

Buy (old: Buy)

Price target: EUR 46.00 (old: EUR 43.50)

Price: EUR 37.44 **Next result:** Q2 14: 07.08.14
Bloomberg: COK GR **Market cap:** EUR 557.1 m
Reuters: COKG.DE **Enterprise Value:** EUR 516.7 m

01-July-14

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Business stays strong; Incorporating DIDAS; Adj. Est. & PT

CANCOM remains in high growth mode. The company is seen to have achieved low double-digit organic sales growth (eH&A: 10% yoy) in April and May. **Especially in the cloud environment growth remains highly dynamic at c. 30%** according to management. Apart from that, demand should also be driven by "common" IT software, hardware and services. Amongst other, given the end of the Windows XP support, a lot of SMEs should have switched to Windows 7 triggering knock-on demand for new IT hardware (compare healthy figures from Intel).

Integration of latest take-over targets on track. Regarding Pironet, CANCOM should be in the process of cutting out € 1m of fixed costs relating to admin functions (e.g. marketing, finance). It expects to finalise these measures by August. Regarding US target HPM, CANCOM has successfully implemented its AHP cloud solution at the new subsidiary. This implementation was the "on the job training" of the US consultants, who are now ready to win US customers.

More info on DIDAS take-over. CANCOM will consolidate the IT service provider DIDAS on July 1. For the full year 2014E, DIDAS should generate € 50m of sales and € 1.9m of EBITDA: € 30m sales and € 1.1m EBITDA (pre integration costs) are seen to accrue in H2. CANCOM will issue c. 264,000 shares to the old owner at a price of c. € 38 (i.e. new information). The implied purchase price of c. € 10m signals a transaction multiple of c. 5x EV/EBITDA 2014E – **value-accretive to CANCOM**. The company expects to improve the target's EBITDA margin (currently: c. 4%) to 5% by 2015E and to 6% by 2016E driven by synergies in logistics, procurement and admin. Management has a strong track record of doing so thanks to its acquisitive past.

Action: Higher sales estimates ('14E: +9.0% / '15E: +9.3%) incorporate the DIDAS take-over as well as higher organic hardware & services growth. Also, EBIT expectations (+2% for '15E) are raised because of DIDAS (eH&A: 5% EBITDA margin in '15E) offset partly by higher PPA amortisation. For '14E, EBIT estimates are cut by 14% but only because we factor in € 5m higher PPA amortisation (not exclusively relating to DIDAS but also to previous take-overs; see next page) as well as integration costs of € 1m.

CANCOM remains a BUY with a new PT of € 46.00 (DCF) thanks to its strong position in the German IT service and Private Cloud space. – **cont.** –



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 39.48 / 17.68
Price/Book Ratio: 3.5
Relative performance (TecDAX):
3 months 3.6 %
6 months -
12 months 70.2 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	734.7	34.0	1.59
	Δ	9%	-14%	-17%
2015	old:	782.2	43.3	2.06
	Δ	9%	2%	0%
2016	old:	829.1	56.1	2.71
	Δ	8%	4%	2%

Key share data:

Number of shares: (in m pcs) 14.7
Authorised capital: (in € m) 4.0
Book value per share: (in €) 10.7
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.

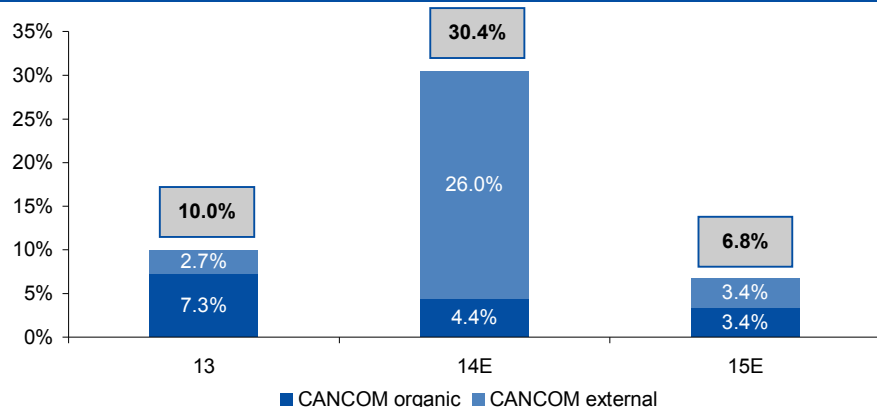
Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	474.6	544.4	558.1	613.8	800.7	855.0	897.0
Sales growth	36 %	15 %	3 %	10 %	30 %	7 %	5 %
EBITDA	19.0	25.0	28.1	33.4	53.2	64.8	77.2
EBIT	15.2	18.5	20.7	22.6	29.2	44.2	58.5
Net income	7.8	11.5	11.5	14.5	19.7	30.7	41.3
Net debt	-0.9	-18.5	-29.2	-62.5	-40.5	-68.7	-102.9
Net gearing	-1.8 %	-30.4 %	-36.3 %	-38.4 %	-25.3 %	-37.4 %	-47.2 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.92	1.14	1.06	0.99	1.33	2.06	2.77
CPS	1.28	2.18	0.89	0.87	2.05	2.74	3.28
DPS	0.15	0.30	0.35	0.40	0.45	0.50	0.67
Dividend yield	0.4 %	0.8 %	0.9 %	1.1 %	1.2 %	1.3 %	1.8 %
Gross profit margin	29.3 %	29.1 %	29.5 %	30.2 %	35.1 %	35.5 %	35.8 %
EBITDA margin	4.0 %	4.6 %	5.0 %	5.4 %	6.6 %	7.6 %	8.6 %
EBIT margin	3.2 %	3.4 %	3.7 %	3.7 %	3.6 %	5.2 %	6.5 %
ROCE	19.5 %	20.6 %	21.1 %	16.0 %	13.6 %	17.4 %	21.0 %
EV/sales	0.8	0.7	0.7	0.8	0.6	0.6	0.5
EV/EBITDA	20.2	14.6	14.1	14.5	9.7	7.5	5.9
EV/EBIT	25.3	19.8	19.2	21.4	17.7	11.1	7.8
PER	40.6	32.8	35.2	37.7	28.3	18.2	13.5
Adjusted FCF yield	3.0 %	4.3 %	3.9 %	4.4 %	6.5 %	8.4 %	10.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 30.06.2014

CANCOM SE: Trend in operating performance 2009-16E								
	2009	2010	2011	2012	2013	2014E	2015E	2016E
Sales	348	475	544	558	614	801	855	897
y-o-y	17.2%	36.2%	14.7%	2.5%	10.0%	30.5%	6.8%	4.9%
Cloud Computing	n/a	n/a	n/a	10.0	15.0	72.0	83.0	95.0
y-o-y	n/a	n/a	n/a	n/a	50%	380%	15%	14%
in % of sales	n/a	n/a	n/a	2%	2%	9%	10%	11%
Traditional IT business & Other	348	475	544	548	599	729	772	802
y-o-y	17%	36%	15%	1%	9%	22%	6%	4%
in % of sales	100%	100%	100%	98%	98%	91%	90%	89%
EBITDA	9.5	19.0	25.0	28.1	33.4	53.2	64.8	77.2
EBITDA-margin	2.7%	4.0%	4.6%	5.0%	5.4%	6.6%	7.6%	8.6%
Cloud Computing	n/a	n/a	n/a	3.0	5.0	16.1	23.4	31.0
EBITDA-margin	n/a	n/a	n/a	30%	33%	22%	28%	33%
in % of EBITDA	n/a	n/a	n/a	11%	15%	30%	36%	40%
Traditional IT business & Other	9.5	19.0	25.0	25.1	28.4	37.1	41.4	46.2
EBITDA-margin	2.7%	4.0%	4.6%	4.6%	4.7%	5.1%	5.4%	5.8%
in % of EBITDA	100%	100%	100%	89%	85%	70%	64%	60%
Net income	5.1	7.8	11.5	11.5	14.5	21.2	31.4	41.3
in % of sales	1.5%	1.6%	2.1%	2.1%	2.4%	2.6%	3.7%	4.6%

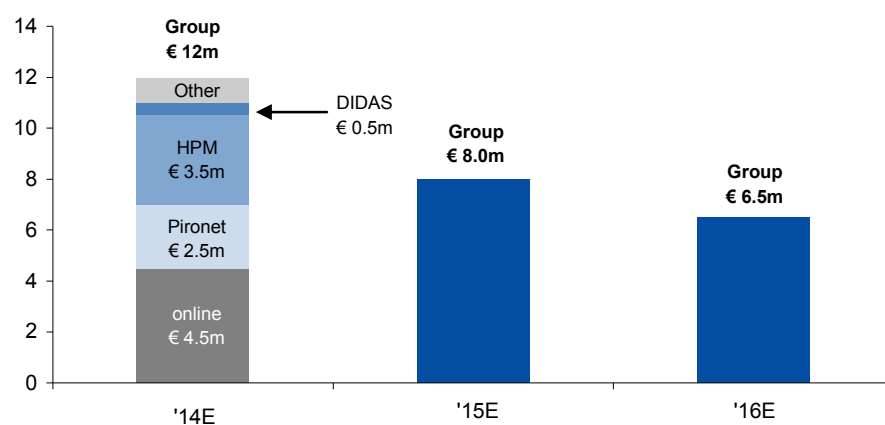
Source: Company data, Hauck & Aufhäuser

CANCOM: Organic versus external growth 2013-15E



Source: Company data, Hauck & Aufhäuser

CANCOM: PPA amortisation per year 2014-16E (in € m)



Source: Company data, Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net sales	474.6	544.4	558.1	613.8	800.7	855.0	897.0
<i>Sales growth</i>	36.2 %	14.7 %	2.5 %	10.0 %	30.5 %	6.8 %	4.9 %
Increase/decrease in finished goods and work-in-process	1.3	0.9	2.5	0.4	1.0	1.0	1.1
Total sales	475.8	545.3	560.6	614.2	801.7	856.0	898.1
Other operating income	3.3	0.7	0.6	1.1	0.7	0.7	0.7
Material expenses	336.3	386.6	395.1	428.7	520.0	552.5	576.7
Personnel expenses	97.0	108.0	112.4	123.2	184.0	191.4	195.1
Other operating expenses	26.8	26.4	25.8	29.9	45.2	48.0	49.8
Total operating expenses	456.8	520.3	532.5	580.8	748.6	791.3	820.9
EBITDA	19.0	25.0	28.1	33.4	53.2	64.8	77.2
Depreciation	3.8	2.8	4.0	5.5	8.3	8.7	9.5
EBITA	15.2	22.2	24.0	27.9	44.9	56.1	67.7
Amortisation of goodwill	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Amortisation of intangible assets	0.0	3.7	3.4	5.0	15.7	11.9	9.2
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	15.2	18.5	20.7	22.6	29.2	44.2	58.5
Interest income	0.1	0.3	0.4	0.3	0.7	0.9	1.1
Interest expenses	1.9	2.2	2.1	1.4	1.4	1.0	0.9
Other financial result	0.0	0.4	0.0	-0.2	0.0	0.0	0.0
Financial result	-1.8	-1.6	-1.8	-1.2	-0.7	-0.1	0.2
Recurring pretax income from continuing operations	13.3	16.9	18.9	21.4	28.5	44.1	58.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	13.3	16.9	18.9	21.4	28.5	44.1	58.7
Taxes	3.7	4.9	6.6	6.9	7.7	12.0	16.0
Net income from continuing operations	9.6	12.0	12.3	14.5	20.7	32.1	42.7
Result from discontinued operations (net of tax)	1.7	0.3	0.7	0.0	0.0	0.0	0.0
Net income	7.9	11.7	11.6	14.5	20.7	32.1	42.7
Minority interest	0.1	0.2	0.1	0.0	1.0	1.4	1.5
Net income (net of minority interest)	7.8	11.5	11.5	14.5	19.7	30.7	41.3
Average number of shares	10.3	10.4	10.6	11.8	14.7	14.9	14.9
EPS reported	0.76	1.11	1.09	1.23	1.34	2.06	2.77

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
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 %	0.2 %	0.5 %	0.1 %	0.1 %	0.1 %	0.1 %
Total sales	100.3 %	100.2 %	100.5 %	100.1 %	100.1 %	100.1 %	100.1 %
Other operating income	0.7 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %	0.1 %
Material expenses	70.9 %	71.0 %	70.8 %	69.8 %	64.9 %	64.6 %	64.3 %
Personnel expenses	20.4 %	19.8 %	20.1 %	20.1 %	23.0 %	22.4 %	21.8 %
Other operating expenses	5.7 %	4.8 %	4.6 %	4.9 %	5.6 %	5.6 %	5.6 %
Total operating expenses	96.3 %	95.6 %	95.4 %	94.6 %	93.5 %	92.5 %	91.5 %
EBITDA	4.0 %	4.6 %	5.0 %	5.4 %	6.6 %	7.6 %	8.6 %
Depreciation	0.8 %	0.5 %	0.7 %	0.9 %	1.0 %	1.0 %	1.1 %
EBITA	3.2 %	4.1 %	4.3 %	4.5 %	5.6 %	6.6 %	7.5 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.7 %	0.6 %	0.8 %	2.0 %	1.4 %	1.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	3.2 %	3.4 %	3.7 %	3.7 %	3.6 %	5.2 %	6.5 %
Interest income	0.0 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.4 %	0.4 %	0.4 %	0.2 %	0.2 %	0.1 %	0.1 %
Other financial result	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.4 %	-0.3 %	-0.3 %	-0.2 %	-0.1 %	0.0 %	0.0 %
Recurring pretax income from continuing operations	2.8 %	3.1 %	3.4 %	3.5 %	3.6 %	5.2 %	6.5 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	2.8 %	3.1 %	3.4 %	3.5 %	3.6 %	5.2 %	6.5 %
Tax rate	28.1 %	28.8 %	35.0 %	32.4 %	27.2 %	27.2 %	27.2 %
Net income from continuing operations	2.0 %	2.2 %	2.2 %	2.4 %	2.6 %	3.8 %	4.8 %
Income from discontinued operations (net of tax)	0.4 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	1.7 %	2.1 %	2.1 %	2.4 %	2.6 %	3.8 %	4.8 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.2 %	0.2 %
Net income (net of minority interest)	1.6 %	2.1 %	2.1 %	2.4 %	2.5 %	3.6 %	4.6 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	42.5	39.6	41.2	55.3	107.0	101.0	97.5
Property, plant and equipment	9.7	12.9	17.6	20.5	31.9	34.2	37.3
Financial assets	3.2	2.2	5.0	35.0	6.0	6.0	6.0
FIXED ASSETS	55.4	54.6	63.8	110.8	144.9	141.2	140.7
Inventories	13.4	15.0	8.7	15.5	15.4	16.8	17.6
Accounts receivable	68.0	72.2	88.3	112.9	120.0	126.5	132.7
Other current assets	6.4	7.2	0.9	1.1	1.1	1.1	1.1
Liquid assets	31.5	44.4	44.6	77.7	103.3	122.7	155.8
Deferred taxes	0.7	0.6	1.1	1.8	1.8	1.8	1.8
Deferred charges and prepaid expenses	2.0	0.9	1.1	1.7	1.7	1.7	1.7
CURRENT ASSETS	122.0	140.2	144.8	210.7	243.2	270.5	310.6
TOTAL ASSETS	177.4	194.9	208.6	321.5	388.1	411.6	451.3
SHAREHOLDERS EQUITY	50.9	60.7	80.6	162.8	159.9	183.9	217.7
MINORITY INTEREST	0.1	0.2	0.2	0.1	17.9	19.3	20.8
Long-term debt	29.0	16.7	14.1	14.4	62.0	53.2	52.2
Provisions for pensions and similar obligations	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other provisions	3.2	7.6	5.1	4.4	4.4	4.4	4.4
Non-current liabilities	32.2	24.4	19.3	18.9	66.5	57.7	56.7
short-term liabilities to banks	1.6	9.1	1.3	0.8	0.8	0.8	0.8
Accounts payable	64.4	72.9	76.9	99.0	103.1	110.1	115.5
Advance payments received on orders	1.5	1.9	3.6	6.6	6.6	6.6	6.6
Other liabilities (incl. from lease and rental contracts)	16.3	17.4	18.8	23.5	23.5	23.5	23.5
Deferred taxes	4.3	2.7	2.8	5.2	5.2	5.2	5.2
Deferred income	6.0	5.6	5.1	4.6	4.6	4.6	4.6
Current liabilities	94.2	109.6	108.6	139.7	143.8	150.8	156.2
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	177.4	194.9	208.6	321.5	388.1	411.6	451.3

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	24.0 %	20.3 %	19.8 %	17.2 %	27.6 %	24.5 %	21.6 %
Property, plant and equipment	5.5 %	6.6 %	8.4 %	6.4 %	8.2 %	8.3 %	8.3 %
Financial assets	1.8 %	1.1 %	2.4 %	10.9 %	1.5 %	1.5 %	1.3 %
FIXED ASSETS	31.2 %	28.0 %	30.6 %	34.5 %	37.3 %	34.3 %	31.2 %
Inventories	7.5 %	7.7 %	4.2 %	4.8 %	4.0 %	4.1 %	3.9 %
Accounts receivable	38.3 %	37.1 %	42.3 %	35.1 %	30.9 %	30.7 %	29.4 %
Other current assets	3.6 %	3.7 %	0.4 %	0.3 %	0.3 %	0.3 %	0.2 %
Liquid assets	17.7 %	22.8 %	21.4 %	24.2 %	26.6 %	29.8 %	34.5 %
Deferred taxes	0.4 %	0.3 %	0.5 %	0.5 %	0.5 %	0.4 %	0.4 %
Deferred charges and prepaid expenses	1.1 %	0.4 %	0.5 %	0.5 %	0.4 %	0.4 %	0.4 %
CURRENT ASSETS	68.8 %	72.0 %	69.4 %	65.5 %	62.7 %	65.7 %	68.8 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	28.7 %	31.2 %	38.6 %	50.6 %	41.2 %	44.7 %	48.2 %
MINORITY INTEREST	0.0 %	0.1 %	0.1 %	0.0 %	4.6 %	4.7 %	4.6 %
Long-term debt	16.3 %	8.6 %	6.8 %	4.5 %	16.0 %	12.9 %	11.6 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	1.8 %	3.9 %	2.4 %	1.4 %	1.1 %	1.1 %	1.0 %
Non-current liabilities	18.2 %	12.5 %	9.3 %	5.9 %	17.1 %	14.0 %	12.6 %
short-term liabilities to banks	0.9 %	4.7 %	0.6 %	0.2 %	0.2 %	0.2 %	0.2 %
Accounts payable	36.3 %	37.4 %	36.9 %	30.8 %	26.6 %	26.7 %	25.6 %
Advance payments received on orders	0.9 %	1.0 %	1.7 %	2.0 %	1.7 %	1.6 %	1.5 %
Other liabilities (incl. from lease and rental contracts)	9.2 %	9.0 %	9.0 %	7.3 %	6.1 %	5.7 %	5.2 %
Deferred taxes	2.4 %	1.4 %	1.4 %	1.6 %	1.3 %	1.3 %	1.2 %
Deferred income	3.4 %	2.9 %	2.4 %	1.4 %	1.2 %	1.1 %	1.0 %
Current liabilities	53.1 %	56.2 %	52.0 %	43.4 %	37.0 %	36.6 %	34.6 %
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)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	7.9	11.7	11.6	14.5	20.7	32.1	42.7
Depreciation of fixed assets (incl. leases)	3.8	2.8	4.0	5.5	8.3	8.7	9.5
Amortisation of goodwill	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Amortisation of intangible assets	0.0	3.7	3.4	5.0	15.7	11.9	9.2
Others	3.0	4.7	2.9	3.3	0.0	0.0	0.0
Cash flow from operations before changes in w/c	14.7	22.9	21.9	28.5	44.7	52.7	61.4
Increase/decrease in inventory	0.3	-6.3	6.2	-6.7	0.1	-1.4	-0.8
Increase/decrease in accounts receivable	-15.2	-5.2	-16.1	-24.7	-7.0	-6.5	-6.2
Increase/decrease in accounts payable	17.1	15.3	4.0	22.1	4.1	7.0	5.4
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	2.2	3.8	-5.8	-9.3	-2.8	-0.9	-1.6
Cash flow from operating activities	16.9	26.7	16.1	19.2	41.9	51.8	59.8
CAPEX	8.1	9.4	12.5	8.1	24.1	15.2	16.6
Payments for acquisitions	10.5	3.6	0.1	1.4	30.0	1.7	1.7
Financial investments	-0.1	-0.3	0.0	26.0	0.0	0.0	0.0
Income from asset disposals	1.1	4.8	2.0	0.5	0.0	0.0	0.0
Cash flow from investing activities	-17.3	-7.9	-10.6	-35.2	-54.1	-16.9	-18.2
Cash flow before financing	-0.4	18.8	5.5	-16.0	-12.2	34.9	41.6
Increase/decrease in debt position	8.1	-2.6	-11.9	-1.1	45.0	-8.8	-1.0
Purchase of own shares	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	11.2	54.6	0.0	0.0	0.0
Dividends paid	1.5	1.6	3.3	4.0	5.8	6.7	7.4
Others	-1.3	-1.6	-1.4	-0.3	-1.4	0.0	0.0
Effects of exchange rate changes on cash	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	5.9	-5.8	-5.3	49.1	37.8	-15.5	-8.4
Increase/decrease in liquid assets	5.6	13.0	0.2	33.1	25.5	19.4	33.1
Liquid assets at end of period	31.5	44.5	44.6	77.7	103.3	122.7	155.8

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Domestic	441.7	502.0	529.1	583.1	761.5	814.0	0.0
yoy change	14.4 %	13.7 %	5.4 %	10.2 %	30.6 %	6.9 %	n/a
Rest of Europe	32.9	42.4	29.0	30.7	39.2	41.0	0.0
yoy change	-9.6 %	28.9 %	-31.7 %	6.0 %	27.8 %	4.6 %	n/a
NAFTA	n/a	n/a	n/a	n/a	n/a	n/a	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	n/a	n/a	n/a	n/a	n/a	n/a	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	n/a	n/a	n/a	n/a	n/a	n/a	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	474.6	544.4	558.1	613.8	800.7	855.0	0.0
yoy change	12.3 %	14.7 %	2.5 %	10.0 %	30.5 %	6.8 %	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
P&L growth analysis							
Sales growth	36.2 %	14.7 %	2.5 %	10.0 %	30.5 %	6.8 %	4.9 %
EBITDA growth	100.7 %	31.6 %	12.2 %	18.9 %	59.2 %	21.8 %	19.2 %
EBIT growth	114.0 %	21.7 %	12.0 %	9.6 %	28.7 %	51.5 %	32.5 %
EPS growth	55.5 %	46.4 %	-2.1 %	13.7 %	8.3 %	54.1 %	34.6 %
Efficiency							
Total operating costs / sales	96.3 %	95.6 %	95.4 %	94.6 %	93.5 %	92.5 %	91.5 %
Sales per employee	257.7	273.1	270.9	289.1	360.7	369.3	760.2
EBITDA per employee	10.3	12.5	13.6	15.7	23.9	28.0	65.4
Balance sheet analysis							
Avg. working capital / sales	2.8 %	2.6 %	2.6 %	3.2 %	3.0 %	3.1 %	3.1 %
Inventory turnover (sales/inventory)	35.5	36.3	63.8	39.6	52.0	51.0	51.0
Trade debtors in days of sales	52.3	48.4	57.7	67.2	54.7	54.0	54.0
A/P turnover [(A/P*365)/sales]	49.6	48.9	50.3	58.9	47.0	47.0	47.0
Cash conversion cycle (days)	-3.1	-6.3	-5.3	-3.9	-6.9	-7.7	-8.0
Cash flow analysis							
Free cash flow	8.8	17.3	3.6	11.1	17.8	36.6	43.2
Free cash flow/sales	1.9 %	3.2 %	0.6 %	1.8 %	2.2 %	4.3 %	4.8 %
FCF / net profit	113.1 %	150.3 %	31.4 %	76.2 %	90.2 %	119.4 %	104.7 %
Capex / depre	206.6 %	139.0 %	169.0 %	318.6 %	100.4 %	73.8 %	88.7 %
Capex / maintenance capex	133.1 %	151.6 %	n/a	112.8 %	172.8 %	100.0 %	114.2 %
Capex / sales	1.7 %	1.7 %	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-0.9	-18.5	-29.2	-62.5	-40.5	-68.7	-102.9
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	0.0	-0.3	-0.4	-0.4	-0.3	-0.4	-0.5
Interest cover	8.0	8.3	9.7	16.5	20.8	44.2	65.0
Dividend payout ratio	19.7 %	26.7 %	34.7 %	40.2 %	34.0 %	24.3 %	24.3 %
Asset utilisation							
Capital employed turnover	5.6	5.8	5.5	3.4	3.3	3.3	3.0
Operating assets turnover	18.9	21.5	16.4	14.2	13.9	14.1	13.7
Plant turnover	49.0	42.2	31.8	30.0	25.1	25.0	24.1
Inventory turnover (sales/inventory)	35.5	36.3	63.8	39.6	52.0	51.0	51.0
Returns							
ROCE	19.5 %	20.6 %	21.1 %	16.0 %	13.6 %	17.4 %	21.0 %
ROE	15.4 %	19.0 %	14.2 %	8.9 %	12.3 %	16.7 %	19.0 %
Other							
Interest paid / avg. debt	7.2 %	7.9 %	10.3 %	9.0 %	3.6 %	1.7 %	1.7 %
No. employees (average)	1842	1994	2060	2123	2220	2315	1180
Number of shares	10.3	10.4	10.6	11.8	14.7	14.9	14.9
DPS	0.2	0.3	0.4	0.4	0.5	0.5	0.7
EPS reported	0.76	1.11	1.09	1.23	1.34	2.06	2.77
Valuation ratios							
P/BV	7.6	6.4	5.3	3.4	3.5	3.0	2.6
EV/sales	0.8	0.7	0.7	0.8	0.6	0.6	0.5
EV/EBITDA	20.2	14.6	14.1	14.5	9.7	7.5	5.9
EV/EBITA	25.3	16.5	16.5	17.4	11.5	8.7	6.7
EV/EBIT	25.3	19.8	19.2	21.4	17.7	11.1	7.8
EV/FCF	43.4	21.1	110.0	43.8	29.1	13.3	10.5
Adjusted FCF yield	3.0 %	4.3 %	3.9 %	4.4 %	6.5 %	8.4 %	10.9 %
Dividend yield	0.4 %	0.8 %	0.9 %	1.1 %	1.2 %	1.3 %	1.8 %

Source: Company data, Hauck & Aufhäuser

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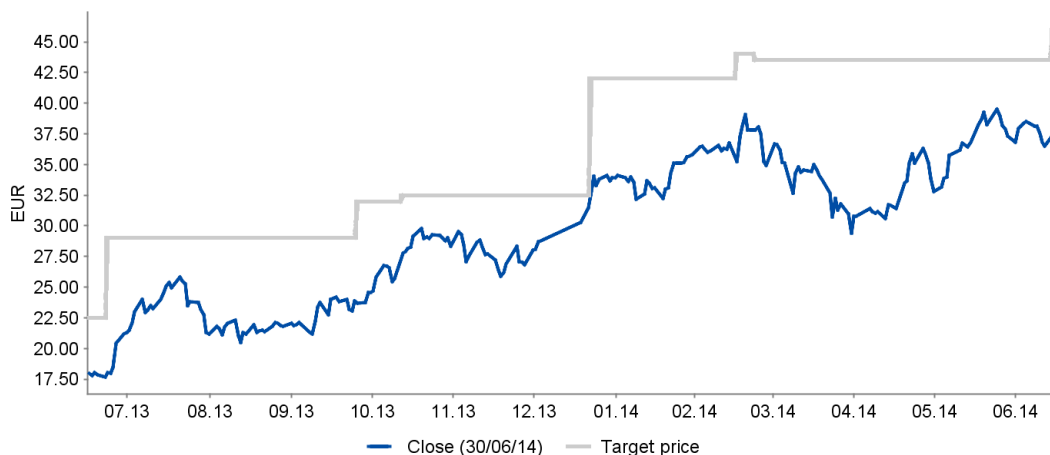
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Company	Disclosure
CANCOM SE	2, 3, 5, 7

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

**Price and Rating History
CANCOM SE as of 01/07/14**

Initiation coverage
06-July-10



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