

Buy (old: Buy)

Price target: EUR 32.00 (old: EUR 29.00)

Price: EUR 23.70 **Next result:** Q3 13: 08.11.13
Bloomberg: COK GR **Market cap:** EUR 286.9 m
Reuters: COKG.DE **Enterprise Value:** EUR 250.8 m

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Value-accretive take-over of on line Datensysteme and bid for Pironet; Adj. Est. & PT for "on line"

CANCOM has announced the acquisition of on line Datensysteme. The company is an internationally active IT service provider specialising on storage, server, software and security solutions. It covers the complete value chain from consulting to the delivery and implementation of hard- and software as well as maintenance of IT. The company has nine sites in Germany, selected sites in Eastern Europe and Asia as well as one site each in Africa and South America.

The target is growing dynamically and profitably. on line Datensysteme has a record of high double-digit revenue growth (see graph on next page). The company is expected to increase sales by above 30% yoy to € 53m in 2013E in our view thanks to dynamic market share gains amongst its key clientele, public institutions (e.g. German Federal Pension Fund, KfW, Hamburg Police Department). on line operates at 9.5% EBITDA margins (vs. c. 5% for CANCOM) implying a high service sales share. **The take-over should hence be margin-accretive for CANCOM.** Visibility on on line's 2014E performance is high given long running contracts (3 years+) which have largely been renewed in 2012 or 2013. As a consequence, **the majority of next year's revenue is secured already today.**

The take-over looks highly value-accretive: CANCOM pays the take-over price by issuing 750,000 new shares. This would equal c. € 17.5m at a € 23.50 share price **valuing on line at merely 3.5x EV/EBIT '13E and 2.9x EV/EBIT '14E** - significantly below CANCOM's multiples of c. 11x EV/EBIT '13E and c. 8x EV/EBIT '14E. Value-accretion should be supported by synergies: Note that CANCOM has an excellent track record of improving the efficiency of take-over targets by integrating them into its more efficient structure and cutting out fixed costs.

Estimate changes: on line Datensysteme is integrated into our model boosting sales by 10% for 2014E (€ 60m) and by 11% for 2015E (€ 70m). EBIT estimates are raised by 19% for 2014E and by 20% for 2015E accounting for € 1m amortisation from purchase price allocation (eH&A). Dilution from the 0.75m new shares is reflected in EPS estimates which still rise by 11% for 2014E and by 12% for 2015E.

– continued –

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	348.3	474.6	544.4	558.1	606.0	682.0	717.0
Sales growth	2 %	36 %	15 %	3 %	9 %	13 %	5 %
EBITDA	9.5	19.0	25.0	28.1	32.1	40.7	45.8
EBIT	7.1	15.2	18.5	20.7	23.8	31.2	36.4
Net income	5.1	7.8	11.5	11.5	16.0	21.4	24.8
Net debt	-3.5	-0.9	-18.5	-29.2	-36.2	-46.1	-59.7
Net gearing	-8.0 %	-1.8 %	-30.4 %	-36.3 %	-33.0 %	-36.5 %	-41.0 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.48	0.92	1.14	1.06	1.31	1.76	2.04
CPS	0.80	1.28	2.18	0.89	1.18	1.56	1.92
DPS	0.15	0.15	0.30	0.35	0.40	0.45	0.50
Dividend yield	0.6 %	0.6 %	1.3 %	1.5 %	1.7 %	1.9 %	2.1 %
Gross profit margin	31.0 %	29.3 %	29.1 %	29.5 %	29.9 %	29.8 %	30.0 %
EBITDA margin	2.7 %	4.0 %	4.6 %	5.0 %	5.3 %	6.0 %	6.4 %
EBIT margin	2.0 %	3.2 %	3.4 %	3.7 %	3.9 %	4.6 %	5.1 %
ROCE	10.5 %	19.5 %	20.6 %	21.1 %	20.9 %	23.2 %	23.8 %
EV/sales	0.7	0.5	0.4	0.4	0.4	0.4	0.3
EV/EBITDA	25.5	12.8	9.0	8.6	7.8	5.9	5.0
EV/EBIT	34.1	16.0	12.2	11.6	10.6	7.7	6.2
PER	49.3	25.7	20.8	22.3	18.1	13.5	11.6
Adjusted FCF yield	2.5 %	4.8 %	7.0 %	6.5 %	7.5 %	10.4 %	12.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 11.10.2013



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 25.83 / 10.78
Price/Book Ratio: 2.6
Relative performance (TecDAX):
3 months 6.4 %
6 months 40.9 %
12 months 81.5 %

Changes in estimates

		Sales	EBIT	EPS
2013	old:	591	22.6	1.33
	Δ	3%	5%	-1%
2014	old:	622	26.2	1.58
	Δ	10%	19%	11%
2015	old:	647	30.4	1.82
	Δ	11%	20%	12%

Key share data:

Number of shares: (in m pcs) 12.2
Authorised capital: (in € m) 4.0
Book value per share: (in €) 9.0
Ø trading volume: (12 months) 60,000

Major shareholders:

Free Float 82.9 %
AGI 13.3 %
Stefan Kober 2.3 %
Klaus Weinmann 1.6 %

Company description:

CANCOM is Germany's 3rd largest independent system house operating a scalable eCommerce business.

On top of the acquisition of on line Datensysteme, **CANCOM has launched a take-over bid for Pironet at € 4.50 per share** valuing the company at € 44m (EV).

Note: Estimates do not include the potential acquisition of Pironet until the transaction is closed.

Pironet is a leading cloud operator in Germany targeting SMEs: Cloud revenues are expected to amount to € 36m in 2013E with related EBITDA of € 7.3m (20% EBITDA margin). **80% of Pironet's Cloud Computing sales** are recurring as customers access IT software and hardware on demand paying per user, per month. With this planned take-over, CANCOM will be accelerating its transformation from a simple IT service provider into a **differentiated Cloud Computing company**.

The deal looks compelling:

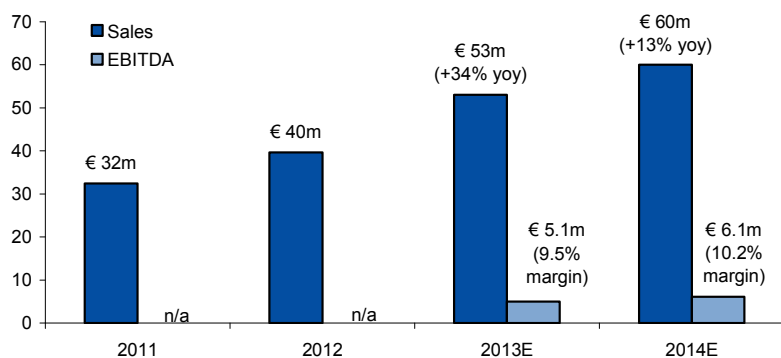
- Most importantly, by shifting Pironet's top consultants into its Cloud Computing projects, **CANCOM should be able to ease its capacity bottleneck** regarding its own AHP software - the only obstacle to even stronger growth in Cloud Computing currently.
- Further, CANCOM should be able to generate synergies in admin; **expected cost savings amount to € 1.0m p.a.** (eH&A).
- As Pironet owns and operates its own data centre (hidden asset not reflected on its balance sheet), CANCOM can migrate its hosted servers from M-Net in Munich where it currently rents data centre space. **Savings are seen to amount to € 0.5m p.a.**

In sum, CANCOM should be able to achieve € 1.5m cost synergies AND put Pironet's consultants to **more profitable use**: While Pironet currently achieves c. 20% EBITDA margins in Cloud Computing, CANCOM operates at 30%+ with its own software and even achieved 50% in recent deals.

CANCOM already owns 13.65% of Pironet directly and has effected an agreement with Pironet's management board members to buy their 13.75% stake at € 4.50 per share. Its total stake should hence amount to 27.40% prior to the full take-over offer announced today. **The deal will be financed by a rights issue**: No details have yet been disclosed concerning the capital increase.

The PT is increased to € 32.00 (old: € 29.00) based on DCF thanks to the value-accretive take-over of on line. The planned take-over of Pironet will be incorporated once transparency emerges concerning the capital increase and the acceptance rate of shareholders. **Remains a BUY.**

on line Datensysteme: Sales and EBITDA performance



Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Net sales	348.3	474.6	544.4	558.1	606.0	682.0	717.0
<i>Sales growth</i>	1.6 %	36.2 %	14.7 %	2.5 %	8.6 %	12.5 %	5.1 %
Increase/decrease in finished goods and work-in-process	1.0	1.3	0.9	2.5	1.0	1.0	1.0
Total sales	349.3	475.8	545.3	560.6	607.0	683.0	718.0
Other operating income	2.3	3.3	0.7	0.6	0.4	0.7	0.7
Material expenses	241.1	336.3	386.6	395.1	425.4	479.4	502.3
Personnel expenses	79.2	97.0	108.0	112.4	120.2	129.9	135.1
Other operating expenses	21.8	26.8	26.4	25.8	29.7	33.6	35.5
Total operating expenses	339.8	456.8	520.3	532.5	574.9	642.3	672.2
EBITDA	9.5	19.0	25.0	28.1	32.1	40.7	45.8
Depreciation	2.4	3.8	2.8	4.0	4.8	5.1	5.4
EBITA	7.1	15.2	22.2	24.0	27.3	35.6	40.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	3.7	3.4	3.5	4.4	4.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	7.1	15.2	18.5	20.7	23.8	31.2	36.4
Interest income	0.2	0.1	0.3	0.4	0.5	0.6	0.7
Interest expenses	1.3	1.9	2.2	2.1	1.6	1.3	1.3
Other financial result	0.0	0.0	0.4	0.0	0.4	0.4	0.0
Financial result	-1.1	-1.8	-1.6	-1.8	-0.7	-0.3	-0.6
Recurring pretax income from continuing operations	5.9	13.3	16.9	18.9	23.1	30.9	35.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	5.9	13.3	16.9	18.9	23.1	30.9	35.8
Taxes	0.9	3.7	4.9	6.6	6.9	9.3	10.7
Net income from continuing operations	5.0	9.6	12.0	12.3	16.2	21.6	25.1
Result from discontinued operations (net of tax)	-0.1	1.7	0.3	0.7	0.0	0.0	0.0
Net income	5.1	7.9	11.7	11.6	16.2	21.6	25.1
Minority interest	0.0	0.1	0.2	0.1	0.2	0.2	0.2
Net income (net of minority interest)	5.1	7.8	11.5	11.5	16.0	21.4	24.8
Average number of shares	10.4	10.3	10.4	10.6	12.2	12.2	12.2
EPS reported	0.49	0.76	1.11	1.09	1.31	1.76	2.04

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	0.3 %	0.3 %	0.2 %	0.5 %	0.2 %	0.1 %	0.1 %
Total sales	100.3 %	100.3 %	100.2 %	100.5 %	100.2 %	100.1 %	100.1 %
Other operating income	0.6 %	0.7 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Material expenses	69.2 %	70.9 %	71.0 %	70.8 %	70.2 %	70.3 %	70.1 %
Personnel expenses	22.7 %	20.4 %	19.8 %	20.1 %	19.8 %	19.0 %	18.8 %
Other operating expenses	6.3 %	5.7 %	4.8 %	4.6 %	4.9 %	4.9 %	4.9 %
Total operating expenses	97.6 %	96.3 %	95.6 %	95.4 %	94.9 %	94.2 %	93.8 %
EBITDA	2.7 %	4.0 %	4.6 %	5.0 %	5.3 %	6.0 %	6.4 %
Depreciation	0.7 %	0.8 %	0.5 %	0.7 %	0.8 %	0.7 %	0.8 %
EBITA	2.0 %	3.2 %	4.1 %	4.3 %	4.5 %	5.2 %	5.6 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.7 %	0.6 %	0.6 %	0.6 %	0.6 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	2.0 %	3.2 %	3.4 %	3.7 %	3.9 %	4.6 %	5.1 %
Interest income	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.4 %	0.4 %	0.4 %	0.4 %	0.3 %	0.2 %	0.2 %
Other financial result	0.0 %	0.0 %	0.1 %	0.0 %	0.1 %	0.1 %	0.0 %
Financial result	-0.3 %	-0.4 %	-0.3 %	-0.3 %	-0.1 %	0.0 %	-0.1 %
Recurring pretax income from continuing operations	1.7 %	2.8 %	3.1 %	3.4 %	3.8 %	4.5 %	5.0 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	1.7 %	2.8 %	3.1 %	3.4 %	3.8 %	4.5 %	5.0 %
Tax rate	15.6 %	28.1 %	28.8 %	35.0 %	30.0 %	30.0 %	30.0 %
Net income from continuing operations	1.4 %	2.0 %	2.2 %	2.2 %	2.7 %	3.2 %	3.5 %
Income from discontinued operations (net of tax)	0.0 %	0.4 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %
Net income	1.5 %	1.7 %	2.1 %	2.1 %	2.7 %	3.2 %	3.5 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	1.5 %	1.6 %	2.1 %	2.1 %	2.6 %	3.1 %	3.5 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	31.5	42.5	39.6	41.2	57.7	56.3	55.3
Property, plant and equipment	6.5	9.7	12.9	17.6	19.6	22.5	25.4
Financial assets	0.2	3.2	2.2	5.0	5.0	5.0	5.0
FIXED ASSETS	38.2	55.4	54.6	63.8	82.4	83.9	85.8
Inventories	12.6	13.4	15.0	8.7	12.1	14.2	15.6
Accounts receivable	47.2	68.0	72.2	88.3	94.6	108.4	115.9
Other current assets	5.1	6.4	7.2	0.9	0.9	0.9	0.9
Liquid assets	25.8	31.5	44.4	44.6	47.1	57.0	70.6
Deferred taxes	2.6	0.7	0.6	1.1	1.1	1.1	1.1
Deferred charges and prepaid expenses	3.4	2.0	0.9	1.1	1.1	1.1	1.1
CURRENT ASSETS	96.7	122.0	140.2	144.8	157.0	182.7	205.2
TOTAL ASSETS	134.9	177.4	194.9	208.6	239.4	266.6	291.0
SHAREHOLDERS EQUITY	43.9	50.9	60.7	80.6	109.6	126.2	145.6
MINORITY INTEREST	0.0	0.1	0.2	0.2	0.4	0.6	0.8
Long-term debt	21.6	29.0	16.7	14.1	6.4	6.4	6.4
Provisions for pensions and similar obligations	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Other provisions	4.3	3.2	7.6	5.1	5.1	5.1	5.1
Non-current liabilities	26.0	32.2	24.4	19.3	11.6	11.6	11.6
short-term liabilities to banks	0.7	1.6	9.1	1.3	4.5	4.5	4.5
Accounts payable	47.9	64.4	72.9	76.9	83.0	93.4	98.2
Advance payments received on orders	1.1	1.5	1.9	3.6	3.6	3.6	3.6
Other liabilities (incl. from lease and rental contracts)	10.7	16.3	17.4	18.8	18.8	18.8	18.8
Deferred taxes	2.0	4.3	2.7	2.8	2.8	2.8	2.8
Deferred income	2.7	6.0	5.6	5.1	5.1	5.1	5.1
Current liabilities	65.0	94.2	109.6	108.6	117.8	128.2	133.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	134.9	177.4	194.9	208.6	239.4	266.6	291.0

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	23.4 %	24.0 %	20.3 %	19.8 %	24.1 %	21.1 %	19.0 %
Property, plant and equipment	4.8 %	5.5 %	6.6 %	8.4 %	8.2 %	8.4 %	8.7 %
Financial assets	0.1 %	1.8 %	1.1 %	2.4 %	2.1 %	1.9 %	1.7 %
FIXED ASSETS	28.3 %	31.2 %	28.0 %	30.6 %	34.4 %	31.5 %	29.5 %
Inventories	9.3 %	7.5 %	7.7 %	4.2 %	5.1 %	5.3 %	5.4 %
Accounts receivable	35.0 %	38.3 %	37.1 %	42.3 %	39.5 %	40.7 %	39.8 %
Other current assets	3.8 %	3.6 %	3.7 %	0.4 %	0.4 %	0.3 %	0.3 %
Liquid assets	19.2 %	17.7 %	22.8 %	21.4 %	19.7 %	21.4 %	24.2 %
Deferred taxes	1.9 %	0.4 %	0.3 %	0.5 %	0.5 %	0.4 %	0.4 %
Deferred charges and prepaid expenses	2.5 %	1.1 %	0.4 %	0.5 %	0.5 %	0.4 %	0.4 %
CURRENT ASSETS	71.7 %	68.8 %	72.0 %	69.4 %	65.6 %	68.5 %	70.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	32.5 %	28.7 %	31.2 %	38.6 %	45.8 %	47.3 %	50.0 %
MINORITY INTEREST	0.0 %	0.0 %	0.1 %	0.1 %	0.2 %	0.2 %	0.3 %
Long-term debt	16.0 %	16.3 %	8.6 %	6.8 %	2.7 %	2.4 %	2.2 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %	0.0 %	0.0 %
Other provisions	3.2 %	1.8 %	3.9 %	2.4 %	2.1 %	1.9 %	1.7 %
Non-current liabilities	19.3 %	18.2 %	12.5 %	9.3 %	4.8 %	4.3 %	4.0 %
short-term liabilities to banks	0.5 %	0.9 %	4.7 %	0.6 %	1.9 %	1.7 %	1.5 %
Accounts payable	35.5 %	36.3 %	37.4 %	36.9 %	34.7 %	35.0 %	33.8 %
Advance payments received on orders	0.8 %	0.9 %	1.0 %	1.7 %	1.5 %	1.4 %	1.3 %
Other liabilities (incl. from lease and rental contracts)	7.9 %	9.2 %	9.0 %	9.0 %	7.8 %	7.0 %	6.5 %
Deferred taxes	1.5 %	2.4 %	1.4 %	1.4 %	1.2 %	1.1 %	1.0 %
Deferred income	2.0 %	3.4 %	2.9 %	2.4 %	2.1 %	1.9 %	1.7 %
Current liabilities	48.2 %	53.1 %	56.2 %	52.0 %	49.2 %	48.1 %	45.7 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	5.1	7.9	11.7	11.6	16.2	21.6	25.1
Depreciation of fixed assets (incl. leases)	2.4	3.8	2.8	4.0	4.8	5.1	5.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	3.7	3.4	3.5	4.4	4.0
Others	-0.6	3.0	4.7	2.9	0.0	0.0	0.0
Cash flow from operations before changes in w/c	6.9	14.7	22.9	21.9	24.5	31.1	34.5
Increase/decrease in inventory	-0.9	0.3	-6.3	6.2	-3.4	-2.1	-1.4
Increase/decrease in accounts receivable	0.8	-15.2	-5.2	-16.1	-6.4	-13.7	-7.5
Increase/decrease in accounts payable	2.7	17.1	15.3	4.0	6.1	10.4	4.8
Increase/decrease in other working capital positions	1.1	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	3.8	2.2	3.8	-5.8	-3.6	-5.4	-4.1
Cash flow from operating activities	10.7	16.9	26.7	16.1	20.8	25.7	30.3
CAPEX	4.7	8.1	9.4	12.5	9.9	11.0	11.3
Payments for acquisitions	0.4	10.5	3.6	0.1	0.0	0.0	0.0
Financial investments	-0.2	-0.1	-0.3	0.0	0.0	0.0	0.0
Income from asset disposals	2.3	1.1	4.8	2.0	0.0	0.0	0.0
Cash flow from investing activities	-2.6	-17.3	-7.9	-10.6	-9.9	-11.0	-11.3
Cash flow before financing	8.0	-0.4	18.8	5.5	10.9	14.7	19.0
Increase/decrease in debt position	0.1	8.1	-2.6	-11.9	-4.5	0.0	0.0
Purchase of own shares	0.2	-0.6	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	11.2	0.0	0.0	0.0
Dividends paid	0.0	1.5	1.6	3.3	4.0	4.8	5.4
Others	-1.0	-1.3	-1.6	-1.4	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	-1.1	5.9	-5.8	-5.3	-8.5	-4.8	-5.4
Increase/decrease in liquid assets	7.0	5.6	13.0	0.2	2.4	9.9	13.6
Liquid assets at end of period	25.8	31.5	44.5	44.6	47.1	57.0	70.6

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Domestic	386.1	441.7	502.0	529.1	575.7	648.6	682.6
yoy change	19.8 %	14.4 %	13.7 %	5.4 %	8.8 %	12.7 %	5.2 %
Rest of Europe	36.4	32.9	42.4	29.0	30.3	33.4	34.4
yoy change	n/a	-9.6 %	28.9 %	-31.7 %	4.7 %	10.3 %	3.0 %
NAFTA	0.0	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	422.5	474.6	544.4	558.1	606.0	682.0	717.0
yoy change	31.1 %	12.3 %	14.7 %	2.5 %	8.6 %	12.5 %	5.1 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
P&L growth analysis							
Sales growth	1.6 %	36.2 %	14.7 %	2.5 %	8.6 %	12.5 %	5.1 %
EBITDA growth	21.3 %	100.7 %	31.6 %	12.2 %	14.3 %	26.9 %	12.5 %
EBIT growth	26.0 %	114.0 %	21.7 %	12.0 %	15.0 %	31.4 %	16.6 %
EPS growth	87.8 %	55.5 %	46.4 %	-2.1 %	20.8 %	34.1 %	15.9 %
Efficiency							
Total operating costs / sales	97.6 %	96.3 %	95.6 %	95.4 %	94.9 %	94.2 %	93.8 %
Sales per employee	196.0	257.7	273.1	270.9	285.4	307.2	309.7
EBITDA per employee	5.3	10.3	12.5	13.6	15.1	18.3	19.8
Balance sheet analysis							
Avg. working capital / sales	3.4 %	2.8 %	2.6 %	2.6 %	3.0 %	3.3 %	3.8 %
Inventory turnover (sales/inventory)	27.7	35.5	36.3	63.8	50.0	48.0	46.0
Trade debtors in days of sales	49.5	52.3	48.4	57.7	57.0	58.0	59.0
A/P turnover [(A/P*365)/sales]	50.1	49.6	48.9	50.3	50.0	50.0	50.0
Cash conversion cycle (days)	-3.9	-3.1	-6.3	-5.3	-3.8	-2.3	-1.0
Cash flow analysis							
Free cash flow	6.0	8.8	17.3	3.6	10.9	14.7	19.0
Free cash flow/sales	1.7 %	1.9 %	3.2 %	0.6 %	1.8 %	2.2 %	2.7 %
FCF / net profit	118.4 %	113.1 %	150.3 %	31.4 %	68.5 %	68.7 %	76.7 %
FCF yield	2.4 %	3.6 %	7.1 %	1.3 %	3.8 %	5.1 %	6.6 %
Capex / depre	188.4 %	206.6 %	139.0 %	169.0 %	118.9 %	115.8 %	120.2 %
Capex / maintenance capex	137.6 %	133.1 %	151.6 %	n/a	106.2 %	117.6 %	116.9 %
Capex / sales	1.3 %	1.7 %	1.7 %	n/a	n/a	n/a	n/a
Security							
Net debt	-3.5	-0.9	-18.5	-29.2	-36.2	-46.1	-59.7
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.1	0.0	-0.3	-0.4	-0.3	-0.4	-0.4
Interest cover	5.4	8.0	8.3	9.7	15.3	24.0	28.0
Dividend payout ratio	30.7 %	19.7 %	26.7 %	34.7 %	30.3 %	25.4 %	24.4 %
Asset utilisation							
Capital employed turnover	4.9	5.6	5.8	5.5	4.8	4.8	4.4
Operating assets turnover	20.1	18.9	21.5	16.4	15.3	14.2	13.0
Plant turnover	53.4	49.0	42.2	31.8	30.9	30.3	28.2
Inventory turnover (sales/inventory)	27.7	35.5	36.3	63.8	50.0	48.0	46.0
Returns							
ROCE	10.5 %	19.5 %	20.6 %	21.1 %	20.9 %	23.2 %	23.8 %
ROE	11.5 %	15.4 %	19.0 %	14.2 %	14.6 %	17.0 %	17.1 %
Other							
Interest paid / avg. debt	5.9 %	7.2 %	7.9 %	10.3 %	11.8 %	11.9 %	11.9 %
No. employees (average)	1777	1842	1994	2060	2123	2220	2315
Number of shares	10.4	10.3	10.4	10.6	12.2	12.2	12.2
DPS	0.2	0.2	0.3	0.4	0.4	0.5	0.5
EPS reported	0.49	0.76	1.11	1.09	1.31	1.76	2.04
Valuation ratios							
P/BV	5.6	4.8	4.1	3.4	2.6	2.3	2.0
EV/sales	0.7	0.5	0.4	0.4	0.4	0.4	0.3
EV/EBITDA	25.5	12.8	9.0	8.6	7.8	5.9	5.0
EV/EBITA	34.1	16.0	10.1	10.0	9.2	6.8	5.6
EV/EBIT	34.1	16.0	12.2	11.6	10.6	7.7	6.2
EV/FCF	40.3	27.4	13.0	66.7	22.9	16.4	11.9
Dividend yield	0.6 %	0.6 %	1.3 %	1.5 %	1.7 %	1.9 %	2.1 %

Source: Company data, Hauck & Aufhäuser

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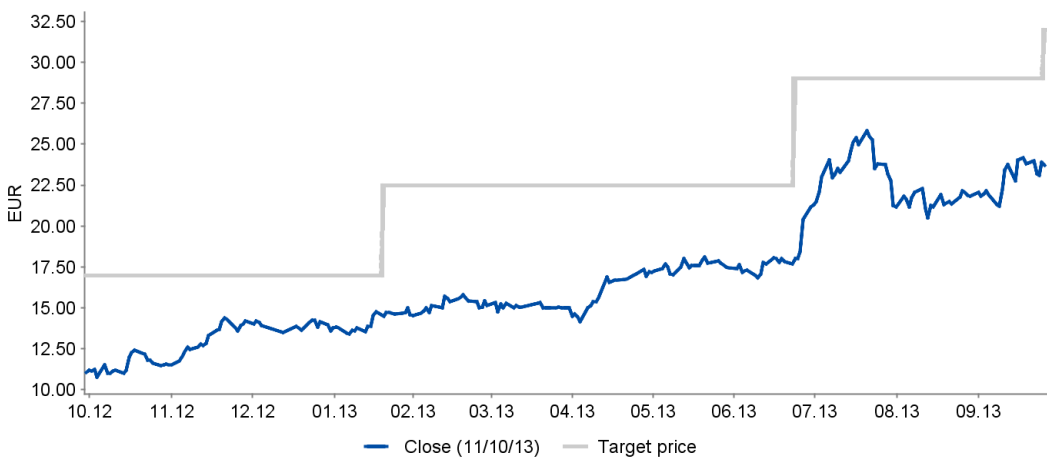
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Company	Disclosure
CANCOM SE	2, 3, 5, 7

Historical target price and rating changes for CANCOM SE in the last 12 months

**Price and Rating History
CANCOM SE as of 14/10/13**

Initiation coverage
06-July-10



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