

BUY

26 November 2015

Current price **Price target**

EUR54.87 EUR66.50

20/11/2015 XETRA Close

Market cap (EURm) 388
EV (EURm) 398
Trading volume 19,927
Free float 70.1%

Non-institutional shareholders

Neumüller heirs: 27.4%
CEWE Stiftung & Co. KGaA: 2.5%

Share performance

High 52 weeks EUR62.18
Low 52 weeks EUR44.34

Business description

Photo services provider.

Performance relative to

	SXXP	SDAX
1mth	1.2%	1.3%
3mth	9.3%	9.6%
12mth	-2.6%	-19.3%

Investment thesis

- CEWE is a high-quality company with a strong management track record. This is evident in the shift from analogue to digital and in the leading market position gained in the digital photofinishing and photobook market in western Europe.
- The Photofinishing division is set to benefit from an increasing share of more-profitable photogift products, supporting margin expansion.
- The Commercial online printing division is a key growth driver, but is currently loss-making, given its expansion and marketing costs. It is, however, set to break even in 2015/16E and contribute 5% to group EBIT by 2017E.
- Our valuation is an average of DCF and CFRoEV using 2016E.

Profit and loss summary

EURm	2013	2014	2015E	2016E	2017E
Revenues	536	524	543	562	586
EBITDA	67	66	72	78	84
EBITA	40	41	45	48	54
EBIT	29	33	37	40	46
Associates contribution	0	0	0	0	0
Net interest	-2	-1	0	0	0
Tax	5	10	11	12	14
Minorities	0	0	0	0	0
Net income adj.	21	21	25	28	32
EPS reported	3.22	3.02	3.55	3.97	4.56
EPS adjusted	3.77	3.02	3.55	3.97	4.56
Year end shares	7	7	7	7	7
Average shares	7	7	7	7	7
DPS	1.50	1.60	1.75	1.95	2.30

Cash flow summary

EURm	2013	2014	2015E	2016E	2017E
Net income	21	21	25	28	32
Depreciation	38	33	36	38	38
Working capital changes	-14	10	-12	-2	-2
Other non-cash items	1	5	-4	0	0
Operating cash flow	46	70	45	65	69
Capex	35	35	45	38	37
FCFE	10	34	1	27	32
Acquisitions, disposals	0	-8	0	0	0
Other investment CF	-2	-3	0	0	0
Dividends paid	10	11	11	12	14
Buybacks, issuance	1	24	0	0	0
Change in net debt	-4	-43	11	-14	-18
Net debt	23	-20	-9	-23	-41
FCF per share	1.58	4.82	0.08	3.79	4.54

Growth and margins

	2013	2014	2015E	2016E	2017E
Revenue growth	5.7%	-2.3%	3.7%	3.5%	4.1%
EBITDA growth	1.1%	-0.9%	8.9%	8.5%	7.3%
EBIT growth	-0.4%	12.8%	11.9%	9.8%	14.3%
EPS adj growth	31.0%	-20.0%	17.7%	11.7%	14.9%
FCF growth	-39.2%	204.9%	-98.4%	4712.0%	19.8%
EBITDA margin	12.5%	12.6%	13.3%	13.9%	14.3%
EBIT margin	5.4%	6.2%	6.7%	7.1%	7.8%
Net income margin	4.0%	4.1%	4.6%	5.0%	5.5%
FCF margin	1.9%	6.5%	0.1%	4.8%	5.5%

Key ratios

	2013	2014	2015E	2016E	2017E
Net debt / equity	16.2%	-11.4%	-4.6%	-11.4%	-18.8%
Net debt / EBITDA	0.3	-0.3	-0.1	-0.3	-0.5
Avg cost of debt	4.8%	6.3%	4.0%	4.0%	4.0%
Tax rate	22.6%	32.1%	31.0%	30.0%	30.0%
Interest cover	17.0	27.8	404.0	0.0	0.0
Payout ratio	50.2%	53.0%	49.3%	49.2%	50.5%
ROCE	12.5%	14.3%	15.4%	15.8%	18.0%
Capex / sales	6.9%	7.4%	8.2%	6.8%	6.2%
Capex / depreciation	98.1%	115.9%	125.0%	99.5%	95.7%

Valuation metrics

	2013	2014	2015E	2016E	2017E
P / adjusted EPS	9.5	17.0	15.5	13.8	12.0
P / book value	1.6	2.1	2.1	1.9	1.8
FCF yield	4.4%	9.4%	0.1%	6.9%	8.3%
Dividend yield	4.2%	3.1%	3.2%	3.6%	4.2%
EV / sales	0.5	0.7	0.7	0.7	0.6
EV / EBITDA	4.1	5.5	5.5	4.9	4.4
EV / EBIT	9.5	11.2	10.9	9.6	8.0
EV / FCF	26.5	10.7	713.3	14.3	11.4
EV / cap. employed	1.7	2.3	2.4	2.2	2.1

Key risks to our investment thesis

- Q4 accounts for most annual earnings, thus presenting execution risk and making CEWE dependent on a single quarter.
- Additional investments in the Commercial online printing division to support market share gains in a structurally changing printing market could push the break-even point beyond 2015E and dilute margins in 2016E.
- A weaker macro environment and consumer spending in eastern Europe and Scandinavia, where CEWE is present with retail operations and pricing pressure on photo hardware. The underperforming Polish business has led to EUR3m losses in 2014E, and restructuring costs are not excluded.

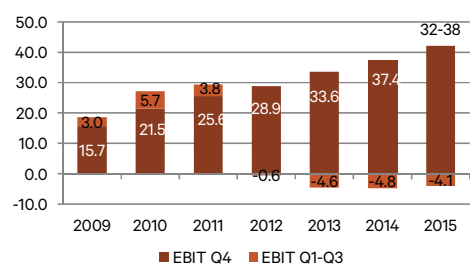
Q3/9M 2015 with little surprises, FY 2015 earnings likely at the upper end of the guidance

FY 2015 guidance reiterated

CEWE reiterated guidance for sales of EUR515m-535m and EBIT of EUR32m-38m. We note that management prefers to be conservative with guidance and provides a wide range given the low visibility as all earnings are generated in Q4. However, we believe that the company is well prepared for the key Christmas season and will be able to deliver earnings at the upper end of guidance:

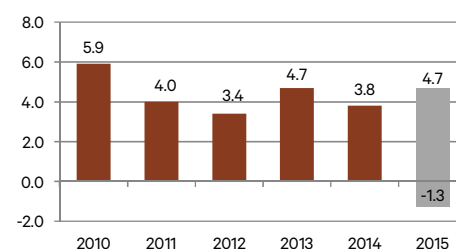
- rolling 12-month EBIT stands at EUR33m, already above the low end of the range;
- in the past the company has improved Q4 EBIT by cEUR3m-5m every year. If this is the case again this year, the company is set to deliver EUR36m-38m of EBIT. Consensus currently stands at EUR36m, so there could be positive surprise potential.

EBIT development: Q4 and Q1-Q3, 2015 EBIT guidance EUR32m-38m



Source: Company reports

Change in Q4 EBIT yoy, EURm, implied change for Q4 201E to reach lower and upper end of the guidance



Source: Company reports

Q3/9M 2015 results

CEWE reported Q3 results that were in line with expectations, with 3% sales growth to EUR255m and EUR2.9m net profit. As a reminder, it is in Q4 that the company generates almost 100% of its annual earnings given the “gift nature” of the business and the importance of the Christmas period. Guidance was reiterated at sales of EUR515m-535m and EBIT of EUR32m-38m; rolling 12-month EBIT stands at EUR33m – thus we expect the company to be at the upper end of guidance.

There was a positive development in the commercial online division, which the company considers as the future growth driver of the group despite currently being loss-making as CEWE invests in future growth (marketing, opex). In Q3 2015, the company reported a 16% yoy sales increase, which is a strong acceleration from 5% in Q2 and 7% in H1 2015.

Headline numbers

- **Sales:** EUR125.5m, +3.1% yoy, in line with consensus.
- **EBIT:** EUR2.9m, flat yoy, in line with consensus at EUR2.7m.
- **EPS:** EUR0.40 versus consensus at EUR0.35, in line with our estimates.
- **Divisional performance**
 - **Photofinishing:** Sales of EUR91.7m, +2.6% yoy; 9M: EUR239.8m, +4.3% yoy – this shows solid growth, slightly ahead of our expectations as management spent more on advertising and promotions (A&P); EBIT Q3: EUR3.3m versus EUR4.1m last year – the company is investing extra in A&P ahead of the Christmas season, which should have a positive impact on Q4 2015E sales growth.
 - **Commercial online printing:** Sales of EUR18.7m, +16.1%; 9M: EUR55m, +10% – these figures represented a nice acceleration from the 5% yoy growth in Q2 2015; EBIT losses were slightly reduced in Q3 to -EUR0.4m from -EUR0.7m in Q3 2014.

- **Retail:** Sales of EUR15.1m, -7.4% yoy; 9M: EUR43.5m, -11% yoy – these numbers were in line with estimates. The decline is slowing down, with losses slightly reduced. EBIT Q3 2015 was -EURO.1m (Q3 2014: -EURO.4m); 9M: -EURO.8m versus -EUR1.5m last year.

Takeaways from the conference call

1) Photofinishing: solid development expected in Q4 2015E

- The company as always is launching new products ahead of the Christmas season, including new upgrades to existing products and new offerings (printing on wood, advent photo calendars).
- The company initiated a marketing campaign earlier this year; management is very optimistic and upbeat regarding the upcoming key season.

2) Commercial online printing – back to double-digit growth

- Management is also very confident about reaching its target of cEUR80m sales, which implies 15-20% growth in Q4 2015E: a 16% acceleration in Q3 2015 from 7% in H1 2015 now looks realistic.
- Losses are set to decline this year and the company aims to be break-even or slightly positive next year.

3) Retail in line with targets: Sales volumes are declining as the company repositions itself; however, losses at the EBIT level are also diminishing.

Q3/9M 2015 results versus expectations

CEWESTIFTUNG in EURm	Q3 2014	Q3 2015 Reported	Q3 2015 Berenberg	Q3 2015 Consensus	Δ actual vs. est.	9M 2014	9M 2015 Reported	9M 2015 Berenberg
Sales	121.8	125.5	125.2	125.0	0.4%	329.0	338.4	338.1
yoy	-1.8%	3.1%	2.8%	2.6%		-4.7%	2.9%	2.8%
Photofinishing	89.4	91.7	91.2			230.0	239.8	239.3
yoy	2.8%	2.6%	2.0%			1.3%	4.3%	4.1%
Online printing	16.1	18.7	18.5			50.0	55.0	54.8
yoy	11.7%	16.1%	15.0%			20.2%	9.9%	9.6%
Retail	16.3	15.1	15.5			49.0	43.5	43.9
yoy	-32.9%	-7.4%	-5.0%			-35.9%	-11.3%	-10.4%
new EBIT	3.0	2.9	2.8	2.7	8.6%	-4.8	-4.1	-4.3
EBIT old reporting	3.2		3.0			-4.1		-4.1
Photofinishing	4.1	3.3	3.5			-0.7	-0.3	0.1
Online printing	-0.7	-0.4	-0.5			-2.6	-2.5	-2.7
Retail	-0.4	-0.1	0.0			-1.5	-0.8	-1.2
Net profit - reported	2.7	2.9	2.8	2.5	14.3%	-4.5	-3.2	-3.2
margin	2.2%	2.3%	2.2%	2.0%		-1.4%	-0.9%	-1.0%
EPS - reported	0.38	0.40	0.39	0.35		-0.63	-0.44	-0.46

Source: Company reports, Berenberg estimates, Bloomberg

Change in estimates

We adjust our estimates for slightly better top-line growth driven by the Photofinishing segment. At the same time this is partially driven by increased marketing spend and the acquisition of DeinDesign that we now include in our estimates. We also reduce our estimates for commercial online printing and now expect EUR100m of sales to be reached in 2018E versus the previous estimate of 2017E. Thus while our top-line estimates remain almost unchanged (+1% increase), our EBIT estimates are reduced by 2-6% for 2016/17E.

Our new price target of EUR66.50 (down from EUR68.00) is based on average of CFROEV 2016E (EUR60.70) and DCF (EUR72.40).

DCF valuation method

DCF model											Terminal value
EUR m	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
Operating profit (NOPAT)	25.2	28.1	32.1	34.4	36.0	36.1	36.1	36.6	36.9	36.7	
Change working capital	-11.8	-1.7	-2.1	-2.4	-2.2	-2.0	-2.1	-2.1	-1.9	-1.3	
Depreciation	35.6	38.2	38.2	39.6	40.8	42.0	43.1	44.3	45.4	46.1	
Investments	44.5	38.0	36.5	39.6	40.8	42.0	43.1	44.3	45.4	46.1	
Net cash flow	0.6	26.8	32.0	32.4	34.2	34.4	34.4	34.8	35.3	35.8	518.5
Present value	0.6	24.5	26.9	25.1	24.4	22.7	20.9	19.5	19.8	20.0	290.4
WACC	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	8.5%	
										Long-term growth rate	1.5%
DCF per share derived from											
Total present value	495		WACC derived from								
<i>thereof terminal value:</i>	59%		Interest costs, pre-tax								
Net debt at year start	-20		Tax rate								
Investments, minorities & others	-3		Interest costs, after taxes								
Equity value	512		Required ROE								
No. of outstanding shares	7.1		Risk premium								
Discounted cash flow per share (EUR)	72.4		Risk-free (10y. bond)								
			Beta								
			1.0								

Sensitivity analysis DCF									
Fair value per share (EUR)				Long-term growth rate					
				0.5%	1.0%	1.5%	2.0%	2.5%	
Beta	1.2	WACC	9.7%	59	60	62	65	67	
	1.1		9.1%	62	65	67	70	73	
	1.0		8.5%	67	69	72	76	80	
	0.9		7.9%	72	75	79	83	88	
	0.8		7.3%	78	82	86	92	98	

Source: Berenberg estimates

CFRoEV valuation method

CEWE Stiftung & Co KGaA			
<i>Fair value = (cash flow return / hurdle rate) = (adj. EBIT after taxes / hurdle rate)</i>			
<i>Business year end: 31.12</i>	2015	2016	2017
EBIT	36.5	40.1	45.8
+ Depreciation of fixed assets	27.5	30.0	30.1
+ Amortisation of intangible assets	8.1	8.2	8.0
- Maintenance capex	35.6	38.2	38.2
= Adjusted EBIT	36.5	40.1	45.8
- Taxes (normalised tax rate)	11.0	12.0	13.7
- Minorities	0.0	0.0	0.0
= Adjusted cash flow after tax	25.6	28.1	32.1
Hurdle rate	7.0%	7.0%	7.0%
= Fair EV	365	401	458
- Net debt (cash)	-8.5	-23.0	-41.3
- Pension provisions	18.0	18.3	18.7
+ Accumulated dividends outstanding	11.3	23.7	37.5
= Fair market capitalization	367	429	518
Number of shares (million)	7.08	7.08	7.08
Number of options / dilutive shares	0.00	0.00	0.00
Fully diluted no. of shares	7.08	7.08	7.08
Fair value per share (EUR)	51.8	60.7	73.2
Current value per share	54.9	54.9	54.9
premium (-) / discount (+) in %	-6%	11%	33%

Source: Berenberg estimates

Financials

Profit and loss account

Year-end December(EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	469	507	536	524	543	562	586
Own work capitalised	1	1	1	1	1	1	1
Total sales	470	508	538	525	544	563	586
Other operating income	23	30	25	21	23	24	25
Material expenses	174	186	190	163	161	167	173
Personnel expenses	109	122	130	136	143	146	149
Other operating expenses	147	164	175	182	190	196	205
Unusual or infrequent items	0	0	0	0	0	0	0
EBITDA	64	66	67	66	72	78	84
EBITDA margin	13.6%	13.0%	12.5%	12.6%	13.3%	13.9%	14.3%
Depreciation	26	28	26	26	28	30	30
EBITA	38	38	40	41	45	48	54
Amortisation of goodwill	0	0	4	0	0	0	0
Amortisation of intangible assets	8	9	8	8	8	8	8
Impairment charges	0	0	0	0	0	0	0
EBIT	30	29	29	33	37	40	46
EBIT margin	6.4%	5.7%	5.4%	6.2%	6.7%	7.1%	7.8%
Interest income	0	0	0	0	0	0	0
Interest expenses	1	2	2	1	0	0	0
Other financial result	0	0	0	0	0	0	0
Financial result	-1	-2	-2	-1	0	0	0
Income on ordinary activities before taxes	29	27	27	31	36	40	46
Extraordinary income/loss	0	0	0	0	0	0	0
EBT	29	27	27	31	36	40	46
Taxes	11	8	6	10	11	12	14
Tax rate	36%	29%	23%	32%	31%	30%	30%
Net income from continuing operations	19	19	21	21	25	28	32
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
Net income	19	19	21	21	25	28	32
Minority interest	0	0	0	0	0	0	0
Net income (net of minority interest)	19	19	21	21	25	28	32

Source: Company data, Berenberg estimates

Balance sheet

Year-end December (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	22	50	45	45	44	43	43
Property, plant and equipment	79	101	99	103	113	113	112
Financial assets	5	5	7	16	16	16	16
Fixed assets	106	156	151	163	172	171	170
Inventories	48	63	59	49	51	52	55
Accounts receivable	78	72	89	84	87	90	94
Other current assets	22	12	12	8	8	9	9
Liquid assets	31	13	14	28	16	26	44
Deferred taxes	5	8	9	8	8	8	8
Deferred charges and prepaid expenses	0	0	0	0	0	0	0
Current assets	183	169	183	177	171	185	210
TOTAL	290	325	334	340	342	357	380
Shareholders' equity	121	132	143	174	186	202	219
Minority interest	0	0	0	0	0	0	0
Long-term debt	17	28	7	3	3	3	3
Pensions provisions	11	17	18	22	18	18	19
Other provisions	14	6	9	8	8	8	8
Non-current liabilities	41	51	34	33	29	29	30
short-term debt	7	13	30	5	5	0	0
Accounts payable	90	102	101	96	89	92	96
Advance payments	0	0	0	0	0	0	0
Other liabilities	29	23	23	29	30	31	32
Deferred taxes	1	4	3	3	3	3	3
Other accruals	0	0	0	0	0	0	0
Current liabilities	127	142	157	133	127	126	131
TOTAL	290	325	334	340	342	357	380

Source: Company data, Berenberg estimates

Cash flow statement

EUR m	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	19	19	21	21	25	28	32
Depreciation of fixed assets (incl. leases)	26	28	26	26	28	30	30
Amortisation of goodwill	0	0	4	0	0	0	0
Amortisation of intangible assets	8	9	8	8	8	8	8
Other	4	-8	1	5	-4	0	0
Cash flow from operations before changes in w/c	56	48	60	60	57	67	71
Change in inventory	2	-15	4	10	-2	-2	-2
Change in accounts receivable	-6	6	-17	4	-3	-3	-4
Change in accounts payable	8	12	-1	-5	-7	3	4
Change in other working capital	0	0	0	0	0	0	0
Change in working capital	4	3	-14	10	-12	-2	-2
Cash flow from operating activities	60	51	46	70	45	65	69
Maintenance capex	27	27	28	28	36	30	29
Cash flow from operating activities after maintenance	33	24	17	41	9	34	39
Capex, excluding maintenance	3	7	7	7	9	8	7
Payments for acquisitions	0	24	0	5	0	0	0
Financial investments	0	-11	2	3	0	0	0
Income from asset disposals	0	1	2	1	0	0	0
Cash flow from investing activities	-30	-46	-35	-43	-45	-38	-37
Cash flow before financing	30	5	11	26	1	27	32
Increase/decrease in debt position	-7	-9	-1	-26	0	-5	0
Purchase of own shares	7	0	-1	0	0	0	0
Capital measures	0	0	0	24	0	0	0
Dividends paid	8	9	10	11	11	12	14
Others	-1	-5	0	0	0	0	0
Effects of exchange rate changes on cash	0	0	0	0	0	0	0
Cash flow from financing activities	-23	-23	-10	-13	-11	-17	-14
Increase/decrease in liquid assets	7	-17	0	13	-11	9	18
Liquid assets at end of period	31	13	14	27	16	26	44

Source: Company data, Berenberg estimates

Growth rates yoy

(%)	2011	2012	2013	2014	2015E	2016E	2017E
Net sales	5.0 %	8.1 %	5.7 %	-2.3 %	3.7 %	3.5 %	4.1 %
EBITDA	-3.5 %	3.9 %	1.1 %	-0.9 %	8.9 %	8.5 %	7.3 %
EBIT	5.1 %	0.5 %	6.2 %	0.4 %	10.0 %	8.2 %	11.5 %
Net income	35.4 %	2.1 %	11.7 %	0.8 %	17.7 %	11.7 %	14.9 %
EPS reported	40.6 %	14 %	11.9 %	-6.4 %	17.7 %	11.7 %	14.9 %
EPS recurring	30.1 %	14 %	31.0 %	-20.0 %	17.7 %	11.7 %	14.9 %

Source: Company data, Berenberg estimates

Ratios

Ratios	2011	2012	2013	2014	2015E	2016E	2017E
Asset utilisation efficiency							
Capital employed turnover	4.1	3.2	3.2	3.4	3.1	3.1	3.3
Operating assets turnover	4.1	3.8	3.7	3.8	3.4	3.4	3.6
Plant turnover	5.9	5.0	5.4	5.1	4.8	5.0	5.2
Inventory turnover (sales/inventory)	9.8	8.1	9.1	10.7	10.7	10.7	10.7
Operational efficiency							
Operating return	55.3%	49.4%	46.0%	47.4%	44.7%	47.9%	51.1%
Total operating costs / sales	86.6%	87.2%	87.8%	87.6%	86.9%	86.2%	85.8%
Sales per employee	166.1	190.2	200.0	194.4	200.6	206.6	214.1
EBITDA per employee	22.5	24.8	24.9	24.6	26.6	28.8	30.7
EBIT margin	6.4%	5.7%	5.4%	6.2%	6.7%	7.1%	7.8%
Return on capital							
EBIT / Y/E capital employed	26.2%	18.3%	17.4%	21.2%	20.5%	22.5%	25.7%
EBIT / avg. capital employed	25.9%	21.2%	17.8%	20.4%	22.0%	22.5%	25.7%
EBITDA / Y/E capital employed	55.4%	41.6%	40.3%	43.1%	40.6%	43.9%	47.2%
EBITDA / avg. capital employed	54.6%	48.3%	41.1%	41.4%	43.5%	43.9%	47.1%
Return on equity							
Net profit / Y/E equity	15.3%	14.4%	14.8%	12.3%	13.5%	13.9%	14.7%
Recurring net profit / Y/E equity	15.3%	14.4%	14.8%	12.3%	13.5%	13.9%	14.7%
Net profit / avg. equity	15.3%	15.0%	15.4%	13.5%	14.0%	14.5%	15.3%
Recurring net profit / avg. equity	15.3%	15.0%	15.4%	13.5%	14.0%	14.5%	15.3%
Security							
Net debt (if net cash=0)	-7	27	23	-20	-9	-23	-41
Debt / equity	-5.5%	20.3%	16.2%	-11.4%	-4.6%	-11.4%	-18.8%
Net gearing	-5.5%	20.3%	16.2%	-11.4%	-4.6%	-11.4%	-18.8%
Interest cover	21.1	11.9	15.7	23.0	117.9	194.5	431.5
EBITDA / interest paid	44.6	26.9	36.2	46.7	233.0	379.7	791.0
Altman's z-score	5.2	4.1	4.6	5.3	5.4	5.5	5.5
Dividend payout ratio	46%	51%	50%	53%	49%	49%	50%
Liquidity							
Current ratio	1.4	1.2	1.2	1.3	1.3	1.5	1.6
Acid test ratio	1.1	0.7	0.8	1.0	0.9	1.1	1.2
Free cash flow	1.6	0.9	0.5	1.6	0.0	1.0	1.0
Funds management							
Avg. working capital / sales	8.0%	6.7%	7.4%	8.0%	7.9%	8.8%	8.8%
Cash flow / sales	5.4%	5.4%	5.0%	5.0%	4.7%	6.0%	6.5%
Free cash flow/sales	6.4%	3.4%	1.9%	6.5%	0.1%	4.8%	5.5%
Inventory processing period (days)	101	123	114	110	115	115	115
Receivables collection period (days)	61	52	60	59	59	59	59
Payables payment period (days)	190	201	194	216	202	202	203
Cash conversion cycle (days)	-28	-26	-20	-47	-29	-29	-29
Trade creditors / trade debtors	115.8%	141.6%	113.9%	114.0%	102.2%	102.2%	102.2%
Other							
Interest received / avg. cash	1.4%	1.5%	1.0%	1.2%	1.0%	1.0%	1.0%
Interest paid / avg. debt	5.2%	7.6%	4.8%	6.3%	4.0%	4.0%	4.0%
Capex / dep'n	90.5%	62.6%	98.1%	115.9%	125.0%	99.5%	95.7%
Cost per employee	36	37	38	39	40	41	42
Capex / sales	6.5%	4.6%	6.9%	7.4%	8.2%	6.8%	6.2%
Maint. capex / sales	5.8%	5.3%	5.3%	5.4%	6.6%	5.4%	5.0%
Cash flow	25	27	27	26	26	34	38
Cash ROCE	21.8%	20.0%	16.6%	16.5%	15.4%	18.8%	21.5%
Free cash flow	14.8%	8.3%	4.4%	9.4%	0.1%	6.9%	8.3%

Source: Company data, Berenberg estimates

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Date	Price target - EUR	Rating	Initiation of coverage
<u>25 February 15</u>	<u>71.00</u>	<u>Buy</u>	<u>28 June 11</u>
<u>20 May 15</u>	<u>68.00</u>	<u>Buy</u>	
<u>26 November 15</u>	<u>66.50</u>	<u>Buy</u>	

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Buy	46.90 %	79.31 %
Sell	16.94 %	0.00 %
Hold	36.16 %	20.69 %

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