klinger	Schuldt	7.00	Sell		SMT Scharf AG	Rüzgar	17.50	Neutral	2/3
elumeo SE	Josefson	10.90	Accumulate		Software AG	Mildner	30.00	Sell	
Epigenomics AG	Berzhanin	3.70	Buy	2/3	Stabilus	Tanzer	91.00	Buy	
Euromicron AG	Becker	11.40	Buy	2/3/5	Suedzucker	Bruns	11.70	Reduce	
Evonik	Hinkel	41.00	Buy		Suess MicroTec	Sen	13.80	Accumulate	2/3
Eyemaxx Real Estate	Mayer	18.00	Buy	2/5/7	Surteco	Mildner	30.50	Buy	2/3
Ferratum	Häßler	23.00	Buy		Symrise AG	Hinkel	67.00	Neutral	
Fielmann	Heilmann	55.00	Reduce		Syzygy AG	Heilmann	11.50	Accumulate	2/3
First Sensor AG	Becker	27.30	Buy	7	TAKKTAG	Bruns	18.50	Neutral	2
Freenet	Sen	36.00	Buy	2	Talanx Group	Häßler	39.00	Buy	
Fuchs Petrolub	Hinkel	48.00	Neutral		Technotrans	Becker	43.00	Accumulate	2/3
Gea Group	Augustin	33.00	Neutral		TELECOLUMBUS	Sen	9.70	Buy	
Gerrheimer AG	Rüzgar	69.00	Neutral		Telefonica Deutschland	Sen	3.40	Sell	
Gerry Weber	Josefson	5.75	Reduce		United Internet	Sen	63.00	Buy	
Gesco	Becker	34.80	Buy	2/3	Vapiano	Bruns	26.50	Buy	2/7
GFT Technologies	Mildner	15.50	Buy	2/3	va-Q-tec	Sen	17.00	Neutral	2/3
Gigaset	Sen	0.85	Accumulate	2/3	Viscom	Rüzgar	28.00	Buy	2/3
Grenke	Häßler	90.00	Neutral		Volkswagen	Schuldt	154.00	Neutral	
Hannover Re	Häßler	110.00	Neutral		Wacker Neuson SE	Becker	27.20	Neutral	
Heidelberg Pharma	Berzhanin	3.50	Accumulate	2/3	windeln.de	Josefson	3.10	Buy	2
Heidelberger Druck	Augustin	3.60	Buy		XING SE	Heilmann	305.00	Accumulate	
HELLA GmbH & Co. KGaA	Tanzer	55.00	Accumulate		Zalando	Josefson	44.50	Neutral	
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	73.00	Accumulate						
Krones AG	Augustin	123.00	Accumulate						
KWS SAAT	Hinkel	348.00	Buy						
Lanxess	Hinkel	83.00	Buy						
LEG Immobilien AG	Mayer	104.00	Accumulate						
Leoni	Schuldt	57.00	Neutral						
Linde	Hinkel	176.00	Neutral						

\* = Coverage suspended

Source: equinet Recommendations



## Notice according to § 34 b (German) Securities Trading Act ("Wertpapierhandelsgesetz")

This document is issued by Equinet Bank AG ("Equinet Bank"). It has been prepared by its authors independently of the Company, and none of Equinet Bank, the Company or its shareholders has independently verified any of the information given in this document.

Equinet Bank possesses relations to the covered companies as detailed in the table on the previous page. Additional information and disclosures will be made available upon request and/or can be looked up on our website <http://www.Equinet-Bank-ag.de>

1 - Equinet Bank and/or its affiliate(s) hold(s) more than 5% of the share capital of this company calculated under computational methods required by German law.

2 - Equinet Bank acts as a designated sponsor for this company, including the provision of bid and ask offers. Therefore, we regularly possess shares of the company in our proprietary trading books. Equinet Bank receives a commission from the company for the provision of the designated sponsor services.

3 – The designated sponsor services include a contractually agreed provision of research services.

4 – Within the last twelve months, Equinet Bank was involved as a lead or co-lead manager in the public offering of securities which are/whose issuer is the subject of this report.

5 – Within the last twelve months, Equinet Bank and/or its affiliate(s) provided investment banking- and/or other consultancy services for this company and/or its shareholders.

6 - Equinet Bank and/or its affiliate(s) has/have other substantial financial interests in relation to this issuer.

7 – Equinet Bank has entered into an agreement with this company about the preparation of research reports and – in return – receives a compensation.

Companies of the Equinet Bank group and/or its directors, officers and employees or clients may take positions in, and may make purchases and/or sales as principal or agent in the securities or related financial instruments discussed in our reports. The Equinet Bank group may provide investment banking and other services to and/or serve as directors of the companies referred to in our reports.

In compliance with Para 5 Sec. 4 of the Ordinance on the Analysis of Financial Instruments (FinAnV) Equinet Bank has realized additional internal and organizational measures, such as specific research guidelines, to prevent or manage conflicts of interest.

Neither the company nor its employees are allowed to receive donations from third parties with a special interest in the content of the analysis.

The salary of the research analysts of Equinet Bank AG does not depend on the investment banking transactions of the company. Nevertheless, this does not rule out the payment of a bonus which depends on the overall financial performance of the bank.

Particular care is taken that the individual performance of each research analyst of Equinet Bank AG is not being assessed by a manager of another business division with similar or same interests.

To assure a highest degree of transparency Equinet Bank AG regularly provides - on a quarterly basis – a summary according to Para 5 Sec. 4 No. 3 of the Ordinance on the Analysis of Financial Instruments (FinAnV). It informs about the overall analysts recommendations and sets them in a relationship to those companies, for which Equinet Bank provided investment banking services within the last twelve months. This summary is published via our website <http://www.Equinet-Bank-ag.de>.

Furthermore, we refer to our conflict of interest policy as well as the German Securities Trading Act (WpHG) and the Ordinance on the Analysis of Financial Instruments (FinAnV) provided in the download area of our website <http://www.Equinet-Bank-ag.de>.

### Remarks

#### Recommendation System

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.

#### Actualizations

Opinions expressed in this analysis are our current opinions as of the issuing date indicated on this document. We do not commit ourselves in advance to whether and in which intervals updates are made.

## DISCLAIMER

THE PREPARATION OF THIS DOCUMENT IS SUBJECT TO REGULATION BY GERMAN LAW. THIS DOCUMENT IS BEING SUPPLIED TO YOU SOLELY IN YOUR CAPACITY AS A PROFESSIONAL INSTITUTIONAL INVESTOR FOR YOUR INFORMATION AND MAY NOT BE REPRODUCED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE. NEITHER THIS DOCUMENT NOR ANY COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO AUSTRALIA, CANADA OR JAPAN OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN AUSTRALIA, CANADA OR JAPAN OR TO ANY RESIDENT THEREOF.

THE DELIVERY OF THIS RESEARCH REPORT TO U.S. PERSONS IN THE UNITED STATES OF AMERICA IS MADE BY AND UNDER THE RESPONSIBILITY OF GSN NA, INC. (REGISTERED WITH THE SEC). THIS RESEARCH REPORT IS ONLY INTENDED FOR PERSONS WHO QUALIFY AS MAJOR U.S. INSTITUTIONAL INVESTORS, AS DEFINED IN SECURITIES EXCHANGE ACT RULE 15A-6, AND DEAL WITH GSN NA, INC. HOWEVER, THE DELIVERY OF THIS RESEARCH REPORT OR SUMMARY TO ANY U.S. PERSON SHALL NOT BE DEEMED A RECOMMENDATION OF GSN NA, INC. TO EFFECT ANY TRANSACTIONS IN THE SECURITIES DISCUSSED HEREIN OR AN ENDORSEMENT OF ANY OPINION EXPRESSED HEREIN. GSN NA, INC. MAY FURNISH UPON REQUEST ALL INVESTMENT INFORMATION AVAILABLE TO IT SUPPORTING ANY RECOMMENDATIONS MADE IN THIS RESEARCH REPORT. ALL TRADES WITH U.S. RECIPIENTS OF THIS RESEARCH SHALL BE EXECUTED THROUGH GSN NA, INC.

THIS DOCUMENT IS FOR DISTRIBUTION IN THE U.K. ONLY TO PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "ORDER") OR (ii) ARE PERSONS FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER, NAMELY HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS DOCUMENT MUST NOT BE ACTED ON OR RELIED UPON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS DOCUMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS OR TO RESIDENTS OF OTHER JURISDICTIONS MAY ALSO BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS. BY ACCEPTING THIS REPORT YOU AGREE TO BE BOUND BY THE FOREGOING INSTRUCTIONS. YOU SHALL INDEMNIFY EQUINET BANK AGAINST ANY DAMAGES, CLAIMS, LOSSES, AND DETRIMENTS RESULTING FROM OR IN CONNECTION WITH THE UNAUTHORIZED USE OF THIS DOCUMENT.

This report is for informational purposes only and has no regard to the specific investment objectives, financial situation or particular needs of any specific recipient. This publication is intended to provide information to assist institutional investors in making their own investment decisions, not to provide investment advice to any specific investor. Therefore, investments discussed and recommendations made herein may not be suitable for all investors: readers must exercise their own independent judgment as to the suitability of such investments and recommendations in the light of their own investment objectives, experience, taxation status and financial position.

The information herein is believed by Equinet Bank to be reliable and has been obtained from sources believed to be reliable, but Equinet Bank makes no representation as to the accuracy or completeness of such information. The information given in this report is subject to change without notice; it may be incomplete or condensed and it may not contain all material information concerning the Company. Opinions expressed herein may differ or be contrary to opinions expressed by other business areas of the Equinet Bank group as a result of using different assumptions and criteria. Equinet Bank is under no obligation to update or keep the information current. Equinet Bank provides data concerning the future development of securities in the context of its usual research activity. However, if a financial instrument is denominated in a currency other than an investor's currency, a change in exchange rates may adversely affect the price or value of, or the income derived from, the financial instrument, and such investor effectively assumes currency risk. In addition, income from an investment may fluctuate and the price or value of financial instruments described in this report, either directly or indirectly, may rise or fall. Furthermore, past performance is not necessarily indicative of future results. Neither the author nor Equinet Bank accepts any liability whatsoever for any loss howsoever arising from any use of this publication or its contents or otherwise arising in connection herewith, except as provided for under applicable regulations.

Equinet Bank shall only be liable for any damages intentionally caused or which result from any gross negligence of Equinet Bank. Further Equinet Bank shall be liable for the breach of a material obligation of Equinet Bank, however, limited to the amount of the typical foreseeable which shall in no event exceed the amount of EUR 10,000. German law shall be applicable and court of jurisdiction for all disputes shall be Frankfurt/Main (Germany).

### Competent Supervisory Authority:

Bundesanstalt für Finanzdienstleistungsaufsicht  
-BaFin- (Federal Financial Supervisory Authority)  
Graurheindorfer Straße 108, 53117 Bonn and  
Marie-Curie-Str. 24-28, 60439 Frankfurt am Main

### Recommendation history for EUROMICRON AG

Date	Recommendation	Target price	Price at change date
02. Jul 18	Buy	11.40	6.60
06. Nov 15	Buy	13.00	8.81

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)



## ESN Recommendation System

The ESN Recommendation System is **Absolute**. It means that each stock is rated on the basis of a **total return**, measured by the upside potential (including dividends and capital reimbursement) over a **12 month time horizon**.



The ESN spectrum of recommendations (or ratings) for each stock comprises 5 categories: **Buy (B)**, **Accumulate (A)**, **Neutral (N)**, **Reduce (R)** and **Sell (S)**.

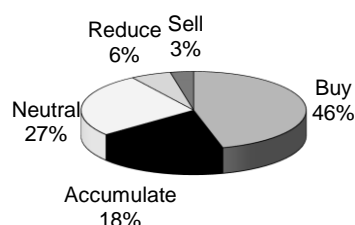
Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

### Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 15%** during the next 12 months time horizon
- **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
- **Rating Suspended:** the rating is suspended due to a change of analyst covering the stock or a capital operation (take-over bid, SPO, ...) where the issuer of the document (a partner of ESN) or a related party of the issuer is or could be involved
- **Not Rated:** there is no rating for a company being floated (IPO) by the issuer of the document (a partner of ESN) or a related party of the issuer

Certain flexibility on the limits of total return bands is permitted especially during higher phases of volatility on the markets

### Equinet Bank Ratings Breakdown



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

Date and time of production: 16 August 2018: 8:54 CET

First date and time of dissemination: 16 August 2018: 8:59 CET

## Disclaimer:

These reports have been prepared and issued by the Members of European Securities Network LLP ("ESN"). ESN, its Members and their affiliates (and any director, officer or employee thereof), are neither liable for the proper and complete transmission of these reports nor for any delay in their receipt. Any unauthorised use, disclosure, copying, distribution, or taking of any action in reliance on these reports is strictly prohibited. The views and expressions in the reports are expressions of opinion and are given in good faith, but are subject to change without notice. These reports may not be reproduced in whole or in part or passed to third parties without permission. The information herein was obtained from various sources. ESN, its Members and their affiliates (and any director, officer or employee thereof) do not guarantee their accuracy or completeness, and neither ESN, nor its Members, nor its Members' affiliates (nor any director, officer or employee thereof) shall be liable in respect of any errors or omissions or for any losses or consequential losses arising from such errors or omissions. Neither the information contained in these reports nor any opinion expressed constitutes an offer, or an invitation to make an offer, to buy or sell any securities or any options, futures or other derivatives related to such securities ("related investments"). These reports are prepared for the clients of the Members of ESN only. They do not have regard to the specific investment objectives, financial situation and the particular needs of any specific person who may receive any of these reports. Investors should seek financial advice regarding the appropriateness of investing in any securities or investment strategies discussed or recommended in these reports and should understand that statements regarding future prospects may not be realised. Investors should note that income from such securities, if any, may fluctuate and that each security's price or value may rise or fall. Accordingly, investors may receive back less than originally invested. Past performance is not necessarily a guide to future performance. Foreign currency rates of exchange may adversely affect the value, price or income of any security or related investment mentioned in these reports. In addition, investors in securities such as ADRs, whose value are influenced by the currency of the underlying security, effectively assume currency risk. ESN, its Members and their affiliates may submit a pre-publication draft (without mentioning neither the recommendation nor the target price/fair value) of its reports for review to the Investor Relations Department of the issuer forming the subject of the report, solely for the purpose of correcting any inadvertent material inaccuracies. Like all members employees, analysts receive compensation that is impacted by overall firm profitability. For further details about the analyst certification, the specific risks of the company and about the valuation methods used to determine the price targets included in this report/note, please refer to the specific disclaimer pages prepared by the ESN Members. In the case of a short note please refer to the latest relevant published research on single stock or contact the analyst named on the front of the report/note for detailed information on the valuation methods, earning estimates and risks. A full description of all the organisational and administrative measures taken by the Members of ESN to manage interest and conflicts of interest are available on the website of the Members or in the local disclaimer of the Members or contacting directly the Members. Research is available through the ESN Members sales representative. ESN will provide periodic updates on companies or sectors based on company-specific developments or announcements, market conditions or any other publicly available information. Unless agreed in writing with an ESN Member, this research is intended solely for internal use by the recipient. Neither this document nor any copy of it may be taken or transmitted into Australia, Canada or Japan or distributed, directly or indirectly, in Australia, Canada or Japan or to any resident thereof. This document is for distribution in the U.K. Only to persons who have professional experience in matters relating to investments and fall within article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005 (the "order") or (ii) are persons falling within article 49(2)(a) to (d) of the order, namely high net worth companies, unincorporated associations etc. (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied upon by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. The distribution of this document in other jurisdictions or to residents of other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. By accepting this report you agree to be bound by the foregoing instructions. You shall indemnify ESN, its Members and their affiliates (and any director, officer or employee thereof) against any damages, claims, losses, and detriments resulting from or in connection with the unauthorized use of this document. For disclosure upon "conflicts of interest" on the companies under coverage by all the ESN Members, on the "interests" and "conflicts" of the analysts and on each "company recommendation history", please visit the ESN website ([http://www.esnpartnership.eu/research\\_and\\_database\\_access/insite](http://www.esnpartnership.eu/research_and_database_access/insite)), or refer to the local disclaimer of the Members, or contact directly the Members:

[www.bancaakros.it](http://www.bancaakros.it) regulated by the CONSOB - Commissione Nazionale per le Società e la Borsa

[www.caixabi.pt](http://www.caixabi.pt) regulated by the CMVM - Comissão do Mercado de Valores Mobiliários

[www.cmcioms.com](http://www.cmcioms.com) regulated by the AMF - Autorité des marchés financiers

[www.equinet-ag.de](http://www.equinet-ag.de) regulated by the BaFin - Bundesanstalt für Finanzdienstleistungsaufsicht

[www.ibg.gr](http://www.ibg.gr) regulated by the HCMC - Hellenic Capital Market Commission

[www.nibc.com](http://www.nibc.com) regulated by the AFM - Autoriteit Financiële Markten

[www.op.fi](http://www.op.fi) regulated by the Financial Supervision Authority

[www.valores.gvcgaesco.es](http://www.valores.gvcgaesco.es) regulated by the CNMV - Comisión Nacional del Mercado de Valores

## Members of ESN (European Securities Network LLP)



**Banca Akros S.p.A.**  
Viale Eginardo, 29  
20149 MILANO  
Italy  
Phone: +39 02 43 444 389  
Fax: +39 02 43 444 302



**Caixa-Banco de Investimento**  
Avenida João XXI, 63  
1000-300 Lisboa  
Portugal  
Phone: +351 21 313 73 00  
Fax: +351 21 389 68 98



**CM - CIC Market Solutions**  
6, avenue de Provence  
75441 Paris  
Cedex 09  
France  
Phone: +33 1 53 48 81 93



**equinet Bank AG**  
Gräfrstraße 97  
60487 Frankfurt am Main  
Germany  
Phone: +49 69 – 58997 – 212  
Fax: +49 69 – 58997 – 299



**GVC Gaesco Beka, SV, SA**  
C/ Marques de Villamagna 3  
28001 Madrid  
Spain  
Phone: +34 91 436 7813



**Investment Bank of Greece**  
32 Aigialeias Str & Paradissou,  
151 25 Maroussi,  
Greece  
Phone: +30 210 81 73 383



**NIBC Bank N.V.**  
Gustav Mahlerlaan 348  
P.O.Box 235  
1082 ME Amsterdam  
The Netherlands  
Phone: +31 20 550 8500  
Fax: +31 20 626 8064



**OP Corporate Bank plc**  
P.O.Box 308  
Teollisuuskatu 1, 00013 Helsinki  
Finland  
Phone: +358 10 252 011  
Fax: +358 10 252 2703

