

Recommendation: **BUY** (BUY) Risk: **HIGH** (HIGH) Price Target: **EUR 1.75** (1.75)

16 May 2014

1Q 2014 figures:

Equity in positive terrain at EUR 18.3m

- In 1Q 2014 ALNO group realised sales of EUR 122.5m which includes contribution from AFP Kitchen AG. According to the company, this figure was below expectations due to a downturn in the large-scale retail business, postponement of some larger projects abroad and the weak demand in Germany. The EBITDA – based on preliminary purchase price allocation – amounted to EUR 37.8m, the EBIT stood at EUR 32.4m and the net profit was EUR 29.7m. The equity strongly climbed from EUR -9.5m (1Q 2013) to EUR 18.3m as of 31 March 2014.
- ALNO on a stand-alone basis (without AFP) generated sales of EUR 96.8m in 1Q 2014 (previous year: EUR 100.4m). The EBITDA dropped from EUR 3.2m to EUR -2.2m. The net profit came in at EUR -8.5m in 1Q 2014. Due to one-off effects of EUR 5.5m the net profit stood at EUR -2.1m in 1Q 2013. However, the order intake rose by 4.5% yoy.
- The AFP Kitchen AG increased sales from EUR 22.6m to EUR 25.7m. The EBITDA was unchanged and reached EUR -3.3m. The net profit amounted to EUR -4.5m compared to EUR -4.3m in 1Q 2013. According to the company the prospects of AFP Kitchen have improved: The order backlog as of 31 March stood at approximately EUR 82m which means a 15.8% increase.
- ALNO continues to expect a positive impact from the introduction of another two Piatti lines (premium and standard) and synergies of the new ALNO group in general. Forster Steel Kitchen will internationally be marketed under the brand name ALNOINOX.
- ALNO confirmed to us the guidance for the current business year (sales in the range of EUR 580m to EUR 600m and EBITDA amounting to EUR 20m to 25m). A major reason for the weaker 1Q figures is the fact that some projects were shifted to the second quarter.
- We leave our estimates unchanged and confirm our BUY recommendation.

Key data

FY 12/31, EURm	2011	2012	2013	2014E	2015E	2016E
Sales	452.8	446.3	395.1	589.7	624.0	644.0
EBITDA	5.2	14.0	5.5	25.0	42.0	45.3
EBIT	-10.7	0.9	1.2	10.1	26.1	28.5
Net result	-25.6	-1.4	-10.6	0.7	12.1	13.8
EPS	-1.04	-0.05	-0.15	0.01	0.17	0.20
DPS	0.00	0.00	0.00	0.00	0.00	0.00
Gross margin	38.3%	44.5%	46.8%	45.0%	46.0%	46.1%
EBITDA margin	1.1%	3.1%	1.4%	4.2%	6.7%	7.0%
EBIT margin	-2.4%	0.2%	0.3%	1.7%	4.2%	4.4%
EV/EBITDA	42.2	15.7	39.9	8.8	5.2	4.8
EV/EBIT	n.m.	250.4	186.9	21.7	8.4	7.7
P/E	n.m.	n.m.	n.m.	102.6	5.9	5.2

Source: ALNO AG; CBS Research AG

Share price (dark) vs. CDAX



Source: CBS Research AG, Bloomberg, ALNO AG

Change	2014E		2015E		2016E	
	new	old	new	old	new	old
Sales	-	589.7	-	624.0	-	644.0
EBITDA	-	25.0	-	42.0	-	45.3
EPS	-	0.01	-	0.17	-	0.20

Internet: www.alno.de Sector: All Consumer
WKN: 778840 ISIN: DE0007788408
Reuters: ANOG.DE Bloomberg: ANO GY

Short company profile:

ALNO is one of the leading kitchen manufacturers in Germany. Through its brands ALNO, Wellmann, Impuls and Pino the company addresses various customer target groups in different price segments.

Share data:

Share price (EUR, latest closing price):	1.01
Shares outstanding (m):	70.1
Market capitalisation (EUR m):	71.1
Enterprise value (EUR m):	219.6
Ø daily trading volume (3 m., no. of shares):	166,935

Performance data:

High 52 weeks (EUR):	1.46
Low 52 weeks (EUR):	0.86
Absolute performance (12 months):	-27.9%
Relative performance vs. CDAX:	
1 month	-2.7%
3 months	-6.0%
6 months	-11.7%
12 months	-37.9%

Shareholders structure:

Max Müller and family	5.6%
SE Swiss Entrepreneur	4.9%
Nordic Kitchen Holding AG	10.6%
Whirlpool Germany GmbH	19.9%
LBBW	3.0%
Free float	56.1%

Financial calendar:

AGM	28 May 2014
2Q 2014 results	29 August 2014

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BUY: The expected performance of the share price is above +10%.

HOLD: The expected performance of the share price is between 0% and +10%.

SELL: The expected performance of the share price is below 0%.

This rating system is only a guideline. Therefore, deviations from this system may apply.

Recommendation history over the last 12 months for the company analysed in this report:

Date	Recommendation	Price at change date	Price target
30 September 2013	HOLD (Initiating Coverage)	EUR 1.15	EUR 1.40
27 November 2013	HOLD	EUR 0.99	EUR 1.40
21 January 2014	HOLD	EUR 1.13	EUR 1.40
04 February 2014	BUY	EUR 1.12	EUR 1.75

11 April 2014	BUY	EUR 1.02	EUR 1.75
16 May 2014	BUY	EUR 1.01	EUR 1.75

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