



euromicron AG

FY guidance seen at lower end of range after mixed Q2

07/08/2015

Hold
14.00 EUR

Close (06/08/2015)	8.72 EUR
Bloomberg: EUCA	WKN: A1K030
Sector	Technology

Share price performance

52 week high	14.18
52 week low	8.52
Compared to	Prime All Share
YTD	-40.9%
1 month	-11.1%
12 months	-20.8%



Share data

Market Cap (m EUR)	62.6
No. of shares (m)	7.2
Free float	95.4%
Trading vol. Ø (m EUR)	0.20

Next event

06/11/2015 Quarterly Results

Analyst

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See end of document for disclaimer.

Euromicron delivers mixed results for Q2 with EBITDA still burdened by restructuring charges. However, order intake recovered slightly (+2.2% yoy). The FY EBITDA guidance is now at low end of range.

Euromicron [€ m]	BHL			% yoy	BHL		% yoy
	Q2 2015	Q2 2015e	Q2 2014		FY 2015e	FY 2014	
Sales	82.2	84.2	82.1	0.1%	351	346	0.0%
EBITDA	1.9	4.9	5.6	-66.3%	21	21	-0.1%
EBITDA-margin	2.3%	5.9%	6.8%	-4.5 PP	5.9%	6.1%	0 PP
Net income (after min.)	-1.1	0.7	1.5	na	3.9	2.6	
EPS [€]	(0.16)	0.10	0.21	na	0.55	0.36	

Source: Company information, Bankhaus Lampe Research

Q2 RESULTS STILL DOWN YOY

- While Q2 sales are marginally below our estimate, the EBITDA trend still looks weak with a decline of 66% yoy. The new management's focus on profitability is still burdened by restructuring measures.
- The order book is up 1% to € 132.5 m from € 126.0 m at the end of Q1 2015 with the book-to-bill ratio standing at 1.1.
- The FY 2015 sales guidance of between € 340 m and € 360 m (identical to 2014 targets) and an EBITDA margin of between 5% and 7% was reiterated. However, the latter is now expected at the low end of the range.

RESTRUCTURING TO CONTINUE

- The company is carrying out restructuring measures and intends to focus the business on "intelligent building solutions" and "critical infrastructure".
- The EBITDA guidance points to € 17.0-25.2 m with our estimate (€ 20.7 m) being in the middle of this range.
- Given the new tone, we are keeping our sales and earnings estimates unchanged for the time being.

in m EUR	2013	2014	2015e	2016e	2017e
Sales	329.4	346.3	381.6	400.7	420.7
EBIT	5.5	11.4	18.3	22.3	27.2
EBIT margin	1.7%	3.3%	4.8%	5.6%	6.5%
Net financial debt	37.9	54.4	31.7	26.5	19.2
Free cash-flow	34.3	-16.2	4.6	6.9	9.6
EPS (in EUR)	-0.12	0.36	1.37	1.76	2.21
DPS (in EUR)	0.00	0.00	0.30	0.40	0.70
Dividend yield	0.0%	0.0%	3.4%	4.6%	8.0%
EV/Sales	0.4	0.4	0.3	0.2	0.2
EV/EBIT	25.9	12.1	5.2	4.1	3.1
Price Earnings ratio (P/E)	-119.8	32.1	6.4	4.9	3.9

Source: Company information, Bankhaus Lampe Research estimates

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Explanation of valuation

Unless shown otherwise, the stated upside targets are based upon either a discounted cash-flow pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment.

Overview of changes in our recommendations/price targets in the previous twelve months for: euromicron AG (EUCA GY), Close (06/08/2015): 8.72 EUR, Analyst: Wolfgang Specht (Analyst).

Date of publication	Price at recommendation	Rating	Price target
17/11/2014	12.63 EUR	Hold	14.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/07/2015)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	52.1%	75.0%
Hold	37.9%	25.0%
Sell	10.0%	0.0%
Under Review	0.0%	0.0%

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Company	Disclosure
euromicron AG	---

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