



Investment Research

Reason: Company Newsflow

5 December 2013

Buy

Recommendation unchanged

Share price: EUR 14.80

closing price as of 04/12/2013

Target price: EUR 19.00

from Target Price: EUR 24.00

Reuters/Bloomberg

EUUG.DE/EUCGY

Daily avg. no. trad. sh. 12 mth	101,484
Daily avg. trad. vol. 12 mth (m)	140.39
Price high 12 mth (EUR)	19.98
Price low 12 mth (EUR)	13.67
Abs. perf. 1 mth	-17.0%
Abs. perf. 3 mth	-12.2%
Abs. perf. 12 mth	-17.3%

Market capitalisation (EURm)	99
Current N° of shares (m)	7
Free float	100%

Key financials (EUR)	12/12	12/13e	12/14e
Sales (m)	330	320	344
EBITDA (m)	25	16	21
EBITDA margin	7.6%	5.1%	6.1%
EBIT (m)	17	8	12
EBIT margin	5.2%	2.5%	3.6%
Net Profit (adj.)(m)	13	7	7
ROCE	7.7%	4.5%	4.9%
Net debt/(cash) (m)	78	85	80
Net Debt Equity	0.7	0.7	0.6
Net Debt/EBITDA	3.1	5.2	3.8
Int. cover(EBITDA/Fin.int)	5.8	3.9	5.1
EV/Sales	0.6	0.6	0.6
EV/EBITDA	8.4	12.0	9.2
EV/EBITDA (adj.)	7.2	9.4	8.4
EV/EBIT	12.4	25.0	15.7
P/E (adj.)	9.3	14.5	13.3
P/BV	1.0	0.8	0.8
OpFCF yield	5.1%	-6.6%	4.7%
Dividend yield	2.0%	0.3%	1.4%
EPS (adj.)	1.96	1.02	1.11
BVPS	17.79	17.83	18.59
DPS	0.30	0.05	0.20

Project postponements induce a revised FY13 outlook PT lowered to EUR 19 (24) – confirm ‘Buy’ rating

Project postponements and cost overruns urged Euromicron’s management yesterday to revise the FY13 outlook for sales by EUR 30m and for the EBITDA by c. EUR 12m. Bookings remained solid so that the backlog achieved a new record at EUR 145m. While one should expect some recovery of the lost revenues early next year, we have nevertheless lowered our model assumptions to be on the safe side. Our adjustments lead to a new DCF based PT of EUR 19 (24). Since we continue to believe in EUCA’s solid positioning in infrastructure markets, we keep our ‘Buy’ rating. The stock remains attractive based on FY15 multiples.

- ✓ Euromicron (EUCA) released yesterday that it will not achieve the previous revenues guidance of c. EUR 350m as the company had to face project postponements while call orders from customers are delayed. EUCA saw no cancellations however. Management now expects a FY13e top line of EUR 320m (down about 3% yoy), but to recover revenue portions in FY14e.
- ✓ Since EUCA expected higher sales and provided respective capacities and material resources, the associated cost structure will not allow for an EBITDA margin of 8% as guided previously. On top of that, EUCA had to face project cost overruns. The company now forecasts a respective profitability level of 5%. In absolute terms this equals an EBITDA of c. EUR 16-17m (previously EUR 28m). In this context, please remember that 2013 continues to be a year of integration as will be 2014.
- ✓ EUCA furthermore released that the order backlog has reached a historical high at EUR 145m thanks to solid bookings. This would be up qoq by c. EUR 4m. Please remember that board member Mr. Hoffmann mentioned at the recent Frankfurt equity forum that the October intake had been solid. Vectoring business has started to gain traction and, although not significant yet, 2014 should ramp up.
- ✓ Implicitly, this should mean for 4Q13 that EUCA should achieve a top line of EUR 86-87m (down c 16% yoy) and an EBITDA loss of EUR minus 1.65m as the company cannot adjust the cost structures within one quarter as mentioned before. We have lowered our estimates accordingly as can be seen below. We have also assumed a more cautious stance for the following periods. While we have kept revenue growth rates constant, we forecast EUCA to return to the 8% EBITDA margin not before FY15e after the conclusion of the integration phase. If any at all, we expect EUCA to pay out only a small dividend now for FY13, but to commence with improved shareholder remuneration in later periods.

Model changes

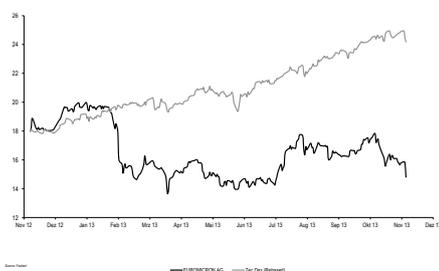
EUR m	2013e old	2013e new	change	2014e old	2014e new	change	2015e old	2015e new	change
Group Sales	350.0	320.0	-8.6%	376.0	344.0	-8.5%	399	365.0	-8.5%
Rep. group EBITDA	27.8	16.4	-41.0%	32.6	20.9	-35.8%	37.6	29.4	-21.8%
EBITDA margin*	7.9%	5.1%	-280bp	8.7%	6.1%	-260bp	9.4%	8.1%	-140bp
Rep. EPS [EUR]	1.56	0.35	-77.6%	2.06	0.81	-60.7%	2.59	1.71	-34.0%

Source: equinet estimates; *) here relative to sales and not total output=B28

- ✓ We expect the company to comment later on whether the current situation originates also a postponement on the way to achieve the agenda 500. In general, there should be no changes to management aspiration. Nevertheless, the lowered estimates lead to a revised DCF fair value of EUR 19 which we adopt as our new PT. Unsurprisingly, the stock price reacted negatively on today’s release. Against the backdrop of our new PT we confirm our ‘Buy’ rating.

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For company description please see summary table footnote

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Discounted Cash Flow model

EUR m	Phase I					Phase II					Phase III
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Sales	320.0	344.0	365.0	383.2	397.6	409.5	421.8	434.5	447.5	460.9	470.2
<i>Sales growth</i>	-3.0%	7.5%	6.1%	5.0%	3.8%	3.0%	3.0%	3.0%	3.0%	3.0%	2.0%
EBIT	7.9	12.3	20.7	23.8	26.6	24.2	25.1	25.9	26.8	27.7	28.4
<i>EBIT margin*</i>	2.5%	3.6%	5.7%	6.2%	6.7%	5.9%	5.9%	6.0%	6.0%	6.0%	6.0%
Tax	(1.1)	(2.4)	(4.9)	(5.9)	(6.7)	(6.0)	(6.3)	(6.6)	(6.9)	(7.1)	(7.3)
<i>Tax rate</i>	30.0%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%	29.5%
NOPAT	6.8	9.9	15.8	17.9	19.8	18.2	18.8	19.4	19.9	20.5	21.1
Depreciation	8.5	8.6	8.7	8.8	9.0	9.1	9.3	9.5	9.7	9.9	9.9
<i>in % of Sales</i>	2.7%	2.5%	2.4%	2.3%	2.3%	2.2%	2.2%	2.2%	2.2%	2.1%	2.1%
Capex	(4.8)	(9.3)	(9.1)	(9.6)	(9.9)	(9.6)	(9.9)	(10.2)	(10.5)	(10.8)	(10.1)
<i>in % of Sales</i>	1.5%	2.7%	2.5%	2.5%	2.5%	2.4%	2.4%	2.4%	2.4%	2.4%	2.1%
Provision delta	0.5	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	(0.0)
<i>in % of Sales</i>	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.0%
NWC delta	(6.0)	(2.2)	(5.2)	(4.6)	(3.6)	(3.0)	(3.1)	(3.2)	(3.3)	(3.4)	(0.3)
<i>in % of Sales</i>	-1.9%	-0.6%	-1.4%	-1.2%	-0.9%	-0.7%	-0.7%	-0.7%	-0.7%	-0.7%	-0.1%
Other current assets delt	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.3
<i>in % of Sales</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Free Cash Flow	5.2	7.5	10.6	13.0	15.8	15.0	15.4	15.7	16.1	16.5	20.9
<i>FCF growth</i>	nm	nm	40.3%	23.5%	21.3%	-5.1%	2.4%	2.3%	2.5%	2.5%	26.6%
Present Value FCF	5.1	6.8	8.8	9.9	11.0	9.6	9.0	8.4	7.9	7.4	127.9

PV Phase I	41.7	MCap	98.6	Targ. equity ratio	83.5%
PV Phase II	42.1	Risk premium	4.00%	Beta	1.36
PV Phase III	127.9	Risk free rate	4.50%	WACC	9.30%

Total present value	211.7					
+ capital increase/share buy back	0.0					
+ associates & other financial assets	0.9					
- market value of minorities	3.5					
+ cash and liquid assets	5.6					
- interest bearing debt**	87.1					
Implied Mcap	127.7					
Number of shares	6.7					
Implied value per share	19.16					

Sensitivity Analysis		Growth rate Phase III				
		1.0%	1.5%	2.0%	2.5%	3.0%
8.83%	18.81	20.07	21.53	23.21	25.18	
9.07%	17.80	18.97	20.30	21.84	23.63	
9.30%	16.84	17.93	19.16	20.57	22.20	
9.53%	15.95	16.95	18.08	19.38	20.88	
9.76%	15.10	16.03	17.08	18.27	19.65	

*) relative to sales and not total output; **) including pension provisions

Source: equinet

European Peer Group Valuation

COMPANY	P/E 2013	P/E 2014	P/E 2015	EV/EBITDA 2013	EV/EBITDA 2014	EV/EBITDA 2015	EV/EBIT 2013	EV/EBIT 2014	EV/EBIT 2015
BATENBURG	24.2	13.2	9.6	8.2	5.6	4.4	nm	9.8	6.8
IMTECH	nm	30.7	11.1	nm	12.0	7.5	nm	22.8	10.7
LEGRAND	19.0	17.5	16.0	11.6	10.6	9.6	13.2	12.1	10.9
NEXANS	nm	nm	14.4	6.6	6.3	nm	14.4	11.8	nm
ADVA OPTICAL	24.5	15.4	10.2	3.9	2.9	2.1	12.6	7.0	4.9
AMEC PLC	13.1	11.6	10.6	9.0	8.2	7.4	10.1	9.1	8.1
BECHTLE	15.4	13.5	12.3	8.1	7.0	6.1	10.2	8.6	7.5
CANCOM	19.2	14.6	12.6	10.5	8.1	6.9	14.3	10.5	8.7
HUBER + SUHNER	21.2	17.9	16.6	8.5	7.6	6.9	13.5	11.6	10.4
MOLEX	26.7	22.2	20.2	10.8	9.3	8.5	17.7	14.2	12.5
MEDIAN	20.2	15.4	12.5	8.5	7.8	6.9	13.3	11.0	8.7
AVERAGE	20.4	17.4	13.4	8.6	7.8	6.6	13.3	11.7	9.0
EUROMICRON	42.7	18.2	8.6	10.6	8.4	5.9	22.0	14.3	8.4
THEOR. VALUATION OF EUCA	7.00	12.54	21.38	9.76	13.11	19.31	4.57	8.84	15.68
THEOR. VALUATION OF EUCA	7.08	14.14	22.89	9.94	12.86	17.86	4.48	10.13	16.49

Sources: FactSet, equinet estimates



Euromicron AG: Summary tables

PROFIT & LOSS (EURm)	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
Sales	305	330	320	344	365	383
Cost of Sales & Operating Costs	-275	-301	-299	-321	-336	-351
Non Recurrent Expenses/Income	0.0	-4.5	-4.5	-2.0	0.0	0.0
EBITDA	30.8	25.0	16.4	20.9	29.4	32.6
EBITDA (adj.)*	30.8	29.5	20.9	22.9	29.4	32.6
Depreciation	-2.9	-3.2	-3.1	-3.3	-3.5	-3.7
EBITA	27.9	21.8	13.3	17.7	25.9	28.9
EBITA (adj)*	27.9	26.3	17.8	19.7	25.9	28.9
Amortisations and Write Downs of which PPA amortisation	0.0 -1.7	0.0 -2.0	0.0 -2.0	0.0 -1.5	0.0 -1.2	0.0 -1.0
EBIT	24.2	17.1	7.9	12.3	20.7	23.8
EBIT (adj.)*	25.9	23.6	14.4	15.8	21.9	24.8
Net Financial Interest	-5.3	-4.3	-4.2	-4.1	-4.0	-3.8
Other Financials	-1.0	-0.5	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)	17.9	12.2	3.7	8.2	16.8	19.9
Tax	-5.0	-3.4	-1.1	-2.4	-4.9	-5.9
<i>Tax rate</i>	<i>27.7%</i>	<i>27.8%</i>	<i>30.0%</i>	<i>29.5%</i>	<i>29.5%</i>	<i>29.5%</i>
Discontinued Operations	0.0	0.0	0.0	0.0	0.0	0.0
Minorities	-0.7	-0.3	-0.3	-0.4	-0.4	-0.5
Net Profit (reported)	12.2	8.6	2.3	5.4	11.4	13.6
Net Profit (adj.)	12.2	13.1	6.8	7.4	11.4	13.6
CASH FLOW (EURm)	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
Cash Flow from Operations before change in NWC	21.7	18.1	5.7	16.1	23.3	23.4
Change in Net Working Capital	-28.3	-1.1	-6.0	-2.2	-5.2	-4.6
Cash Flow from Operations	-6.7	17.0	-0.3	13.9	18.0	18.9
Capex	-8.2	-10.8	-6.3	-9.3	-9.1	-9.6
Net Financial Investments	-27.7	-3.2	1.5	0.0	0.0	0.0
Free Cash Flow	-42.6	3.0	-5.0	4.6	8.9	9.3
Dividends	-5.3	-6.0	-2.0	-0.3	-1.3	-3.3
Other (incl. Capital Increase & share buy backs)	38.7	-15.0	-0.1	0.5	0.6	0.6
Change in Net Debt	-9.2	-18.0	-7.1	4.8	8.1	6.6
NOPLAT	18.7	17.0	10.1	11.1	15.4	17.5
BALANCE SHEET & OTHER ITEMS (EURm)	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
Net Tangible Assets	15.1	16.3	13.7	14.7	15.8	16.8
Net Intangible Assets (incl. Goodwill)	122	127	126	126	125	125
Net Financial Assets & Other	0.9	0.9	0.8	0.8	0.8	0.8
Total Fixed Assets	138	145	141	141	142	143
Inventories	25.1	27.5	25.6	27.5	29.2	30.7
Trade receivables	88.1	96.8	103	111	118	123
Other current assets	5.6	9.4	4.9	5.3	5.6	6.0
Cash (-)	-8.5	-5.6	1.9	-4.6	-9.4	-15.9
Total Current Assets	127	139	132	148	162	176
Total Assets	266	284	272	289	303	318
Shareholders Equity	120	119	119	124	134	144
Minority	0.5	0.5	0.8	1.2	1.6	2.0
Total Equity	120	119	120	125	136	146
Long term interest bearing debt	35.5	45.6	45.2	46.8	43.5	43.5
Provisions	10.4	11.9	6.8	8.8	12.0	13.0
Other long term liabilities	1.5	5.7	4.5	4.6	4.7	4.8
Total Long Term Liabilities	47.3	63.2	56.5	60.3	60.2	61.3
Short term interest bearing debt	32.7	37.8	37.8	37.8	37.8	37.8
Trade payables	31.6	42.9	41.6	48.8	51.8	54.4
Other current liabilities	33.9	21.0	16.9	17.5	18.1	18.7
Total Current Liabilities	98.3	102	96.3	104	108	111
Total Liabilities and Shareholders' Equity	266	284	272	289	303	318
Net Capital Employed	192	214	216	219	224	229
Net Working Capital	76.8	77.9	83.8	86.0	91.2	95.8
GROWTH & MARGINS	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
<i>Sales growth</i>	<i>49.9%</i>	<i>8.1%</i>	<i>-3.0%</i>	<i>7.5%</i>	<i>6.1%</i>	<i>5.0%</i>
EBITDA (adj.)* growth	24.5%	-4.1%	-29.2%	9.7%	28.2%	10.9%
<i>EBITA (adj.)* growth</i>	<i>23.6%</i>	<i>-5.6%</i>	<i>-32.2%</i>	<i>10.1%</i>	<i>31.7%</i>	<i>11.4%</i>
<i>EBIT (adj.)* growth</i>	<i>28.8%</i>	<i>-9.0%</i>	<i>-39.0%</i>	<i>9.8%</i>	<i>38.7%</i>	<i>13.0%</i>



Euromicron AG: Summary tables

GROWTH & MARGINS	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
Net Profit growth	6.7%	6.9%	-47.9%	8.8%	53.9%	19.3%
EPS adj. growth	-2.0%	-15.8%	-47.9%	8.8%	53.9%	19.3%
DPS adj. growth	4.5%	-73.9%	-83.3%	300.0%	150.0%	70.0%
EBITDA (adj)* margin	10.1%	8.9%	6.5%	6.7%	8.1%	8.5%
EBITA (adj)* margin	9.1%	8.0%	5.6%	5.7%	7.1%	7.5%
EBIT (adj)* margin	8.5%	7.1%	4.5%	4.6%	6.0%	6.5%
RATIOS	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
Net Debt/Equity	0.5	0.7	0.7	0.6	0.5	0.4
Net Debt/EBITDA	1.9	3.1	5.2	3.8	2.4	2.0
Interest cover (EBITDA/Fin.interest)	5.8	5.8	3.9	5.1	7.4	8.6
Capex/D&A	125.6%	136.4%	73.5%	107.7%	104.9%	108.3%
Capex/Sales	2.7%	3.3%	2.0%	2.7%	2.5%	2.5%
NWC/Sales	25.2%	23.6%	26.2%	25.0%	25.0%	25.0%
ROE (average)	11.7%	11.0%	5.7%	6.1%	8.9%	9.8%
ROCE (adj.)	8.7%	7.7%	4.5%	4.9%	6.7%	7.3%
WACC	9.4%	9.4%	9.4%	9.4%	9.4%	9.4%
ROCE (adj.)/WACC	0.9	0.8	0.5	0.5	0.7	0.8
PER SHARE DATA (EUR)***	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
Average diluted number of shares	5.2	6.7	6.7	6.7	6.7	6.7
EPS (reported)	2.33	1.29	0.35	0.81	1.71	2.04
EPS (adj.)	2.33	1.96	1.02	1.11	1.71	2.04
BVPS	22.81	17.79	17.83	18.59	20.11	21.65
DPS	1.15	0.30	0.05	0.20	0.50	0.85
VALUATION	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
EV/Sales	0.5	0.6	0.6	0.6	0.5	0.5
EV/EBITDA	5.2	8.4	12.0	9.2	6.3	5.5
EV/EBITDA (adj.)*	5.2	7.2	9.4	8.4	6.3	5.5
EV/EBITA	5.7	9.7	14.7	10.9	7.1	6.2
EV/EBITA (adj.)*	5.7	8.0	11.0	9.8	7.1	6.2
EV/EBIT	6.6	12.4	25.0	15.7	8.9	7.5
EV/EBIT (adj.)*	6.2	9.0	13.7	12.2	8.4	7.2
P/E (adj.)	6.8	9.3	14.5	13.3	8.6	7.2
P/BV	0.7	1.0	0.8	0.8	0.7	0.7
Total Yield Ratio	7.2%	2.0%	0.3%	1.4%	3.4%	5.7%
EV/CE	0.7	1.0	0.9	0.8	0.8	0.8
OpFCF yield	-17.8%	5.1%	-6.6%	4.7%	9.0%	9.4%
OpFCF/EV	-9.3%	2.9%	-3.3%	2.4%	4.8%	5.2%
Payout ratio	49.4%	23.3%	14.4%	24.6%	29.2%	41.6%
Dividend yield (gross)	7.2%	2.0%	0.3%	1.4%	3.4%	5.7%
EV AND MKT CAP (EURm)	12/2011	12/2012	12/2013e	12/2014e	12/2015e	12/2016e
Price** (EUR)	15.93	18.14	14.80	14.80	14.80	14.80
Outstanding number of shares for main stock	5.2	6.7	6.7	6.7	6.7	6.7
Total Market Cap	84	121	99	99	99	99
Net Debt	60	78	85	80	72	65
<i>o/w Cash & Marketable Securities (-)</i>	<i>-8</i>	<i>-6</i>	<i>2</i>	<i>-5</i>	<i>-9</i>	<i>-16</i>
<i>o/w Gross Debt (+)</i>	<i>68</i>	<i>83</i>	<i>83</i>	<i>85</i>	<i>81</i>	<i>81</i>
Other EV components	17	13	13	14	14	15
Enterprise Value (EV adj.)	160	211	197	193	185	179

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: The euromicron Group with its extensive network of branch offices in Germany is a system house that is active in the future market of network and fiber optics technology. euromicron develops, produces and distributes network components based on copper, glass fiber and wireless technology and plans, implements and maintains communications, information and security networks for all applications.



Recommendations and Disclosures

Coverage	Analyst	Target	Rating	Disc.	Coverage	Analyst	Target	Rating	Disc.
2GENERGY	Freudenreich	34.50	Buy	2/3	K+S AG	Schäfer	25.00	Buy	
4SC	Miemietz	3.60	Buy	7	KHDHUMBOLDTWEDAGINTERNAT	Schmidt / Schuldt	7.60	Buy	
Aareal Bank	Häßler	26.00	Hold		Kontron	Pehl	5.00	Hold	
Adler Modemaerkte	Rigtgers/ Faust	11.60	Buy	3/5	KronesAG	Schmidt	66.00	Hold	
Adpepper	Rigtgers/ Pehl	1.50	Buy	2/3	KTGAGrar	Schäfer	16.00	Accumulate	2/3/5
adidas	Faust / Rigtgers	85.00	Accumulate		KUKA	Schmidt	38.00	Hold	
Advanced Vision Technology	Schmidt	7.00	Buy		LANXESS	Demidova	52.00	Hold	
AgrariusAG	Schäfer	1.25	Buy	2/3/5	Leoni	Schuldt	56.00	Accumulate	
Aixtron	Pehl	7.00	Sell	2/3	Linde	Demidova	160.00	Accumulate	
Allianz	Häßler	130.00	Hold		Loewe	Faust / Rigtgers	Suspended	Suspended	2/5
Analytik Jena	Demidova	14.00	Hold	7	Logwin	Rothenbacher	1.60	Buy	2/3/5
BASF	Demidova	78.00	Hold		Luft hansa	Rothenbacher	15.00	Hold	
BAUERAG	Schmidt	16.50	Reduce		MAN	Schuldt	85.00	Hold	
Bayer	Miemietz	94.00	Accumulate		MAXAutomation AG	Schmidt	7.00	Buy	2/3
BayWa	Schäfer	45.00	Buy	5	Medion	Faust / Rigtgers	13.00	Hold	
BB Biotech	Miemietz	121.00	Buy	7	Merck	Miemietz	133.00	Accumulate	
Beiersdorf	Demidova	56.00	Sell		MIFA	Rigtgers/ Faust	9.00	Buy	2/3/4/5
Berentzen	Faust / Rigtgers	5.60	Hold	2/3	MLP	Häßler	5.30	Accumulate	2/3
Beta SystemsSoftware	Schuldt	2.60	Buy	2/3/5	Mobotix AG	Pehl	19.00	Accumulate	2/3
BILFINGER SE	Faust	100.00	Buy		MTU	Pehl	71.00	Hold	2
Biotest	Miemietz	70.00	Buy	2/3/5	Munich Re	Häßler	150.00	Hold	
BMW	Schuldt	83.00	Hold		Nanogate AG	Demidova	29.00	Buy	2/3/5
Celesio	Lieder	23.00	Hold		PATRIZIA AG	Häßler	9.10	Buy	
Cenit	Pehl	12.75	Buy	2/3	Pfeiffer Vacuum	Pehl	84.00	Reduce	
comdirect	Häßler	8.00	Hold		Phoenix Solar	Freudenreich	Suspended	Suspended	
Commerzbank	Häßler	10.00	Hold		Porsche	Schuldt	64.00	Hold	
Continental	Schuldt	105.00	Reduce		Postbank	Häßler	32.00	Accumulate	
Daimler AG	Schuldt	55.00	Reduce		PSI	Schäfer	12.00	Hold	2/3
Daldrup & Soehne	Schäfer	15.00	Accumulate	2/3/5	Puma	Faust / Rigtgers	285.00	Buy	
Deutsche Bank	Häßler	34.00	Hold		Rheinmetall	Pehl	45.00	Hold	
Deutsche Biogas	Schäfer	6.00	Buy	2/3/5	Rhoen-Klinikum	Lieder	23.60	Buy	
Deutsche Boerse	Häßler	48.00	Sell		RIB Software	Rothenbacher	8.00	Buy	2/3
Deutsche EuroShop	Rothenbacher	33.00	Hold		RWE	Schäfer	25.00	Hold	
Deutsche Forfait	Häßler	5.60	Buy	2/3/4/5	SAF-HOLLAND	Schuldt	13.00	Buy	7
Deutsche Post	Rothenbacher	24.00	Hold		Salzgitter	Freudenreich	36.00	Buy	
Deutsche Telekom	Pehl	12.25	Hold		Seven PrinciplesAG	Pehl	6.00	Buy	2/3/5
Deutz AG	Schmidt	8.20	Buy		SingulusTechnologies	Freudenreich	2.30	Hold	4/5
DMGMORI SEIKI AG	Schmidt	26.00	Accumulate		SKWStahl	Freudenreich	23.00	Buy	
DouglasHolding	Faust / Rigtgers	38.00	Hold		SMA Solar Technology	Freudenreich	23.00	Sell	
Dragerwerk	Lieder	100.00	Hold		SMTSCHARFAG	Schmidt	25.00	Accumulate	2/3
Drillisch	Pehl	24.00	Accumulate		SolarWorld	Freudenreich	0.05	Sell	
E.ON	Schäfer	14.00	Hold		SuessMicroTec	Pehl	Under review	Under review	2/3
EiringKlinger	Schuldt	20.00	Reduce		SURTECO	Lieder	23.50	Buy	2/3
EpigenomicsAG	Miemietz	8.00	Buy	2/3/5	Symrise AG	Demidova	32.00	Hold	
Euromicron AG	Pehl	19.00	Buy	2/3/5	SYZYGYAG	Rigtgers/ Pehl	5.40	Buy	2/3
Fielmann	Lieder	84.00	Accumulate		Talanx Group	Häßler	27.00	Accumulate	
Fraport	Rothenbacher	61.00	Accumulate		ThyssenKrupp	Freudenreich	16.00	Sell	
Freenet	Pehl	22.00	Accumulate	2	TUI	Rothenbacher	12.00	Buy	
Fresenius	Lieder	104.00	Accumulate		United Internet	Pehl	28.00	Hold	
FreseniusMedical Care	Lieder	61.00	Buy		Uzin Utz	Faust / Lieder	26.00	Buy	2/3
FuchsPetrolub	Demidova	54.00	Reduce		VBH Holding	Faust	2.80	Hold	2/3
GEA Group	Schmidt	38.00	Accumulate		VIB Vermoegen	Rothenbacher	13.00	Accumulate	
Gerrheimer AG	Lieder	45.00	Hold		Volkswagen	Schuldt	205.00	Buy	
GERRYWEBER	Rigtgers/ Faust	34.00	Accumulate		Vossloh	Schmidt	66.00	Reduce	
Gesco	Schmidt	78.00	Accumulate	2/3	Wacker Chemie	Freudenreich	58.00	Sell	
GFT Technologies	Schuldt	7.50	Buy	2/3	Wilex	Miemietz	3.00	Buy	2/3
Gigaset	Rigtgers/ Pehl	1.00	Hold	2/3/5	Wincor Nixdorf	Pehl	53.00	Hold	2
Grenkeleasing AG	Häßler	50.00	Sell						
Hannover Re	Häßler	70.00	Buy						
Heidelberger Druck	Schmidt	3.00	Buy						
Henkel	Demidova	62.00	Sell						
HHLA	Rothenbacher	18.00	Hold						
Hochtief	Faust	69.00	Hold						
Hugo Boss	Faust / Rigtgers	88.00	Reduce						
i:FAOAG	Rothenbacher	16.50	Buy	2/3					
Joyou AG	Lieder	21.90	Buy	2					
IVG Immobilien AG	Rothenbacher	0.05	Sell						

Source: equinet Recommendations



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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

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Marie-Curie-Str. 24-28, 60439 Frankfurt am Main.



Recommendation history for EUROMICRON AG

Date	Recommendation	Target price	Price at change date
05. Dez 13	Buy	19.00	14.80
12. Nov 13	Buy	24.00	16.27
07. Sep 12	Buy	30.00	19.90
29. Mrz 12	Buy	31.50	22.16
15. Aug 11	Buy	30.26	18.36
27. Apr 11	Buy	28.82	19.94
30. Mrz 11	Buy	27.86	17.63

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: Adrian Pehl, CFA (since 28/04/2010)





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**.

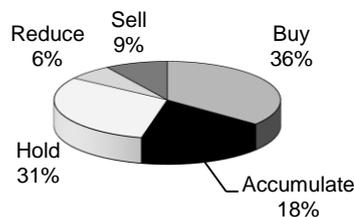
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Furthermore, in specific cases and for a limited period of time, the analysts are allowed to rate the stocks as **Rating Suspended (RS)** or **Not Rated (NR)**, as explained below.

Meaning of each recommendation or rating:

- **Buy:** the stock is expected to generate total return of **over 20%** during the next 12 months time horizon
- **Accumulate:** the stock is expected to generate total return of **10% to 20%** during the next 12 months time horizon
- **Hold:** the stock is expected to generate total return of **0% to 10%** during the next 12 months time horizon.
- **Reduce:** the stock is expected to generate total return of **0% to -10%** during the next 12 months time horizon
- **Sell:** the stock is expected to generate total return **under -10%** during the next 12 months time horizon
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- **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

Equinet Bank Ratings Breakdown

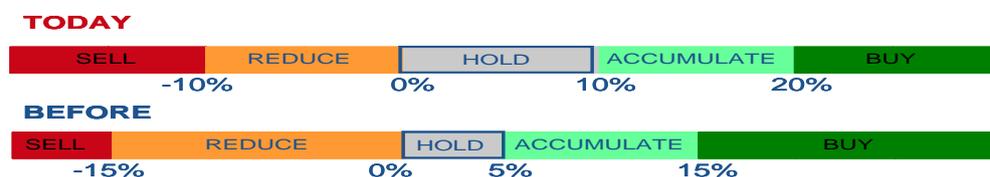


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Since 4 August 2008, the ESN Rec. System has been amended as follow.

- Time horizon changed to 12 months (it was 6 months)
- Recommendations Total Return Range changed as below:



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