



Buy (old: Buy)

Price target: EUR 43.50 (old: EUR 44.00)

Price: EUR 37.85 **Next result:** Q1 14: 13.05.14
Bloomberg: COK GR **Market cap:** EUR 553.1 m
Reuters: COKG.DE **Enterprise Value:** EUR 461.6 m

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Feedback from Conference Call; Adj. Est. & PT

CANCOM held a CC on the acquisition of US-company HPM Networks. Key topics:

- CANCOM gave more insights on HPM's operating performance.** First, HPM grew sales by 20% yoy in 2013. Second, CANCOM expects HPM's sales to rise at a 15% CAGR (2013-16E) to € 61m (see graph on next page) driven by the target's footprint in the vibrant Cloud Computing market. Also, HPM will increasingly shift away from the agent model with Hewlett-Packard (HP): c. € 60m of project volume did not show up as sales in 2013 because HPM (lacking the w/c financing) relied on HP for execution, booking only a net fee (i.e. HP pays commission for the customer lead but does the business itself). Going forward, CANCOM's financial strength should allow HPM to execute even large projects independently.
- This should drive EBITDA growth** as HPM can generate a c. 2pp higher margin when doing a project itself. As such, CANCOM expects **HPM's EBITDA to grow at a c. 20% CAGR (2013-16E) to € 5.6m** despite investments into additional personnel. Notably, CANCOM has hired two consultants with the skills needed to implement the AHP Private Cloud solution on the US West Coast. Training will happen on the job as (1) CANCOM plans to implement its AHP at HPM; (2) US consultants will join Private Cloud projects which are currently being implemented in Germany. Note that we are being conservative by not modelling any growth for HPM but rather assuming flat sales of € 40m and flat EBITDA of € 3.3m p.a. going forward. Hence, there could be upside to our estimates.
- CANCOM also stated its AHP targets for the US.** It plans to win one client in 2014 to generate € 0.12m recurring cloud sales this year. By 2016E, recurring cloud sales in the US are expected to rise to € 1.7m. Note that, again, this is not included in our estimates as we first want to see some success in this new market. CANCOM noted that the competitive environment on the US West Coast looks favourable as AHP does not face any rivalling solutions. The potential of CANCOM's proprietary AHP solution in this market is seen to be one reason why HPM opted for CANCOM (and a strong variable earn-out) in spite of higher take-over bids from other suitors. Also, given the favourable environment, cloud-related EBITDA margins should exceed 30% in the USA as well. – **continued** –



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 39.07 / 14.15
Price/Book Ratio: 3.4
Relative performance (TecDAX):
 3 months 27.6 %
 6 months 51.7 %
 12 months 108.7 %

Changes in estimates

		Sales	EBIT	EPS
2013	old:	613.0	24.3	1.32
	Δ	-	-	-
2014	old:	734.7	34.0	1.61
	Δ	-	-	-0.4%
2015	old:	782.2	43.3	2.05
	Δ	-	-	-0.5%

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:

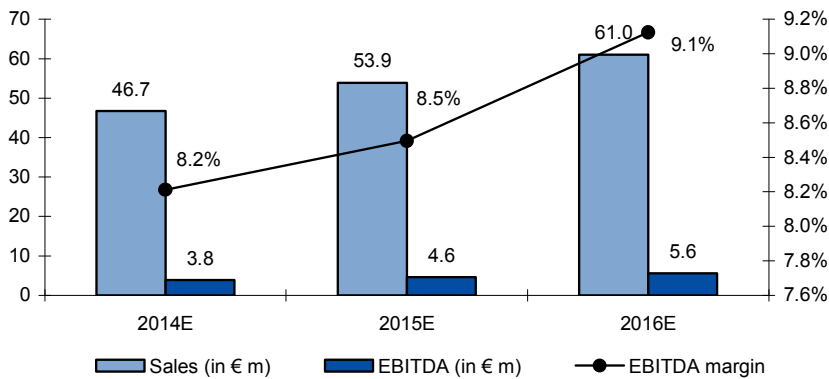
CANCOM is Germany's 3rd largest independent system house operating a scalable eCommerce business.

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	23.4	29.8
Net debt	-3.5	-0.9	-18.5	-29.2	-91.6	-63.6	-85.8
Net gearing	-8.0 %	-1.8 %	-30.4 %	-36.3 %	-55.7 %	-39.3 %	-46.3 %
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	1.60	2.04
CPS	0.80	1.28	2.18	0.89	1.04	1.76	2.36
DPS	0.15	0.15	0.30	0.35	0.40	0.45	0.50
Dividend yield	0.4 %	0.4 %	0.8 %	0.9 %	1.1 %	1.2 %	1.3 %
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 %	17.9 %	20.5 %
EV/sales	1.1	0.8	0.7	0.7	0.8	0.7	0.6
EV/EBITDA	41.0	20.4	14.8	14.3	13.9	9.2	7.5
EV/EBIT	54.7	25.6	20.1	19.4	19.0	14.4	10.8
PER	78.7	41.1	33.1	35.6	33.8	23.6	18.6
Adjusted FCF yield	1.6 %	3.0 %	4.2 %	3.9 %	4.3 %	6.5 %	8.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 10.03.2014

- The take-over is a bit more expensive than expected but still highly value-accretive.** Providing more financial details of the transaction, CANCOM disclosed that HPM had € 2.6m net debt (eH&A “old”: € 0m) and that the earn-out will amount to 50% of EBITDA for the next four years (eH&A “old”: 10%). EPS estimates are slightly trimmed reflecting this new information. Despite this, the take-over remains highly value-accretive: **CANCOM has paid only 3.3x EV/EBITDA 2014E for HPM.** Again, the transaction multiple is based on our 2014E assumption of € 3.3m EBITDA; based on management’s expectation (i.e. € 3.8m EBITDA contribution) the deal would look even more attractive valuing HPM at only 2.9x EV/EBITDA.
- Overall, the conference call provided further confidence that **HPM is a sensible, value-accretive and low-risk acquisition** for CANCOM. News flow should be driven by further acquisitions as CANCOM still has a gross cash reservoir of € 77m (eH&A: end of 2014E). Remains a BUY with a new € 43.50 PT (old: € 44.00) based on DCF.

HPM Networks: Expected sales and EBITDA development



Source: Company data. Note: This is CANCOM's expectation. eH&A are more conservative modelling flat € 40m sales and € 3.3m EBITDA p.a.

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	1.1	1.2
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	-0.4	-0.5
Recurring pretax income from continuing operations	5.9	13.3	16.9	18.9	23.7	33.7	42.8
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	23.7	33.7	42.8
Taxes	0.9	3.7	4.9	6.6	7.1	9.2	11.6
Net income from continuing operations	5.0	9.6	12.0	12.3	16.6	24.5	31.1
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	16.6	24.5	31.1
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	23.4	29.8
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	1.60	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 %	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 %	-0.1 %	-0.1 %
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	91.5	86.9
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	119.5	117.3
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	77.1	98.2
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	205.1	237.0
TOTAL ASSETS	134.9	177.4	194.9	208.6	295.4	324.7	354.2
SHAREHOLDERS EQUITY	43.9	50.9	60.7	80.6	164.6	161.9	185.1
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	9.0	7.9
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	14.2	13.1
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	324.7	354.2

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
Intangible assets	23.4 %	24.0 %	20.3 %	19.8 %	19.3 %	28.2 %	24.5 %
Property, plant and equipment	4.8 %	5.5 %	6.6 %	8.4 %	6.6 %	7.1 %	7.1 %
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 %	36.8 %	33.1 %
Inventories	9.3 %	7.5 %	7.7 %	4.2 %	4.2 %	4.4 %	4.4 %
Accounts receivable	35.0 %	38.3 %	37.1 %	42.3 %	32.4 %	34.1 %	33.9 %
Other current assets	3.8 %	3.6 %	3.7 %	0.4 %	0.3 %	0.3 %	0.3 %
Liquid assets	19.2 %	17.7 %	22.8 %	21.4 %	34.7 %	23.8 %	27.7 %
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 %	0.4 %	0.3 %
CURRENT ASSETS	71.7 %	68.8 %	72.0 %	69.4 %	72.3 %	63.2 %	66.9 %
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 %	49.9 %	52.3 %
MINORITY INTEREST	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %	5.9 %	5.8 %
Long-term debt	16.0 %	16.3 %	8.6 %	6.8 %	2.2 %	2.8 %	2.2 %
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 %	1.6 %	1.4 %
Non-current liabilities	19.3 %	18.2 %	12.5 %	9.3 %	3.9 %	4.4 %	3.7 %
short-term liabilities to banks	0.5 %	0.9 %	4.7 %	0.6 %	1.5 %	1.4 %	1.3 %
Accounts payable	35.5 %	36.3 %	37.4 %	36.9 %	28.4 %	29.1 %	28.4 %
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 %	5.8 %	5.3 %
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 %	1.6 %	1.4 %
Current liabilities	48.2 %	53.1 %	56.2 %	52.0 %	40.2 %	39.9 %	38.3 %
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	24.5	31.1
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	43.4	50.2
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	37.2	45.5
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	40.6	1.7
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	-56.7	-16.9
Cash flow before financing	8.0	-0.4	18.8	5.5	11.8	-19.5	28.7
Increase/decrease in debt position	0.1	8.1	-2.6	-11.9	-4.5	0.0	-1.1
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	-7.7
Increase/decrease in liquid assets	7.0	5.6	13.0	0.2	57.9	-25.4	21.0
Liquid assets at end of period	25.8	31.5	44.5	44.6	102.5	77.1	98.2

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 %	21.1 %	27.2 %
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	21.1	30.3
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	-63.6	-85.8
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	31.0	37.1
Dividend payout ratio	30.7 %	19.7 %	26.7 %	34.7 %	35.7 %	28.1 %	24.5 %
Asset utilisation							
Capital employed turnover	4.9	5.6	5.8	5.5	3.4	3.7	3.5
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 %	17.9 %	20.5 %
ROE	11.5 %	15.4 %	19.0 %	14.2 %	10.0 %	14.5 %	16.1 %
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	1.60	2.04
Valuation ratios							
P/BV	9.0	7.7	6.5	5.4	3.4	3.4	3.0
EV/sales	1.1	0.8	0.7	0.7	0.8	0.7	0.6
EV/EBITDA	41.0	20.4	14.8	14.3	13.9	9.2	7.5
EV/EBITA	54.7	25.6	16.7	16.7	16.2	11.0	8.7
EV/EBIT	54.7	25.6	20.1	19.4	19.0	14.4	10.8
EV/FCF	64.7	43.8	21.4	111.3	39.2	23.2	15.4
Adjusted FCF yield	1.6 %	3.0 %	4.2 %	3.9 %	4.3 %	6.5 %	8.3 %
Dividend yield	0.4 %	0.4 %	0.8 %	0.9 %	1.1 %	1.2 %	1.3 %

Source: Company data, Hauck & Aufhäuser

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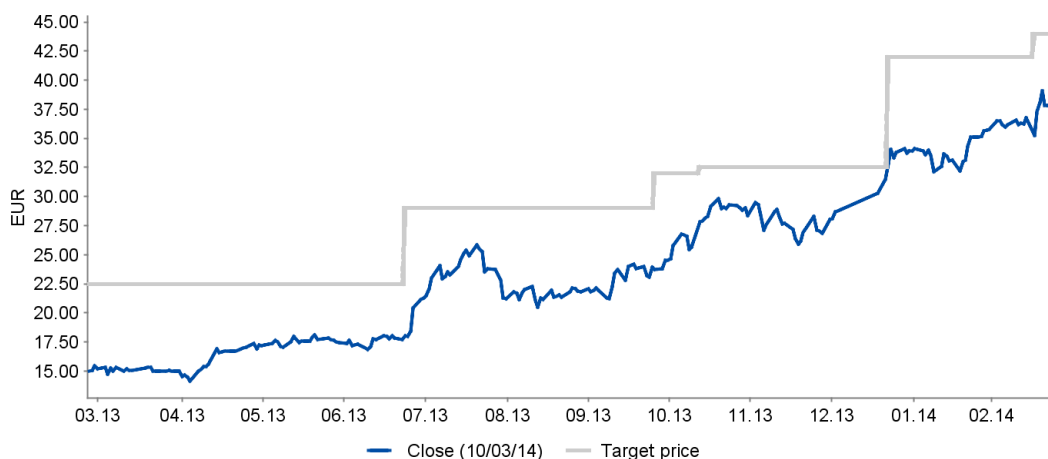
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Company	Disclosure
CANCOM SE	2, 3, 5, 7

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

**Price and Rating History
CANCOM SE as of 11/03/14**

Initiation coverage
06-July-10



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