



Investment Research

Buy

Recommendation unchanged

Share price: EUR **5.90**

closing price as of 03/03/2016

Target price: EUR **13.00**

Target Price unchanged

Reuters/Bloomberg

EUUG.DE/EUC.GY

Daily avg. no. trad. sh. 12 mth	12,931
Daily avg. trad. vol. 12 mth (m)	77.32
Price high 12 mth (EUR)	14.18
Price low 12 mth (EUR)	5.70
Abs. perf. 1 mth	-13.2%
Abs. perf. 3 mth	-27.3%
Abs. perf. 12 mth	-57.6%

Market capitalisation (EURm)	42
Current N° of shares (m)	7
Free float	100%

Key financials (EUR)	12/14	12/15e	12/16e
Sales (m)	346	343	355
EBITDA (m)	21	7	17
EBITDA margin	6.1%	1.9%	4.9%
EBIT (m)	11	(8)	9
EBIT margin	3.3%	nm	2.5%
Net Profit (adj.)(m)	5	(3)	5
ROCE	5.7%	-0.9%	4.1%
Net debt/(cash) (m)	76	99	87
Net Debt Equity	0.7	1.0	0.8
Net Debt/EBITDA	3.6	15.0	5.0
Int. cover(EBITDA/Fin.int)	5.7	1.8	5.0
EV/Sales	0.5	0.5	0.4
EV/EBITDA	8.1	25.2	8.3
EV/EBITDA (adj.)	6.7	15.0	7.2
EV/EBIT	14.9	nm	16.4
P/E (adj.)	15.1	nm	8.3
P/BV	0.7	0.6	0.4
OpFCF yield	-8.6%	-42.3%	29.1%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	0.76	(0.39)	0.71
BVPS	15.33	13.66	14.13
DPS	0.00	0.00	0.00



Source: Factset

For company description please see summary table footnote

4Q15 preview - Darker before the dawn Reiterate 'Buy' / PT EUR 13

The facts: Euromicron (EUCA) will release its 4Q15 and 2015 full year report on March 24, 2016. We rate it likely however that the company releases preliminary KPIs in the next days.

Our analysis: Since the order intake development was solid throughout 2015, EUCA should release a top line figure in line with the guidance, i.e. the lower end of EUR 340-360m corridor (equinet: EUR 342.5m).

We speculate however that management might have an interest in cleaning up the balance sheet and avoiding future charges at the same time. Beyond that, since restructuring processes often take longer than anticipated, we have lowered our estimates as can be seen below. Consequently, we expect a higher reported loss in the short term and we have become more cautious for the medium term. We would also not rule out minor one-off charges in the current fiscal year. Our model however still includes EUCA to return to the lower end of the EBITDA margin aspiration level of 8-11%.

With respect to 2015, EUCA should release an adjusted EBITDA margin below the forecast range of 4-5% (equinet: 3.2%), a reported EBIT of EUR minus 8.5m and a negative net result in the double-digit terrain.

Model changes

EUR m	2015e old	2015e new	change	2016e old	2016e new	change	2017e old	2017e new	change
Group Sales	340.0	342.5	1%	355.0	355.0	0%	369.0	369.2	0%
Rep. group EBITDA	10.8	6.6	-39%	21.9	17.3	-21%	27.8	25.5	-8%
EBITDA margin*	3.2%	1.9%	-120bp	6.2%	4.9%	-130bp	7.5%	6.9%	-60bp
Adj. EBITDA	15.9	11.1	n/a	21.9	19.8	-10%	27.8	25.5	-8%
Adj. EBITDA margin	4.7%	3.2%	-140bp	6.2%	5.6%	-60bp	7.5%	6.9%	-60bp
Adj. EBIT	2.0	2.0	n/a	14.6	11.2	-23%	20.3	16.9	-17%
Adj. EBIT margin*	0.6%	0.6%	0bp	4.1%	3.2%	-90bp	5.5%	4.6%	-90bp
Rep. net result	-7.3	-12.0	n/a	6.7	3.4	-50%	10.8	9.2	-15%
Rep. EPS [EUR]	-1.02	-1.67	64%	0.93	0.47	-49%	1.51	1.28	-15%

Sources: equinet estimates; *) here relative to sales and not total output

We expect the 4Q15 order intake to come in at EUR 84m and thus, the book-to-bill ratio should be below 1x in the quarter and at 1x for the full year (bookings of 337.5m and backlog of EUR 116.5m).

We have left our sales forecasts for the coming years unchanged as can be seen above. Despite our model revisions, profitability should improve due to implemented restructuring and the drop off of loss-making units (e.g. Avalan). With the exception of 'Euromicron Deutschland', all units should be profitable in the current year. EUCA should target a 2016 adj. EBITDA margin of 5-6% at 3-4% sales growth, we reckon.

Conclusion & Action: We believe that since EUCA's market cap dropped below the EUR 50m mark, some funds had to sell off their positions. The final release might come as a negative surprise for some investors. However, we continue to see significant improvements ahead albeit we have lowered our forecasts in the short term. Thanks to the ongoing networking megatrend and IoT roll-outs, profitability might come back to the desired level in the medium term highlighting that management has implemented the right steps. Overall, we had the impression that EUCA's financing still needs some restructuring, but this topic should be addressed in due course. We reiterate our 'Buy' rating / PT EUR 13. EV/adj. EBIT'17e stands currently at 5.6x.

Analyst(s): **Adrian Pehl, CFA** +49 69 58997 438 adrian.pehl@equinet-ag.de
Sebastian Droste +49 69 58997 434 sebastian.droste@equinet-ag.de

For important disclosure information, please refer to the disclaimer page of this report

4Q15 preview

EUR m	4Q15e	4Q14	yoy	FY15e	FY14	yoy	FY16	yoy
Order intake	83.7	89.6	-6.6%	337.5	340.1	-0.8%	365.0	8.1%
Sales	99.8	102.9	-3.0%	342.5	346.3	-1.1%	355.0	3.6%
EBITDA	4.1	11.4	-64.0%	6.6	21.1	-68.7%	17.3	161.0%
EBITDA margin	4.1%	11.1%	-700bp	1.9%	6.1%	-420bp	4.9%	290bp
EBIT	-2.2	9.2	n/a	-8.5	11.4	n/a	8.7	n/a
EBIT margin	-2.2%	8.9%	n/m	-2.5%	3.3%	-580bp	2.5%	490bp
Net result	-4.2	2.8	n/a	-12.0	2.3	n/a	3.4	n/a
EPS	-0.59	0.39	n/a	-1.67	0.32	n/a	0.47	n/a

Source: company data, equinet estimates

Discounted Cash Flow model

EUR m	Phase I					Phase II					Phase III
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Sales	342.5	355.0	369.2	382.1	393.6	403.4	413.5	423.8	434.4	445.3	454.2
Sales growth	-1.1%	3.6%	4.0%	3.5%	3.0%	2.5%	2.5%	2.5%	2.5%	2.5%	2.0%
EBIT	-8.5	8.7	16.9	21.7	26.7	23.4	24.2	25.0	25.7	26.5	27.1
EBIT margin	-2.5%	2.5%	4.6%	5.7%	6.8%	5.8%	5.9%	5.9%	5.9%	5.9%	6.0%
Normative tax rate EBIT	2.5	(2.6)	(5.1)	(6.5)	(8.0)	(7.0)	(7.3)	(7.5)	(7.7)	(7.9)	(8.1)
Tax rate	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPAT	(5.9)	6.1	11.8	15.2	18.7	16.4	16.9	17.5	18.0	18.5	19.0
Depreciation	9.1	8.5	8.7	8.8	9.0	9.2	9.2	9.3	9.4	9.5	9.5
in % of Sales	2.7%	2.4%	2.3%	2.3%	2.3%	2.3%	2.2%	2.2%	2.2%	2.1%	2.1%
Capex	(8.6)	(8.9)	(9.2)	(9.6)	(9.8)	(9.1)	(9.3)	(9.5)	(9.8)	(10.0)	(9.7)
in % of Sales	2.5%	2.5%	2.5%	2.5%	2.5%	2.3%	2.3%	2.3%	2.3%	2.3%	2.1%
Provision delta	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.1
in % of Sales	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%
Change in working capital	(1.9)	(2.5)	(2.8)	(2.6)	(2.3)	(2.0)	(2.0)	(2.1)	(2.1)	(2.2)	(0.1)
in % of Sales	-0.6%	-0.7%	-0.8%	-0.7%	-0.6%	-0.5%	-0.5%	-0.5%	-0.5%	-0.5%	0.0%
Other current assets delta	0.2	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	(0.0)
in % of Sales	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Free Cash Flow	-6.9	3.7	8.8	12.3	16.0	14.8	15.1	15.4	15.7	16.1	18.9
FCF growth	nm	nm	38.7%	39.9%	30.0%	-7.9%	2.0%	2.1%	2.2%	2.3%	17.7%
Present Value FCF	-7.0	3.4	7.5	9.5	11.3	9.5	8.8	8.2	7.7	7.1	109.9

PV Phase I	24.7	MCap	41.2	Targ. equity ratio	79.6%
PV Phase II	41.3	Risk premium	4.00%	Beta	1.52
PV Phase III	109.9	Risk free rate	4.50%	WACC	9.64%

Total present value	175.8							
+ capital increase/share buy back	0.0							
+ associates & other financial assets	1.1							
- market value of minorities	3.7							
+ cash and liquid assets	18.6							
- interest bearing debt**	97.5							
Implied Mcap	94.3							
Number of shares	7.2							
Implied value per share	13.14							
		Sensitivity	Growth rate Phase III					
		Analysis	1.0%	1.5%	2.0%	2.5%	3.0%	
			9.16%	12.96	13.94	15.04	16.32	17.80
			9.40%	12.14	13.04	14.06	15.23	16.58
		WACC	9.64%	11.37	12.20	13.14	14.21	15.44
			9.89%	10.64	11.41	12.28	13.26	14.39
			10.13%	9.95	10.66	11.46	12.37	13.41

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

Source: equinet

Euromicron AG: Summary tables

PROFIT & LOSS (EURm)	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Sales	330	326	346	343	355	369
Cost of Sales & Operating Costs	-301	-311	-321	-331	-335	-344
Non Recurrent Expenses/Income	-4.5	-5.5	-4.5	-4.5	-2.5	0.0
EBITDA	25.0	8.7	21.1	6.6	17.3	25.5
EBITDA (adj.)*	29.5	14.2	25.6	11.1	19.8	25.5
Depreciation	-3.2	-3.5	-3.3	-3.5	-3.7	-3.9
EBITA	21.8	5.2	17.8	3.1	13.6	21.7
EBITA (adj)*	26.3	10.7	22.3	7.6	16.1	21.7
Amortisations and Write Downs of which PPA amortisation	-4.8 -2.0	-5.4 -2.0	-6.4 -1.5	-11.6 -1.2	-4.8 -1.2	-4.8 -1.2
EBIT	17.1	-0.2	11.4	-8.5	8.7	16.9
EBIT (adj.)*	23.6	7.3	17.4	-2.8	12.4	18.1
Net Financial Interest	-4.3	-3.8	-3.7	-3.8	-3.4	-3.1
Other Financials	-0.5	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	-0.3	0.0	0.0	0.0
Earnings Before Tax (EBT)	12.2	-4.0	7.5	-12.3	5.3	13.7
Tax	-3.4	-2.4	-4.9	0.6	-1.6	-4.1
<i>Tax rate</i>	<i>27.8%</i>	<i>n.m.</i>	<i>65.9%</i>	<i>5.0%</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	-0.3	-0.3	-0.4	-0.4
Net Profit (reported)	8.6	-6.5	2.3	-12.0	3.4	9.2
Net Profit (adj.)	11.7	-2.7	5.4	-2.8	5.1	9.2
CASH FLOW (EURm)	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Cash Flow from Operations before change in NWC	17.2	4.4	11.1	-12.5	23.7	21.8
Change in Net Working Capital	6.3	15.6	-11.7	-1.9	-2.5	-2.8
Cash Flow from Operations	23.5	20.0	-0.6	-14.4	21.2	18.9
Capex	-10.8	-6.4	-6.4	-8.6	-8.9	-9.2
Net Financial Investments	-3.2	-10.6	0.0	0.0	0.0	0.0
Free Cash Flow	9.5	3.1	-7.0	-23.0	12.3	9.7
Dividends	-6.0	-2.0	0.0	0.0	0.0	0.0
Other (incl. Capital Increase & share buy backs)	-21.5	10.7	-3.1	0.0	0.0	0.0
Change in Net Debt	-18.0	11.7	-10.0	-23.0	12.3	9.7
NOPLAT	17.0	5.1	12.2	-2.0	8.7	12.7
BALANCE SHEET & OTHER ITEMS (EURm)	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
Net Tangible Assets	16.3	14.5	14.1	14.9	15.6	16.4
Net Intangible Assets (incl. Goodwill)	127	137	134	127	127	126
Net Financial Assets & Other	0.9	1.1	1.0	1.0	1.0	1.0
Total Fixed Assets	145	153	149	143	143	144
Inventories	27.5	28.0	29.0	30.8	32.0	33.2
Trade receivables	89.5	85.6	85.8	85.4	88.5	92.0
Other current assets	9.5	8.9	4.7	5.0	5.4	5.8
Cash (-)	-5.6	-41.3	-18.6	8.7	10.9	1.2
Total Current Assets	132	164	138	112	115	130
Total Assets	277	316	287	255	258	274
Shareholders Equity	113	111	110	98.0	101	111
Minority	0.5	0.4	0.4	0.7	1.1	1.5
Total Equity	113	111	110	98.8	102	112
Long term interest bearing debt	45.6	40.1	45.7	41.4	26.9	26.9
Provisions	11.0	13.1	12.2	-3.4	8.4	12.3
Other long term liabilities	6.2	5.8	1.4	1.4	1.4	1.4
Total Long Term Liabilities	62.9	59.0	59.3	39.4	36.7	40.6
Short term interest bearing debt	37.8	67.2	49.0	49.0	49.0	49.0
Trade payables	43.0	55.1	44.2	43.7	45.3	47.2
Other current liabilities	19.9	24.0	24.5	24.4	24.6	24.7
Total Current Liabilities	101	146	118	117	119	121
Total Liabilities and Shareholders' Equity	277	316	287	255	258	274
Net Capital Employed	208	196	200	196	199	203
Net Working Capital	70.5	54.9	66.6	68.5	71.0	73.9
GROWTH & MARGINS	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
<i>Sales growth</i>	<i>8.1%</i>	<i>-1.3%</i>	<i>6.3%</i>	<i>-1.1%</i>	<i>3.6%</i>	<i>4.0%</i>
EBITDA (adj.)* growth	-4.1%	-51.9%	80.6%	-56.6%	77.9%	29.1%
<i>EBITA (adj.)* growth</i>	<i>-5.6%</i>	<i>-59.5%</i>	<i>109.2%</i>	<i>-65.9%</i>	<i>111.5%</i>	<i>34.7%</i>
<i>EBIT (adj)* growth</i>	<i>-9.0%</i>	<i>-69.0%</i>	<i>138.9%</i>	<i>n.m.</i>	<i>n.m.</i>	<i>45.2%</i>



Euromicron AG: Summary tables

	12/2012	12/2013	12/2014	12/2015e	12/2016e	12/2017e
GROWTH & MARGINS						
Net Profit growth	-4.2%	n.m.	n.m.	n.m.	n.m.	80.4%
EPS adj. growth	-24.5%	n.m.	n.m.	n.m.	n.m.	80.4%
DPS adj. growth	-73.9%	n.m.				
EBITDA (adj)* margin	8.9%	4.4%	7.4%	3.2%	5.6%	6.9%
EBITA (adj)* margin	8.0%	3.3%	6.4%	2.2%	4.5%	5.9%
EBIT (adj)* margin	7.1%	2.2%	5.0%	n.m.	3.5%	4.9%
RATIOS						
Net Debt/Equity	0.7	0.6	0.7	1.0	0.8	0.7
Net Debt/EBITDA	3.1	7.6	3.6	15.0	5.0	3.0
Interest cover (EBITDA/Fin.interest)	5.8	2.3	5.7	1.8	5.0	8.2
Capex/D&A	136.4%	71.7%	66.1%	93.9%	104.0%	106.5%
Capex/Sales	3.3%	2.0%	1.9%	2.5%	2.5%	2.5%
NWC/Sales	21.4%	16.9%	19.2%	20.0%	20.0%	20.0%
ROE (average)	10.1%	-2.4%	4.9%	-2.7%	5.1%	8.7%
ROCE (adj.)	8.0%	2.5%	5.7%	-0.9%	4.1%	5.8%
WACC	9.6%	9.6%	9.6%	9.6%	9.6%	9.6%
ROCE (adj.)/WACC	0.8	0.3	0.6	-0.1	0.4	0.6
PER SHARE DATA (EUR)***						
Average diluted number of shares	6.7	7.2	7.2	7.2	7.2	7.2
EPS (reported)	1.29	-0.91	0.32	-1.67	0.47	1.28
EPS (adj.)	1.76	-0.37	0.76	-0.39	0.71	1.28
BVPS	16.92	15.44	15.33	13.66	14.13	15.41
DPS	0.30	0.00	0.00	0.00	0.00	0.00
VALUATION						
EV/Sales	0.6	0.6	0.5	0.5	0.4	0.4
EV/EBITDA	8.4	20.7	8.1	25.2	8.3	5.2
EV/EBITDA (adj.)*	7.2	12.7	6.7	15.0	7.2	5.2
EV/EBITA	9.7	34.9	9.6	53.7	10.5	6.2
EV/EBITA (adj.)*	8.0	16.9	7.7	21.9	8.9	6.2
EV/EBIT	12.4	n.m.	14.9	n.m.	16.4	7.9
EV/EBIT (adj.)*	9.0	24.7	9.8	n.m.	11.5	7.4
P/E (adj.)	10.3	n.m.	15.1	n.m.	8.3	4.6
P/BV	1.1	0.9	0.7	0.6	0.4	0.4
Total Yield Ratio	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
EV/CE	1.0	0.9	0.8	0.8	0.7	0.6
OpFCF yield	10.5%	13.2%	-8.6%	-42.3%	29.1%	22.9%
OpFCF/EV	6.0%	7.6%	-4.1%	-13.8%	8.6%	7.2%
Payout ratio	23.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Dividend yield (gross)	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
EV AND MKT CAP (EURm)						
Price** (EUR)	18.14	14.35	11.39	7.57	5.90	5.90
Outstanding number of shares for main stock	6.7	7.2	7.2	7.2	7.2	7.2
Total Market Cap	121	103	82	54	42	42
Net Debt	78	66	76	99	87	77
<i>o/w Cash & Marketable Securities (-)</i>	<i>-6</i>	<i>-41</i>	<i>-19</i>	<i>9</i>	<i>11</i>	<i>1</i>
<i>o/w Gross Debt (+)</i>	<i>83</i>	<i>107</i>	<i>95</i>	<i>90</i>	<i>76</i>	<i>76</i>
Other EV components	13	11	13	13	14	15
Enterprise Value (EV adj.)	211	180	171	167	143	134

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	Schäfer	24.00	Buy	2/3/5	Luftansa	Rothenbacher	20.00	Buy	
4SC	Miemietz	18.00	Buy	7	Manz AG	Kruchevska	under review	under review	2/3/5
Aareal Bank	Häßler	35.00	Buy		MAXAutomation AG	Schmidt	7.00	Buy	2/3/5
Adler Modemaerkte	Mark Josefson	11.00	Accumulate	5/7	Merck	Miemietz	96.00	Neutral	
Adpepper	Bast*	1.60	Buy	2/3	Merkur Bank	Häßler	7.80	Buy	7
adidas	Mark Josefson	108.00	Buy		MLP	Häßler	3.50	Buy	2/3
Aixtron	Pehl	4.00	Neutral	2/3	MTU	Rothenbacher	95.00	Buy	2
Allianz	Häßler	190.00	Buy		Munich Re	Häßler	190.00	Accumulate	
Axel Springer	Mark Josefson	55.00	Neutral		Nemetschek AG	Droste	41.00	Neutral	
BASF	Schäfer	95.00	Accumulate		NexusAG	Pehl	21.00	Buy	5
Bayer	Miemietz	120.00	Buy		Norma Group	Schmidt	60.00	Buy	
BayWa	Schäfer	33.00	Neutral	5	OHB SE	Pehl	20.00	Neutral	7
BB Biotech	Miemietz	288.00	Buy	7	OVB Holding AG	Häßler	19.50	Accumulate	2/3
Beiersdorf	Schäfer	64.00	Sell		Patrizia AG	Häßler	25.00	Neutral	
Biotest	Miemietz	18.00	Neutral	2/3	Pfeiffer Vacuum	Pehl	92.00	Neutral	
BMW	Schmidt	110.00	Accumulate		PSI	Schäfer	13.00	Accumulate	2/3
Cenit	Pehl	20.00	Buy	2/3	Rheinmetall	Rau*	79.00	Buy	
comdirect	Häßler	10.00	Neutral		RIB Software	Rothenbacher	12.00	Buy	2/3/5
Commerzbank	Häßler	12.00	Buy		RTL Group	Mark Josefson	75.00	Reduce	
Continental	Schmidt	240.00	Buy		RWE	Schäfer	13.00	Neutral	
CTS Eventim	Mark Josefson	33.00	Neutral		SAF-Holland	Schmidt	16.00	Buy	7
CytotoolsAG	Miemietz	5.50	Neutral	2/3	Siegfried Holding AG	Miemietz	192.00	Buy	
Daimler AG	Schmidt	98.00	Buy		SLM Solutions	Pehl	27.50	Buy	4
Daldrup & Soehne	Schäfer	15.00	Accumulate	2/3/5	SMT Scharf AG	Schmidt	11.00	Neutral	2/3
Deutsche Bank	Häßler	17.00	Neutral		Software AG	Droste	26.00	Neutral	
Deutsche Boerse	Häßler	79.00	Neutral		SuessMicroTec	Pehl	8.50	Accumulate	2/3
Deutsche EuroShop	Rothenbacher	42.00	Accumulate		Surteco	Schmidt	26.00	Buy	2/3
Deutsche Pfandbriefbank	Häßler	12.30	Buy		Symrise AG	Schäfer	36.00	Neutral	
Deutsche Post	Rothenbacher	30.00	Buy		Szygy AG	Pehl	10.00	Buy	2/3
Deutsche Telekom	Pehl	15.50	Neutral		Talanx Group	Häßler	32.00	Accumulate	
Deutz AG	Schmidt	2.80	Neutral		Technotrans	Kruchevska	21.00	Buy	2/3
DMGMori Seiki AG	Schmidt	37.00	Buy		United Internet	Pehl	55.00	Buy	
Draegerwerk AG & Co. KGaA	Rau*	98.00	Neutral		VIB Vermoegen	Rothenbacher	16.50	Neutral	
Drillisch	Pehl	41.00	Neutral		Viscom	Pehl	16.50	Buy	2/3/5
E.ON	Schäfer	10.50	Accumulate		Volkswagen	Schmidt	104.00	Reduce	
Elmos Semiconductor	Pehl	15.00	Buy		Vossloh	Rau*	74.00	Buy	
EringKlunger	Schmidt	21.00	Neutral		WCMAG	Rothenbacher	3.10	Buy	2/3
elumeo SE	Mark Josefson	27.00	Buy	4	Wilex	Miemietz	4.80	Buy	2/3
EpigenomicsAG	Miemietz	5.00	Buy	2/3	Wincor Nixdorf	Pehl	50.00	Accumulate	2
Euromicron AG	Pehl	13.00	Buy	2/3	Zumtobel Group AG	Kruchevska	under review	under review	2/3
Evonik	Schäfer	34.00	Accumulate						
Ferratum	Häßler	29.00	Buy	5					
Fraport	Rothenbacher	60.00	Buy						
Freenet	Pehl	36.00	Buy	2					
FuchsPetrolub	Schäfer	37.00	Neutral						
GEA Group	Rau*	49.00	Buy						
Gesco	Schmidt	68.00	Neutral	2/3					
GFT Technologies	Droste	28.00	Buy	2/3					
Gigaset	Pehl	under review	under review	2/3					
Grand City Properties	Häßler	17.00	Accumulate						
Grenkeleasing AG	Häßler	155.00	Neutral						
Hannover Re	Häßler	88.00	Sell						
Heidelberger Druck	Rau*	3.40	Buy						
Henkel	Schäfer	82.00	Neutral						
HHLA	Rothenbacher	14.00	Neutral						
Hugo Boss	Mark Josefson	77.00	Buy						
Jenoptik	Rau*	14.00	Neutral						
K+S AG	Schäfer	22.00	Accumulate						
Kontron	Pehl	5.50	Buy						
KronesAG	Rau*	104.00	Neutral						
KTGAgrar	Schäfer	21.00	Buy	2/3/4/5					
KUKA	Schmidt	73.00	Reduce						
Lanxess	Schäfer	54.00	Neutral						
Leoni	Schmidt	25.00	Neutral						
Linde	Schäfer	160.00	Neutral						
Logwin	Rothenbacher	2.00	Neutral	2/3					

* =Coverage suspended

Source: equinet Recommendations



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Recommendation System

- Buy - The stock is expected to generate a total return of over 15% during the next 12 months time horizon.
- Accumulate - The stock is expected to generate a total return of 5% to 15% during the next 12 months time horizon.
- Hold - The stock is expected to generate a total return of -5% to 5% during the next 12 months time horizon
- Reduce - The stock is expected to generate a total return of -15% to -5% during the next 12 months time horizon
- Sell - The stock is expected to generate a total return below -15% 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 unless stated otherwise in the research report.

Sources

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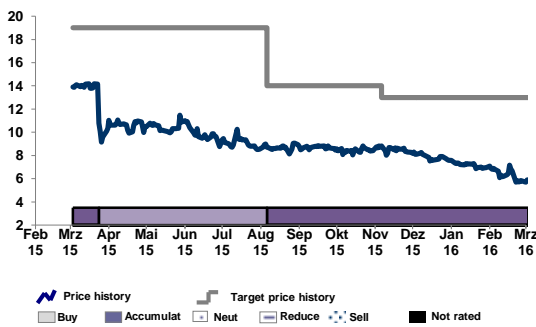
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Recommendation history for EUROMICRON AG

Date	Recommendation	Target price	Price at change date
04. Mrz 16	Buy	13.00	5.90
06. Aug 15	Buy	14.00	8.72
24. Mrz 15	Rating Suspended	19.00	10.80
09. Apr 14	Buy	19.00	12.70
12. Nov 13	Buy	24.00	16.27

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)



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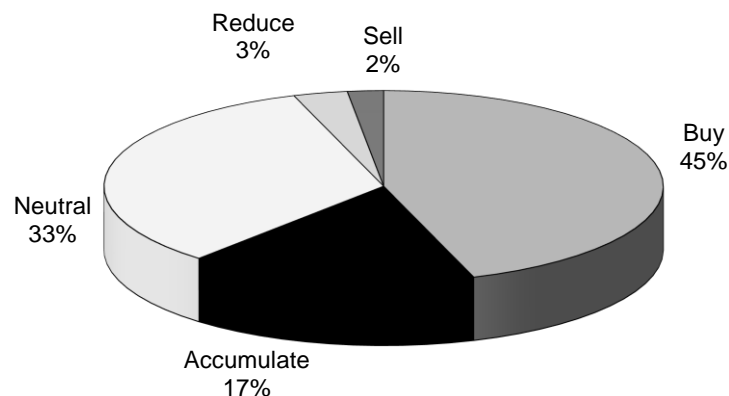
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Meaning of each recommendation or rating:

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

Equinet Bank Ratings Breakdown



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



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



BEKA Finance
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
Tel: +30 210 81 73 383



Caixa-Banco de Investimento
Rua Barata Salgueiro, nº 33
1269-057 Lisboa
Portugal
Phone: +351 21 313 73 00
Fax: +351 21 389 68 98



Pohjola Bank plc
P.O.Box 308
FI- 00013 Pohjola
Finland
Phone: +358 10 252 011
Fax: +358 10 252 2703



CM - CIC Market Solutions
6, avenue de Provence
75441 Paris
Cedex 09
France
Phone: +33 1 53 48 80 78
Fax: +33 1 53 48 82 25



SNS Securities N.V.
Nieuwezijds Voorburgwal 162
P.O.Box 235
1000 AE Amsterdam
The Netherlands
Phone: +31 20 550 8500
Fax: +31 20 626 8064

