

<b>Buy</b>	Last Rating	<b>Share data:</b>	FY End: 31.12. in EUR m	CAGR (12-15e)	<b>2012</b>	<b>2013e</b>	<b>2014e</b>	<b>2015e</b>
	Last PT		Bloomberg: COK GR	Sales	12.5 %	558.1	613.4	760.7
<b>EUR 42.00</b>		Reuters: COKG	EBIT	30.6 %	20.7	24.4	32.5	46.0
		ISIN: DE0005419105	Net income	39.5 %	11.5	16.4	21.7	31.1
		<b>Market Snapshot:</b>	EPS	25.0 %	1.09	1.39	1.48	2.13
Price	EUR 36.60	Market cap:	DPS	0.0 %	0.35	0.35	0.35	0.35
<b>Upside</b>	<b>14.8 %</b>	No. of shares (m):	EV / Sales		0.2 x	0.7 x	0.6 x	0.6 x
		EV:	EV / EBIT		4.7 x	18.2 x	14.7 x	9.7 x
		Freefloat MC:	P / E		11.0 x	26.3 x	24.7 x	17.2 x
		Ø Trad. Vol. (30d; EUR):						

## Final figures confirm preliminaries; Acquisition of DIDAS

CANCOM has released final figures confirming preliminary published sales and EBITDA figures.

### CANCOM - Q4 2013

Figures in EUR m	Q4/13	Q4/13e	Q4/12	yoy	2013	2013e	2012	yoy
<b>Sales</b>	196.3	195.9	151.3	29.8%	613.8	613.4	558.1	10.0%
<b>Gross profit margin</b>	52.9 27.0%	56.6 28.9%	42.9 28.3%	23.5%	186.5 30.4%	190.2 31.0%	165.5 29.7%	12.7%
<b>EBITDA margin</b>	10.6 5.4%	10.5 5.4%	7.8 5.2%	35.1%	33.4 5.4%	33.3 5.4%	28.1 5.0%	19.0%
<b>EPS in EUR</b>	0.27	0.39	0.32	-15.6%	1.23	1.39	1.09	12.8%

Sources: CANCOM (historical data), Warburg Research (estimates)

- 2013 organic growth was 6.7%. The increasing service business had a positive impact on the gross margin which rose by 0.6 percentage points to 30.4%. The improvement in the EBITDA margin also reflects a higher share of cloud service revenues.
- EPS fell short of our expectations as depreciation and amortisation from recent acquisitions had a stronger than anticipated negative impact on the bottom line.
- By the end of 2013, cash equivalents amounted to EUR 77.7m
- As a result of the strong EBITDA growth in 2013, the dividend proposal will be raised to EUR 0.40 per share (from EUR 0.35 last year). This increase underpins the continuation of a strong operative development: January and February were above previous year's level.
- Along with the figures, CANCOM announced the planned acquisition of DIDAS. The services company which also addresses the cloud business will be purchased from the listed peer Allgeier. In 2013, DIDAS generated revenues of EUR 56m and an EBITDA of EUR 1.8m. According to an Allgeier release, the price is in line with current market multiples. We assume that with this acquisition CANCOM aims to gain access to potential AHP Private Cloud customers that come with EBITDA margins of c. 40%.
- Given the recent acquisitions, most recently DIDAS Business Services GmbH, as announced yesterday, management expects "gross profit and EBITDA for the Group to increase substantially" in 2014.
- A web conference is scheduled for 3 p.m. CET. Comment will follow

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

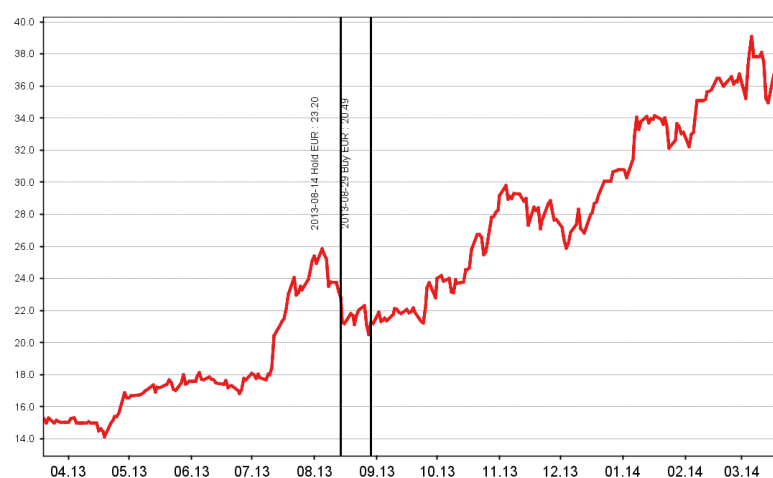
**WARBURG RESEARCH GMBH – RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	91	46
Hold	90	45
Sell	16	8
Rating suspended	3	2
<b>Total</b>	<b>200</b>	<b>100</b>

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Rating	Number of stocks	% of Universe
Buy	74	50
Hold	64	44
Sell	7	5
Rating suspended	2	1
<b>Total</b>	<b>147</b>	<b>100</b>

**PRICE AND RATING HISTORY CANCOM AS OF 19.03.2014**


The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

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