



euromicron AG

More restructuring to follow

06/11/2015

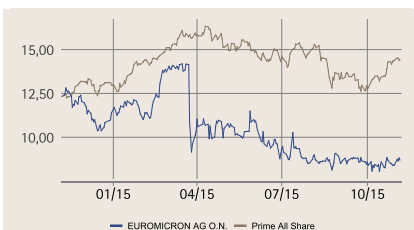
Hold

9.70 EUR

Close (05/11/2015)	8.70 EUR
Bloomberg: EUCA	WKN: A1K030
Sector	Technology

Share price performance

52 week high	14.18
52 week low	8.05
Compared to	Prime All Share
YTD	-34.9%
1 month	-1.0%
12 months	-51.6%



Share data

Market Cap (m EUR)	62.5
No. of shares (m)	7.2
Free float	95.4%
Trading vol. Ø (m EUR)	0.15

Next event

-

Analyst

Wolfgang Specht, Analyst
 Phone: +49 (0)211 4952-637
 wolfgang.specht@bankhaus-lampe.de

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euromicron has lowered its EBITDA margin guidance for FY 2015 to 2-4% from 5-7% while keeping sales expectations unchanged ("low end of € 340-360 m"). We will have to adjust our forecasts downwards.

Euromicron [€ m]	BHL			% yoy	BHL		% yoy
	Q3 2015	Q3 2015e	Q3 2014		FY 2015e	FY 2014	
Sales	85.9	88.0	84.4	1.8%	351	346	0.0%
EBITDA	- 0.1	5.9	4.7	-102.6%	21	21	-0.1%
EBITDA-margin	-0.1%	6.7%	5.6%	-5.7 PP	5.9%	6.1%	0 PP
Net income (after min.)	- 4.6	1.5	0.9	na	3.9	2.6	
EPS [€]	(0.65)	0.20	0.12	na	0.55	0.36	

Source: Company information, Bankhaus Lampe Research

PROFIT WARNING FOLLOWING A WEAK Q3

- Q3 saw sales growing by 2%, but the EBITDA (€ -0.1 m) missed expectations materially.
- The company cites delayed deliveries, restructuring measures and missing export licenses as reasons for lowering the EBITDA guidance.
- Management does not expect to be able to compensate for the weaknesses before the end of the year despite a solid order book (flat at € 133 m).
- Operating cash flow for the first nine months excluding factoring declined yoy (€ -15.1 m vs. € -11.7 m).
- Net debt increased to € 91.7 m from € 87.2 m a year ago due to the weak performance. The company plans to restructure financing in 2016.

MORE RESTRUCTURING NEEDED

- It seems that the new management team, which took the reins earlier this year, underestimated the company's restructuring needs.
- For 2016, management indicates a "sizable increase of operating performance", albeit without going into details.
- We will have to lower our forecasts for the company.

in m EUR	2013	2014	2015e	2016e	2017e
Sales	329.4	346.3	351.2	364.9	380.7
EBIT	5.5	11.4	10.6	14.8	18.2
EBIT margin	1.7%	3.3%	3.0%	4.1%	4.8%
Net financial debt	37.9	54.4	49.8	43.0	36.1
Free cash-flow	34.3	-16.2	4.6	6.5	6.5
EPS (in EUR)	-0.12	0.36	0.55	0.98	1.32
DPS (in EUR)	0.00	0.00	0.00	0.00	0.10
Dividend yield	0.0%	0.0%	0.0%	0.0%	1.1%
EV/Sales	0.4	0.4	0.3	0.3	0.3
EV/EBIT	25.9	12.1	10.7	7.2	5.5
Price Earnings ratio (P/E)	-119.8	32.1	15.8	8.9	6.6

Source: Company information, Bankhaus Lampe Research estimates

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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 (05/11/2015): 8.70 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: 01/10/2015)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	53.3%	37.5%
Hold	40.9%	62.5%
Sell	5,8%	0.0%
Under Review	0.0%	0.0%

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Company	Disclosure
euromicron AG	---

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Bankhaus Lampe KG, Jägerhofstraße 10, D-40479 Düsseldorf is responsible for this study.

Further information may be obtained from Bankhaus Lampe KG.

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Contacts

HEAD OF CAPITAL MARKETS & ADVISORY

Ute Gerbaulet

+ 49 (0)211 4952-656

ute.gerbaulet@bankhaus-lampe.de

HEAD OF EQUITY

Ralf Menzel

+ 49 (0)211 4952-282

ralf.menzel@bankhaus-lampe.de

EQUITY SALES CONTINENTAL EUROPE

Ulrich Klingmüller

+ 49 (0)211 4952-784

ulrich.klingmueller@bankhaus-lampe.de

EQUITY SALES IN GB

Yusuf Bilgic

+ 44 (0)203 405 4318

yb@lampe-capital.com

VIA

INTERNATIONAL KBR FINANCE LLC CHAPERONE
OF BANKHAUS LAMPE KG IN THE US

EQUITY SALES IN US

Jörg Hagenbuch

+1 212 218 7411

jh@ikbrfinance.com

EQUITY SALES TRADING CONTINENTAL EUROPE

Nils Carstens

+ 49 (0)211 4952-758

nils.carstens@bankhaus-lampe.de

EQUITY SALES TRADING IN GB

Chris Ford

+ 44 (0)203 405 1083

cf@lampe-capital.com

EQUITY SALES TRADING IN US

Kim Last

+1 212 218 7412

kl@ikbrfinance.com

Bankhaus Lampe Research

Jägerhofstraße 10

D - 40479 Düsseldorf

research@bankhaus-lampe.de

📞 + 49 (0)211 4952-678

📠 + 49 (0)211 4952-494