

Technotrans

Germany/Industrial Engineering

Analysers



Buy

Recommendation unchanged

Share price: EUR 17.15

closing price as of 07/08/2015

Target price: EUR 22.00

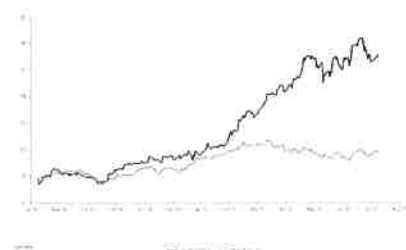
Target Price unchanged

Reuters/Bloomberg

TTRGn DE/ITR1 GR

Market capitalisation (EURm)	112
Current N° of shares (m)	7
Free float	83%
Daily avg. no. trad. sh. 12 mth	4,844
Daily avg. trad. vol. 12 mth (m)	82
Price high 12 mth (EUR)	18.40
Price low 12 mth (EUR)	7.41
Abs. perf. 1 mth	5.12%
Abs. perf. 3 mth	16.91%
Abs. perf. 12 mth	118.47%

Key financials (EUR)	12/14	12/15e	12/16e
Sales (m)	112	122	133
EBITDA (m)	10	12	14
EBITDA margin	8.8%	9.7%	10.1%
EBIT (m)	7	9	11
EBIT margin	6.1%	7.4%	8.3%
Net Profit (adj.)(m)	4	6	7
ROCE	9.8%	12.7%	15.2%
Net debt/(cash) (m)	(6)	(9)	(13)
Net Debt/Equity	-0.1	-0.2	-0.2
Debt/EBITDA	-0.6	-0.8	-0.9
Int. cover(EBITDA/Fin. int)	17.4	41.2	123.3
EV/Sales	0.5	0.9	0.8
EV/EBITDA	6.0	9.1	7.7
EV/EBITDA (adj.)	6.0	9.1	7.7
EV/EBIT	8.6	11.9	9.4
PIE (adj.)	13.7	18.8	15.4
P/BV	1.3	2.2	2.0
OpFCF yield	9.5%	5.0%	5.8%
Dividend yield	1.9%	2.6%	2.9%
EPS (adj.)	0.68	0.91	1.11
BVPS	7.19	7.74	8.39
DPS	0.33	0.45	0.50



Shareholders: Objectif Small Cap 6%; Treasury stock 6%; Midlin 5%;

Analyst(s):

Thomas Rau, Equinet Bank

thomas.rau@equinet-ag.de

+49 69 58997 433

Robust Q2 results, FY guidance slightly upgraded

The facts: Technotrans just released its Q2 results, which came in marginally below our expectations. FY guidance has been confirmed, but it has already been highlighted that the achievement of the upper end has become much more likely.

EUR m	Q2/15	Q2/15e	delta	Q1/14	yoy	2015e	2014	yoy
Sales	29.8	30.4	-2%	27.1	10%	121.7	112.4	8%
EBIT	2.1	2.3	-5%	1.4	53%	9.0	6.8	32%
EBIT margin	7.2%	7.4%	-20bp	5.2%	200bp	7.4%	6.1%	130bp
Net income	1.4	1.4	3%	0.9	60%	5.9	4.4	35%
EPS (€)	0.22	0.22	0%	0.14	57%	0.91	0.68	34%

Sources: Technotrans, equinet Research

Our analysis: Sales and earnings growth remained robust in Q2, however marginally below our expectations. Sales rose by 10% yoy to EUR 29.8 m (vs. +13% yoy in Q1). Robust top-line development is still largely driven by ongoing robust growth in Non-Print (+19% yoy), namely Engineering & Machinery (primarily Laser) and Growth Markets (primarily Safety and Storage). However, also Print continued to recover in Q2 (+7% yoy), driven by further market share gains in traditional offset and further robust demand in both, digital and flex print. Growth in Services (+4% yoy) eased slightly in Q2, but is still in the target range of 4-5% annual growth. EBIT in Q2 increased by +37% yoy to EUR 2.1 m, primarily boosted by robust sales growth. With sales growth of +11% and an EBIT-margin of 7.4% in H1, the company remained above its target corridor the full-year. For H2 management remains optimistic to continue its robust sales and earnings development seen in H1 already. Consequently, the company reiterated its full-year guidance (Sales: EUR 116-120 m; EBIT-margin: 6.8-7.3%), however highlighting at the same time that it will most likely achieve the upper end of its sales and earnings guidance, namely sales of around EUR 120 m and an EBIT-margin of 7.3%. We are even more optimistic and expect the company to generate sales of EUR 122 m and an EBIT-margin of 7.4% in the full-year.

Conclusion & Action: Q2 results were again very solid, even though marginally below our projections, which we however would primarily explain by the shift of revenues from Q2 to Q3. We remain optimistic that the company will be able to also deliver decent sales and earnings growth in H2 (key drivers: ongoing strong growth in Non-Print), which should lead to a slight beat of its full-year guidance. We therefore reiterate our BUY recommendation.