

Buy (old: Buy)

Price target: EUR 44.00 (old: EUR 42.00)

Price:	EUR 36.75	Next result:	Q1 14: 13.05.14
Bloomberg:	COK GR	Market cap:	EUR 537.1 m
Reuters:	COKG.DE	Enterprise Value:	EUR 445.6 m

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Value-accretive take-over to boost clout in Cloud; Chg. Est. & PT

CANCOM announced the acquisition of a 100% stake in US company HPM Networks. The target is a value-added reseller in the cloud infrastructure space, meaning it sells hardware (e.g. storage, servers) into cloud projects and offers implementation and consulting services.

In 2013, HPM generated € 40m of sales and € 3.3m EBITDA (adjusted for an undisclosed one-off), implying a strong EBITDA margin of 8.3%. The acquisition looks **value-accretive** as CANCOM will only pay € 6.6m in cash (i.e. 2x EBITDA) plus an undisclosed earn-out component. In our view, the earn-out should run for several years and depend on the EBITDA result of the target, providing a strong incentive for the former owner and CEO to remain at the company. Why the attractive take-over price was possible, in our view:

- First, a cloud industry insider, the CEO of HPM is seen to be **very convinced** of the potential of Cancom's proprietary AHP cloud solution for the implementation of Private Cloud solutions, hence accepting a large variable component.
- Second, hardware resellers like HPM with exposure to suppliers like HP should be concerned about the sustainability of their business models given a sluggish global IT hardware market.

Benefits: Marking the entry into the dynamic US West Coast market, CANCOM plans to use HPM's position in the cloud infrastructure market to cross-sell its AHP Private Cloud solution to the existing customer base. Also, HPM's existing partner network (e.g. HP, VMware) and renowned customer base (e.g. twitter, GAP, Workday, Juniper) should help CANCOM win new customers. Importantly, CANCOM's channel checks have shown that its Private Cloud solution does not face any meaningful competition in this regional market, meaning its unique value proposition remains fully intact.

– continued –



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 36.75 / 14.15
Price/Book Ratio: 3.3
Relative performance (TecDAX):
3 months 25.9 %
6 months 48.2 %
12 months 99.1 %

Changes in estimates

		Sales	EBIT	EPS
2013	old:	613.0	24.3	1.32
	Δ	-	-	-
2014	old:	701.4	31.6	1.48
	Δ	4.7%	7.9%	8.3%
2015	old:	742.2	40.4	1.91
	Δ	5.4%	7.2%	7.2%

Key share data:

Number of shares: (in m pcs) 12.4
Authorised capital: (in € m) 4.0
Book value per share: (in €) 11.3
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.

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	348.3	474.6	544.4	558.1	613.0	734.7	782.2
Sales growth	2 %	36 %	15 %	3 %	10 %	20 %	6 %
EBITDA	9.5	19.0	25.0	28.1	33.3	52.9	62.4
EBIT	7.1	15.2	18.5	20.7	24.3	34.0	43.3
Net income	5.1	7.8	11.5	11.5	16.4	23.5	29.9
Net debt	-3.5	-0.9	-18.5	-29.2	-91.6	-68.0	-91.6
Net gearing	-8.0 %	-1.8 %	-30.4 %	-36.3 %	-55.7 %	-39.7 %	-47.1 %
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	1.12	1.61	2.05
CPS	0.80	1.28	2.18	0.89	1.04	1.77	2.37
DPS	0.15	0.15	0.30	0.35	0.40	0.45	0.50
Dividend yield	0.4 %	0.4 %	0.8 %	1.0 %	1.1 %	1.2 %	1.4 %
Gross profit margin	31.0 %	29.3 %	29.1 %	29.5 %	30.5 %	35.0 %	35.2 %
EBITDA margin	2.7 %	4.0 %	4.6 %	5.0 %	5.4 %	7.2 %	8.0 %
EBIT margin	2.0 %	3.2 %	3.4 %	3.7 %	4.0 %	4.6 %	5.5 %
ROCE	10.5 %	19.5 %	20.6 %	21.1 %	17.2 %	17.6 %	19.8 %
EV/sales	1.1	0.8	0.7	0.7	0.7	0.6	0.6
EV/EBITDA	39.8	19.8	14.4	13.8	13.4	8.9	7.1
EV/EBIT	53.1	24.8	19.4	18.8	18.4	13.8	10.3
PER	76.4	39.9	32.2	34.6	32.8	22.9	17.9
Adjusted FCF yield	1.6 %	3.0 %	4.4 %	4.0 %	4.4 %	6.8 %	8.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 28.02.2014

CANCOM SE

Conclusion: The low acquisition price and healthy profitability of HPM should limit risks while the target's footprint in the cloud market (on the US West Coast) is seen to provide attractive cross-selling opportunities for Cancom's AHP software which offers recurring revenues and high margins of above 30%. It shows that Cancom continues to put its cash pile to sensible use and convert its first-mover advantage regarding its AHP solution into sustainable market share.

Changes: Our model is adjusted to incorporate the take-over of HPM. We are not including any success from cross-selling CANCOM's AHP Private Cloud solution until there is first evidence of customer acceptance. As such, sales and EBIT expectations are raised to include c. € 40m of sales and € 3.3m of EBITDA, which we model to be flat going forward. Also, we include c. € 0.4m of annual PPA and a € 0.3m earn-out p.a. for the next three years.

CANCOM remains a Buy with a new PT of € 44.00 (old: € 42.00) based on DCF: The higher PT reflects the value-accretive nature of the deal.

Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Net sales	348.3	474.6	544.4	558.1	613.0	734.7	782.2
<i>Sales growth</i>	1.6 %	36.2 %	14.7 %	2.5 %	9.8 %	19.9 %	6.5 %
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	614.0	735.7	783.2
Other operating income	2.3	3.3	0.7	0.6	0.7	0.7	0.7
Material expenses	241.1	336.3	386.6	395.1	426.6	478.3	507.8
Personnel expenses	79.2	97.0	108.0	112.4	125.4	163.9	170.2
Other operating expenses	21.8	26.8	26.4	25.8	29.4	41.2	43.5
Total operating expenses	339.8	456.8	520.3	532.5	580.7	682.8	720.9
EBITDA	9.5	19.0	25.0	28.1	33.3	52.9	62.4
Depreciation	2.4	3.8	2.8	4.0	4.8	8.3	8.7
EBITA	7.1	15.2	22.2	24.0	28.5	44.6	53.7
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	4.2	10.6	10.4
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	24.3	34.0	43.3
Interest income	0.2	0.1	0.3	0.4	0.6	0.7	0.7
Interest expenses	1.3	1.9	2.2	2.1	1.2	1.0	1.0
Other financial result	0.0	0.0	0.4	0.0	0.0	0.0	0.0
Financial result	-1.1	-1.8	-1.6	-1.8	-0.6	-0.3	-0.3
Recurring pretax income from continuing operations	5.9	13.3	16.9	18.9	23.7	33.8	43.0
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	23.7	33.8	43.0
Taxes	0.9	3.7	4.9	6.6	7.1	9.2	11.7
Net income from continuing operations	5.0	9.6	12.0	12.3	16.6	24.6	31.3
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	16.6	24.6	31.3
Minority interest	0.0	0.1	0.2	0.1	0.2	1.1	1.4
Net income (net of minority interest)	5.1	7.8	11.5	11.5	16.4	23.5	29.9
Average number of shares	10.4	10.3	10.4	10.6	12.4	14.6	14.6
EPS reported	0.49	0.76	1.11	1.09	1.32	1.61	2.05

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 %	69.6 %	65.1 %	64.9 %
Personnel expenses	22.7 %	20.4 %	19.8 %	20.1 %	20.5 %	22.3 %	21.8 %
Other operating expenses	6.3 %	5.7 %	4.8 %	4.6 %	4.8 %	5.6 %	5.6 %
Total operating expenses	97.6 %	96.3 %	95.6 %	95.4 %	94.7 %	92.9 %	92.2 %
EBITDA	2.7 %	4.0 %	4.6 %	5.0 %	5.4 %	7.2 %	8.0 %
Depreciation	0.7 %	0.8 %	0.5 %	0.7 %	0.8 %	1.1 %	1.1 %
EBITA	2.0 %	3.2 %	4.1 %	4.3 %	4.6 %	6.1 %	6.9 %
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 %	0.7 %	1.4 %	1.3 %
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 %	4.0 %	4.6 %	5.5 %
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 %	0.2 %	0.1 %	0.1 %
Other financial result	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.3 %	-0.4 %	-0.3 %	-0.3 %	-0.1 %	0.0 %	0.0 %
Recurring pretax income from continuing operations	1.7 %	2.8 %	3.1 %	3.4 %	3.9 %	4.6 %	5.5 %
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 %	3.9 %	4.6 %	5.5 %
Tax rate	15.6 %	28.1 %	28.8 %	35.0 %	30.0 %	27.2 %	27.2 %
Net income from continuing operations	1.4 %	2.0 %	2.2 %	2.2 %	2.7 %	3.3 %	4.0 %
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 %	3.3 %	4.0 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.2 %
Net income (net of minority interest)	1.5 %	1.6 %	2.1 %	2.1 %	2.7 %	3.2 %	3.8 %

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	57.0	96.4	90.6
Property, plant and equipment	6.5	9.7	12.9	17.6	19.6	23.0	25.3
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	81.7	124.5	120.9
Inventories	12.6	13.4	15.0	8.7	12.3	14.1	15.6
Accounts receivable	47.2	68.0	72.2	88.3	95.7	110.7	120.0
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	102.5	78.9	102.5
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	213.7	206.9	241.3
TOTAL ASSETS	134.9	177.4	194.9	208.6	295.4	331.4	362.2
SHAREHOLDERS EQUITY	43.9	50.9	60.7	80.6	164.6	171.2	194.6
MINORITY INTEREST	0.0	0.1	0.2	0.2	0.4	19.1	20.5
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	84.0	94.6	100.7
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	118.8	129.4	135.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	134.9	177.4	194.9	208.6	295.4	331.4	362.2

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	23.4 %	24.0 %	20.3 %	19.8 %	19.3 %	29.1 %	25.0 %
Property, plant and equipment	4.8 %	5.5 %	6.6 %	8.4 %	6.6 %	6.9 %	7.0 %
Financial assets	0.1 %	1.8 %	1.1 %	2.4 %	1.7 %	1.5 %	1.4 %
FIXED ASSETS	28.3 %	31.2 %	28.0 %	30.6 %	27.7 %	37.6 %	33.4 %
Inventories	9.3 %	7.5 %	7.7 %	4.2 %	4.2 %	4.3 %	4.3 %
Accounts receivable	35.0 %	38.3 %	37.1 %	42.3 %	32.4 %	33.4 %	33.1 %
Other current assets	3.8 %	3.6 %	3.7 %	0.4 %	0.3 %	0.3 %	0.2 %
Liquid assets	19.2 %	17.7 %	22.8 %	21.4 %	34.7 %	23.8 %	28.3 %
Deferred taxes	1.9 %	0.4 %	0.3 %	0.5 %	0.4 %	0.3 %	0.3 %
Deferred charges and prepaid expenses	2.5 %	1.1 %	0.4 %	0.5 %	0.4 %	0.3 %	0.3 %
CURRENT ASSETS	71.7 %	68.8 %	72.0 %	69.4 %	72.3 %	62.4 %	66.6 %
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 %	55.7 %	51.7 %	53.7 %
MINORITY INTEREST	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %	5.8 %	5.7 %
Long-term debt	16.0 %	16.3 %	8.6 %	6.8 %	2.2 %	1.9 %	1.8 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
Other provisions	3.2 %	1.8 %	3.9 %	2.4 %	1.7 %	1.5 %	1.4 %
Non-current liabilities	19.3 %	18.2 %	12.5 %	9.3 %	3.9 %	3.5 %	3.2 %
short-term liabilities to banks	0.5 %	0.9 %	4.7 %	0.6 %	1.5 %	1.4 %	1.2 %
Accounts payable	35.5 %	36.3 %	37.4 %	36.9 %	28.4 %	28.5 %	27.8 %
Advance payments received on orders	0.8 %	0.9 %	1.0 %	1.7 %	1.2 %	1.1 %	1.0 %
Other liabilities (incl. from lease and rental contracts)	7.9 %	9.2 %	9.0 %	9.0 %	6.4 %	5.7 %	5.2 %
Deferred taxes	1.5 %	2.4 %	1.4 %	1.4 %	1.0 %	0.9 %	0.8 %
Deferred income	2.0 %	3.4 %	2.9 %	2.4 %	1.7 %	1.5 %	1.4 %
Current liabilities	48.2 %	53.1 %	56.2 %	52.0 %	40.2 %	39.1 %	37.4 %
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	16.6	24.6	31.3
Depreciation of fixed assets (incl. leases)	2.4	3.8	2.8	4.0	4.8	8.3	8.7
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	4.2	10.6	10.4
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	25.6	43.5	50.4
Increase/decrease in inventory	-0.9	0.3	-6.3	6.2	-3.5	-1.9	-1.5
Increase/decrease in accounts receivable	0.8	-15.2	-5.2	-16.1	-7.4	-15.0	-9.3
Increase/decrease in accounts payable	2.7	17.1	15.3	4.0	7.0	10.6	6.1
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	-3.9	-6.2	-4.7
Cash flow from operating activities	10.7	16.9	26.7	16.1	21.7	37.3	45.7
CAPEX	4.7	8.1	9.4	12.5	9.9	16.1	15.2
Payments for acquisitions	0.4	10.5	3.6	0.1	0.0	39.0	0.3
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	-55.1	-15.5
Cash flow before financing	8.0	-0.4	18.8	5.5	11.8	-17.8	30.2
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	54.6	0.0	0.0
Dividends paid	0.0	1.5	1.6	3.3	4.0	5.8	6.6
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	46.1	-5.8	-6.6
Increase/decrease in liquid assets	7.0	5.6	13.0	0.2	57.9	-23.6	23.6
Liquid assets at end of period	25.8	31.5	44.5	44.6	102.5	78.9	102.5

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	582.4	698.7	744.7
yoy change	19.8 %	14.4 %	13.7 %	5.4 %	10.1 %	20.0 %	6.6 %
Rest of Europe	36.4	32.9	42.4	29.0	30.7	36.0	37.5
yoy change	n/a	-9.6 %	28.9 %	-31.7 %	5.9 %	17.5 %	4.3 %
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	613.0	734.7	782.2
yoy change	31.1 %	12.3 %	14.7 %	2.5 %	9.8 %	19.9 %	6.5 %

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 %	9.8 %	19.9 %	6.5 %
EBITDA growth	21.3 %	100.7 %	31.6 %	12.2 %	18.7 %	59.0 %	17.8 %
EBIT growth	26.0 %	114.0 %	21.7 %	12.0 %	17.5 %	40.3 %	27.0 %
EPS growth	87.8 %	55.5 %	46.4 %	-2.1 %	21.9 %	21.5 %	27.4 %
Efficiency							
Total operating costs / sales	97.6 %	96.3 %	95.6 %	95.4 %	94.7 %	92.9 %	92.2 %
Sales per employee	196.0	257.7	273.1	270.9	288.7	330.9	337.9
EBITDA per employee	5.3	10.3	12.5	13.6	15.7	23.9	26.9
Balance sheet analysis							
Avg. working capital / sales	3.4 %	2.8 %	2.6 %	2.6 %	3.0 %	3.2 %	3.7 %
Inventory turnover (sales/inventory)	27.7	35.5	36.3	63.8	50.0	52.0	50.0
Trade debtors in days of sales	49.5	52.3	48.4	57.7	57.0	55.0	56.0
A/P turnover [(A/P*365)/sales]	50.1	49.6	48.9	50.3	50.0	47.0	47.0
Cash conversion cycle (days)	-3.9	-3.1	-6.3	-5.3	-4.4	-6.4	-5.2
Cash flow analysis							
Free cash flow	6.0	8.8	17.3	3.6	11.8	21.2	30.5
Free cash flow/sales	1.7 %	1.9 %	3.2 %	0.6 %	1.9 %	2.9 %	3.9 %
FCF / net profit	118.4 %	113.1 %	150.3 %	31.4 %	71.9 %	90.1 %	101.9 %
Capex / depre	188.4 %	206.6 %	139.0 %	169.0 %	109.7 %	85.2 %	79.6 %
Capex / maintenance capex	137.6 %	133.1 %	151.6 %	n/a	106.2 %	102.6 %	100.0 %
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	-91.6	-68.0	-91.6
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	-0.6	-0.4	-0.5
Interest cover	5.4	8.0	8.3	9.7	20.5	34.7	44.1
Dividend payout ratio	30.7 %	19.7 %	26.7 %	34.7 %	35.7 %	28.0 %	24.4 %
Asset utilisation							
Capital employed turnover	4.9	5.6	5.8	5.5	3.4	3.6	3.4
Operating assets turnover	20.1	18.9	21.5	16.4	15.3	14.8	13.8
Plant turnover	53.4	49.0	42.2	31.8	31.2	31.9	30.9
Inventory turnover (sales/inventory)	27.7	35.5	36.3	63.8	50.0	52.0	50.0
Returns							
ROCE	10.5 %	19.5 %	20.6 %	21.1 %	17.2 %	17.6 %	19.8 %
ROE	11.5 %	15.4 %	19.0 %	14.2 %	10.0 %	13.7 %	15.4 %
Other							
Interest paid / avg. debt	5.9 %	7.2 %	7.9 %	10.3 %	9.0 %	9.0 %	9.0 %
No. employees (average)	1777	1842	1994	2060	2123	2220	2315
Number of shares	10.4	10.3	10.4	10.6	12.4	14.6	14.6
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	1.32	1.61	2.05
Valuation ratios							
P/BV	8.7	7.4	6.3	5.2	3.3	3.1	2.8
EV/sales	1.1	0.8	0.7	0.7	0.7	0.6	0.6
EV/EBITDA	39.8	19.8	14.4	13.8	13.4	8.9	7.1
EV/EBITA	53.1	24.8	16.2	16.2	15.7	10.5	8.3
EV/EBIT	53.1	24.8	19.4	18.8	18.4	13.8	10.3
EV/FCF	62.8	42.6	20.7	107.8	37.8	22.1	14.6
Adjusted FCF yield	1.6 %	3.0 %	4.4 %	4.0 %	4.4 %	6.8 %	8.7 %
Dividend yield	0.4 %	0.4 %	0.8 %	1.0 %	1.1 %	1.2 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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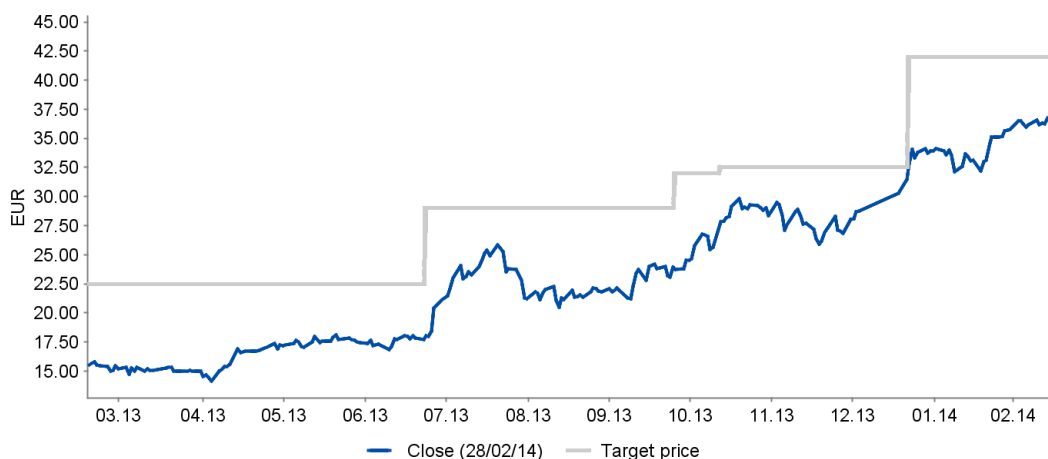
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Company	Disclosure
CANCOM SE	2, 3, 5, 7

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

**Price and Rating History
CANCOM SE as of 03/03/14**

Initiation coverage
06-July-10



Hauck & Aufhäuser distribution of ratings and in proportion to investment banking services

Buy	60.91 %	100.00 %
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