

Buy EUR 43.00 Price EUR 31.04 Upside 38.6 %	Value Indicators: EUR DCF: 43.10 FCF-Value Potential 16e: 40.00	Share data: Bloomberg: COK GR Reuters: COKG ISIN: DE0005419105	Description: One of the three largest independent system houses in Germany
	Market Snapshot: EUR m Market cap: 453.6 No. of shares (m): 14.6 EV: 413.7 Freefloat MC: 435.5 Ø Trad. Vol. (30d; EUR): 3.32 m	Shareholders: Freefloat 96.0 % Klaus Weinmann (CEO) 2.0 % S. Kober (Superv. Board) 2.0 %	Risk Profile (WRe): 2014e Beta: 1.2 Price / Book: 2.6 x Equity Ratio: 47 %

Dynamic growth with the cloud

Stated Figures Q2/2014:				Comment on Figures:			
Figures in EUR m	Q2/14	Q2/14e	Q2/13	yoy	6M/14	6M/13	yoy
Sales	189.3	189.3	140.0	35.2%	374.7	275.1	36.2%
EBITDA	11.3	11.3	7.8	45.3%	21.4	14.8	45.2%
<i>margin</i>	6.0%	6.0%	5.6%		5.7%	5.4%	
EBITA	8.8	8.0	5.4	61.7%	16.6	10.3	61.5%
<i>margin</i>	4.6%	4.2%	3.9%		4.4%	3.7%	
EBIT adjusted	8.0	7.1	5.7	40.4%	15.3	10.9	40.6%
<i>margin</i>	4.2%	3.8%	4.1%		4.1%	3.9%	
EPS	0.23	0.18	0.32	-28.1%	0.44	0.59	-25.4%
Cloud Solutions	25.7	24.3	10.3	149.3%	46.5	21.1	120.4%
EBITDA Cloud Solutions	6.5	5.7	2.3	181.2%	10.8	4.5	141.4%
<i>margin</i>	25.2%	23.5%	22.4%		23.3%	1.8%	
IT Solutions	163.4	165.0	129.7	26.0%	328.1	254.0	29.2%
EBITDA IT Solutions	7.6	8.7	7.2	6.7%	16.3	13.6	19.9%
<i>margin</i>	4.7%	5.3%	5.5%		5.0%	5.3%	

- Organic growth was approx. 8-9% in Q2.
- The recent acquisitions including Pironet (part of the Cloud Solutions segment), online Datensysteme and HPM contributed to top-line growth. DIDAS has been consolidated since July.
- The EBIT adjustments are related to PPA amortisations that stem from the above mentioned acquisitions.

CANCOM's Q2 figures were in line with our estimates. Organic growth remained strong at approx. 8-9% indicating continued market share gains on the German IT system house market. While organic Q1 growth in the Cloud segment was at only approx. 3%, it jumped to 30% in Q2 due to the completion of projects. This is also reflected in sequential growth of 24%. As management pointed out during the call, the cloud projects are increasing in size. While this lengthens sales cycles, it also underpins CANCOM's status as a trusted partner and shows it is benefitting from its early-mover advantage in this area. The company will target a 30% organic growth rate in this business division. Given its above Group-level profitability, this segment's growth has a positive impact on Group margins. The announcement of bigger cloud projects could serve as a share-price catalyst.

While in the first quarter the low organic growth rate for the Cloud Solutions segment required further monitoring, the Q2 figures indicate that in the Solutions segment the EBITDA margin declined. We assume that this is linked to the transition of HPM's business model from an agent to a reseller. Nevertheless, overall Group profitability increased further. At EBITDA level, CANCOM's profitability is among the highest in the industry. On the other hand, the adjusted EBIT margin is also strong but approximately in line with industry peers. This gap is mainly related to Pironet and its data centres.

PT remains unchanged at EUR 43. Given the upside of 30%, the Buy rating is reiterated.

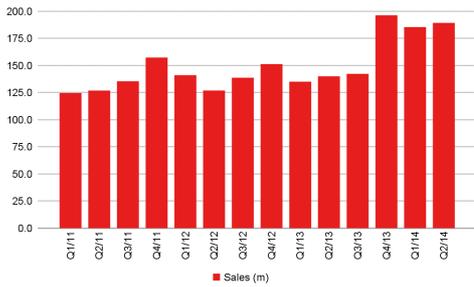


Rel. Performance vs TecDAX:	
1 month:	-3.6 %
6 months:	-4.8 %
Year to date:	1.7 %
Trailing 12 months:	17.2 %

Company events:
11.11.14 Q3

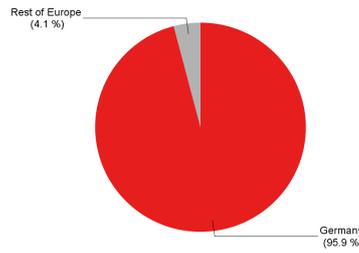
FY End: 31.12. in EUR m	CAGR (13-16e)	2010	2011	2012	2013	2014e	2015e	2016e
Sales	12.8 %	474.6	544.4	558.1	613.8	780.0	830.0	880.0
Change Sales yoy		12.3 %	14.7 %	2.5 %	10.0 %	27.1 %	6.4 %	6.0 %
Gross profit margin		29.4 %	29.1 %	29.7 %	30.2 %	31.2 %	30.8 %	30.8 %
EBITDA	27.9 %	19.0	25.0	28.1	33.4	51.5	63.7	69.8
<i>Margin</i>		4.0 %	4.6 %	5.0 %	5.4 %	6.6 %	7.7 %	7.9 %
EBIT adj.	32.4 %	15.2	18.5	20.7	25.5	42.4	53.4	59.3
EBIT	32.6 %	15.2	18.5	20.7	22.6	30.5	44.9	52.8
<i>Margin</i>		3.2 %	3.4 %	3.7 %	3.7 %	3.9 %	5.4 %	6.0 %
Net income	35.0 %	7.8	11.5	11.5	14.5	20.2	30.3	35.8
EPS	24.8 %	0.76	1.11	1.09	1.23	1.38	2.03	2.39
DPS	14.5 %	0.15	0.30	0.35	0.40	0.45	0.50	0.60
Dividend Yield		2.2 %	3.4 %	2.9 %	2.0 %	1.4 %	1.6 %	1.9 %
FCFPS		0.86	1.67	0.34	0.94	2.64	2.69	2.65
EV / Sales		0.1 x	0.1 x	0.2 x	0.3 x	0.5 x	0.5 x	0.4 x
EV / EBITDA		3.7 x	2.9 x	3.5 x	5.2 x	8.0 x	6.3 x	5.4 x
EV / EBIT		4.6 x	3.9 x	4.7 x	7.7 x	13.6 x	8.9 x	7.1 x
EV / EBIT adj.		4.6 x	3.9 x	4.7 x	6.8 x	9.8 x	7.5 x	6.3 x
P / E		9.0 x	8.0 x	11.0 x	16.4 x	22.5 x	15.3 x	13.0 x
FCF Yield Potential		9.1 %	15.7 %	9.8 %	10.9 %	6.0 %	10.2 %	12.0 %
Net Debt		-0.8	-20.5	-29.1	-62.4	-39.9	-71.0	-97.6
ROE		16.5 %	20.6 %	16.2 %	11.9 %	12.5 %	17.7 %	18.4 %
ROCE (NOPAT)		24.1 %	29.0 %	29.1 %	20.1 %	17.8 %	23.6 %	29.1 %
Guidance:		2014: EBITDA EUR 50m						

Sales development
in EUR m



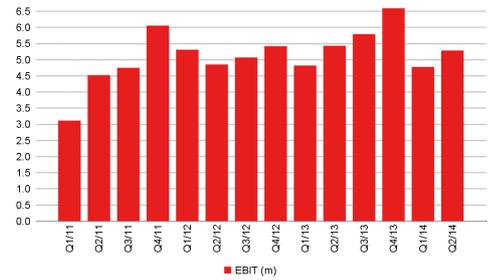
Source: Warburg Research

Sales by regions
2013; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

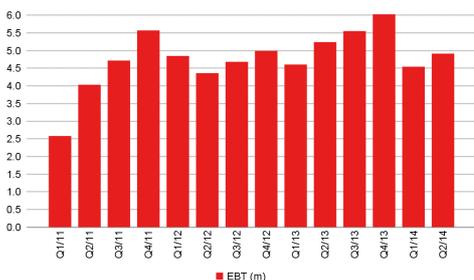
Company Background

- Cancom is the third-largest independent system house in Germany.
- The range of products and services the company offers includes the sale of hardware and software of all the main producers as well as IT-services (conception, integration and operation of IT systems).
- The company employs more than 2,000 people in more than 30 locations in Germany and Austria. More than half of the employees work in the service business areas.

Competitive Quality

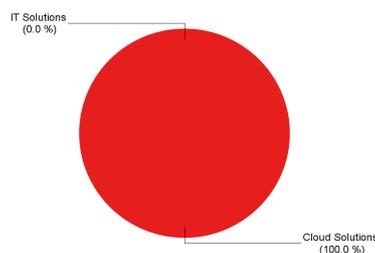
- The German system house market is intensely competitive and strongly fragmented. As one of the largest system houses in Germany, Cancom achieves competitive advantages over most of its smaller competitors with...
 - ...favourable purchasing conditions
 - ...the wide range of products and services offered as a one-stop-shop supplier
 - ...its presence in more than 30 locations in Germany, which contributes to a high quality of service on location.
- Acquisitions are a part of the company strategy. These serve to improve purchasing conditions, to build up regional presence and extend the range of products and services on offer.

EBT development
in EUR m



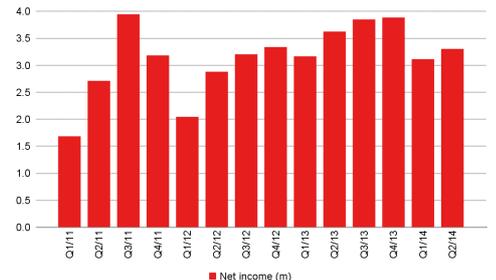
Source: Warburg Research

Sales by segments
2013; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	
Sales	780.0	830.0	880.0	909.0	937.5	965.5	992.8	1,019.5	1,045.5	1,070.9	1,095.5	1,119.5	1,141.9	
Sales change	27.1 %	6.4 %	6.0 %	3.3 %	3.1 %	3.0 %	2.8 %	2.7 %	2.6 %	2.4 %	2.3 %	2.2 %	2.0 %	2.0 %
EBIT	30.5	44.9	52.8	57.3	59.1	60.8	62.5	64.2	65.9	67.5	69.0	70.5	71.9	
EBIT-margin	3.9 %	5.4 %	6.0 %	6.3 %	6.3 %	6.3 %	6.3 %	6.3 %	6.3 %	6.3 %	6.3 %	6.3 %	6.3 %	
Tax rate (EBT)	30.5 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	21.2	31.4	37.0	40.1	41.3	42.6	43.8	45.0	46.1	47.2	48.3	49.4	50.4	
Depreciation	21.0	18.8	17.0	13.6	14.1	14.5	14.9	15.3	15.7	16.1	16.4	16.8	17.1	
in % of Sales	2.7 %	2.3 %	1.9 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	
Changes in provisions	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	-10.6	-0.9	3.5	4.4	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.5	
- Capex	19.7	10.5	10.5	15.0	15.5	15.9	16.4	16.8	17.3	17.7	18.1	18.5	18.8	
Capex in % of Sales	2.5 %	1.3 %	1.2 %	1.7 %	1.7 %	1.7 %	1.7 %	1.7 %	1.7 %	1.7 %	1.7 %	1.7 %	1.7 %	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	33.0	40.6	40.0	34.3	39.3	40.5	41.7	42.8	44.0	45.1	46.1	47.2	48.2	49
PV of FCF	33.0	37.3	33.7	26.6	27.9	26.4	25.0	23.6	22.2	20.9	19.6	18.4	17.3	254
share of PVs	17.75 %			38.87 %										43.39 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	5.00 %	Financial Strength	1.20
Cost of debt (after tax)	2.5 %	Liquidity (share)	1.20
Market return	8.00 %	Cyclicality	1.20
Risk free rate	2.50 %	Transparency	1.30
		Others	1.25
WACC	8.92 %	Beta	1.23

Valuation (m)

Present values 2026e	332		
Terminal Value	254		
Financial liabilities	15		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	18		
Market val. of investments	0		
Liquidity	78	No. of shares (m)	14.6
Equity Value	631	Value per share (EUR)	43.14

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.42	9.9 %	37.16	37.52	37.92	38.33	38.78	39.25	39.76	1.42	9.9 %	29.62	32.52	35.43	38.33	41.24	44.14	47.05
1.33	9.4 %	39.17	39.61	40.08	40.58	41.11	41.68	42.30	1.33	9.4 %	31.30	34.39	37.48	40.58	43.67	46.76	49.85
1.28	9.2 %	40.27	40.75	41.26	41.81	42.40	43.04	43.72	1.28	9.2 %	32.23	35.43	38.62	41.81	45.01	48.20	51.40
1.23	8.9 %	41.44	41.97	42.54	43.14	43.79	44.50	45.26	1.23	8.9 %	33.23	36.53	39.84	43.14	46.45	49.75	53.06
1.18	8.7 %	42.70	43.28	43.90	44.57	45.29	46.07	46.92	1.18	8.7 %	34.30	37.73	41.15	44.57	47.99	51.42	54.84
1.13	8.4 %	44.04	44.68	45.37	46.11	46.91	47.78	48.73	1.13	8.4 %	35.46	39.01	42.56	46.11	49.66	53.21	56.76
1.04	7.9 %	47.03	47.81	48.66	49.58	50.58	51.68	52.87	1.04	7.9 %	38.06	41.90	45.74	49.58	53.42	57.26	61.10

- In the long term, company growth is expected to match the growth of the German IT market.
- Working capital requirements are low despite reseller activities.
- Minorities are related to the 25% free float share in Pironet.

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived by discounting the "FCF potential" of a given year with the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2010	2011	2012	2013	2014e	2015e	2016e	
Net Income before minorities	7.9	11.7	11.6	14.5	20.8	31.0	36.6	
+ Depreciation + Amortisation	3.8	6.6	7.4	10.7	21.0	18.8	17.0	
- Net Interest Income	-1.8	-1.6	-1.8	-1.2	-0.6	-0.6	-0.6	
- Maintenance Capex	7.2	8.5	11.3	7.3	17.7	9.5	9.5	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	6.4	11.3	9.5	19.1	24.6	40.9	44.7	
Free Cash Flow Yield Potential	9.1 %	15.7 %	9.8 %	10.9 %	6.0 %	10.2 %	12.0 %	
WACC	8.92 %	8.92 %	8.92 %	8.92 %	8.92 %	8.92 %	8.92 %	
= Enterprise Value (EV)	69.8	72.2	97.3	174.9	413.7	400.6	374.0	
= Fair Enterprise Value	71.2	126.9	106.5	214.2	276.1	458.7	501.0	
- Net Debt (Cash)	-62.5	-62.5	-62.5	-62.5	-39.9	-71.0	-97.6	
- Pension Liabilities	0.1	0.1	0.1	0.1	0.0	0.0	0.0	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	18.0	18.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	133.7	189.4	168.9	276.6	315.9	511.7	580.6	
No. of shares (total) (m)	14.6	14.6	14.6	14.6	14.6	14.6	14.6	
= Fair value per share (EUR)	9.14	12.96	11.56	18.92	21.62	35.01	39.72	
premium (-) / discount (+) in %					-30.3 %	12.8 %	28.0 %	
Sensitivity Fair value per Share (EUR)								
	11.92 %	7.92	10.77	9.72	15.24	16.86	27.12	31.10
	10.92 %	8.25	11.37	10.22	16.24	18.16	29.27	33.45
	9.92 %	8.65	12.08	10.82	17.45	19.71	31.85	36.27
WACC	8.92 %	9.14	12.96	11.56	18.92	21.62	35.01	39.72
	7.92 %	9.76	14.05	12.48	20.77	24.00	38.97	44.05
	6.92 %	10.55	15.46	13.66	23.16	27.07	44.08	49.62
	5.92 %	11.61	17.35	15.25	26.35	31.18	50.90	57.08

- Business model with low capex requirements and high FCF...
- ...provides scope for acquisitions and pay-outs to shareholders.
- FCF-Value-CAGR 2010-2016e: 28%

Valuation							
	2010	2011	2012	2013	2014e	2015e	2016e
Price / Book	1.4 x	1.5 x	1.6 x	1.5 x	2.6 x	2.3 x	2.0 x
Book value per share ex intangibles	0.81	2.03	3.72	9.13	4.73	6.55	8.66
EV / Sales	0.1 x	0.1 x	0.2 x	0.3 x	0.5 x	0.5 x	0.4 x
EV / EBITDA	3.7 x	2.9 x	3.5 x	5.2 x	8.0 x	6.3 x	5.4 x
EV / EBIT	4.6 x	3.9 x	4.7 x	7.7 x	13.6 x	8.9 x	7.1 x
EV / EBIT adj.*	4.6 x	3.9 x	4.7 x	6.8 x	9.8 x	7.5 x	6.3 x
P / FCF	8.0 x	5.3 x	35.1 x	21.4 x	12.6 x	12.4 x	12.5 x
P / E	9.0 x	8.0 x	11.0 x	16.4 x	22.5 x	15.3 x	13.0 x
P / E adj.*	8.9 x	8.0 x	10.2 x	14.4 x	16.0 x	12.8 x	11.5 x
Dividend Yield	2.2 %	3.4 %	2.9 %	2.0 %	1.4 %	1.6 %	1.9 %
Free Cash Flow Yield Potential	9.1 %	15.7 %	9.8 %	10.9 %	6.0 %	10.2 %	12.0 %

*Adjustments made for: PPA-related amortisations

Consolidated profit & loss

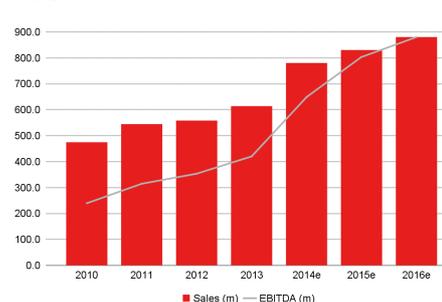
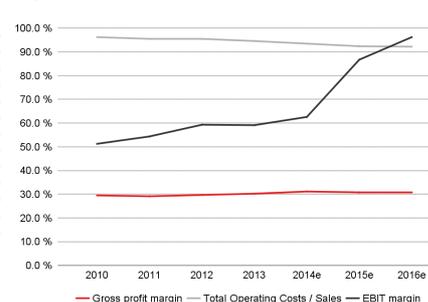
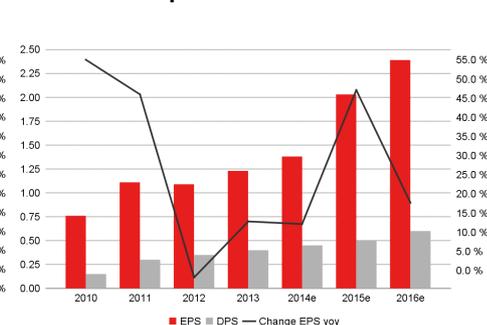
In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Sales	474.6	544.4	558.1	613.8	780.0	830.0	880.0
Change Sales yoy	12.3 %	14.7 %	2.5 %	10.0 %	27.1 %	6.4 %	6.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	1.3	0.9	2.5	0.4	1.2	1.2	1.2
Total Sales	475.8	545.3	560.6	614.2	781.2	831.2	881.2
Material Expenses	336.3	386.6	395.1	428.7	538.2	575.4	610.0
Gross profit	139.5	158.7	165.5	185.5	243.0	255.8	271.2
Gross profit margin	29.4 %	29.1 %	29.7 %	30.2 %	31.2 %	30.8 %	30.8 %
Personnel expenses	97.0	108.0	112.4	123.2	153.3	154.0	160.0
Other operating income	3.4	0.7	0.6	1.1	3.9	4.2	4.4
Other operating expenses	26.9	26.4	25.8	29.9	42.1	42.3	45.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	19.0	25.0	28.1	33.4	51.5	63.7	69.8
Margin	4.0 %	4.6 %	5.0 %	5.4 %	6.6 %	7.7 %	7.9 %
Depreciation of fixed assets	2.1	2.8	4.0	5.5	8.0	8.0	8.0
EBITA	16.9	22.2	24.0	27.9	43.5	55.7	61.8
Amortisation of intangible assets	1.7	3.7	3.4	5.0	13.0	10.8	9.0
Goodwill amortization	0.0	0.0	0.0	0.3	0.0	0.0	0.0
EBIT	15.2	18.5	20.7	22.6	30.5	44.9	52.8
Margin	3.2 %	3.4 %	3.7 %	3.7 %	3.9 %	5.4 %	6.0 %
EBIT adj.	15.2	18.5	20.7	25.5	42.4	53.4	59.3
Interest income	0.1	0.3	0.4	0.3	0.3	0.3	0.3
Interest expenses	2.0	2.2	2.1	1.4	0.9	0.9	0.9
Other financial income (loss)	0.0	0.4	0.0	-0.1	0.0	0.0	0.0
EBT	13.3	16.9	18.9	21.4	29.9	44.3	52.2
Margin	2.8 %	3.1 %	3.4 %	3.5 %	3.8 %	5.3 %	5.9 %
Total taxes	3.7	4.9	6.6	6.9	9.1	13.3	15.7
Net income from continuing operations	9.6	12.0	12.3	14.5	20.8	31.0	36.6
Income from discontinued operations (net of tax)	-1.7	-0.3	-0.7	0.0	0.0	0.0	0.0
Net income before minorities	7.9	11.7	11.6	14.5	20.8	31.0	36.6
Minority interest	0.1	0.2	0.1	0.0	0.6	0.7	0.8
Net income	7.8	11.5	11.5	14.5	20.2	30.3	35.8
Margin	1.6 %	2.1 %	2.1 %	2.4 %	2.6 %	3.6 %	4.1 %
Number of shares, average	10.3	10.4	10.6	11.8	14.6	14.9	14.9
EPS	0.76	1.11	1.09	1.23	1.38	2.03	2.39
EPS adj.	0.77	1.11	1.17	1.40	1.94	2.43	2.70

*Adjustments made for: PPA-related amortisations

Guidance: 2014: EBITDA EUR 50m

Financial Ratios

	2010	2011	2012	2013	2014e	2015e	2016e
Total Operating Costs / Sales	96.3 %	95.6 %	95.4 %	94.6 %	93.6 %	92.5 %	92.2 %
Operating Leverage	9.6 x	1.5 x	4.8 x	1.0 x	1.3 x	7.4 x	2.9 x
EBITDA / Interest expenses	9.7 x	11.2 x	13.1 x	24.0 x	57.2 x	70.7 x	77.6 x
Tax rate (EBT)	28.1 %	28.8 %	35.0 %	32.4 %	30.5 %	30.0 %	30.0 %
Dividend Payout Ratio	16.1 %	25.9 %	30.2 %	32.5 %	31.7 %	24.1 %	24.5 %
Sales per Employee	248,075	267,377	273,569	275,738	312,000	325,490	338,462

Sales, EBITDA
in EUR m

Operating Performance
in %

Performance per Share


Source: Warburg Research

Source: Warburg Research

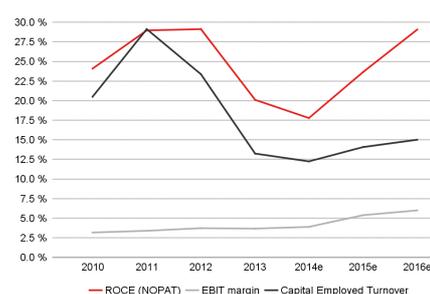
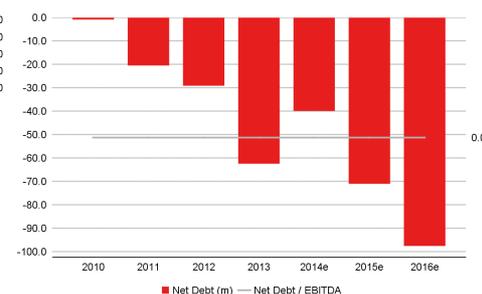
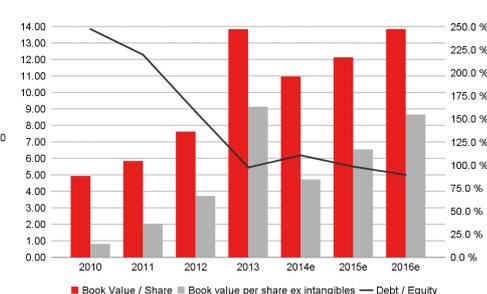
Source: Warburg Research

Consolidated balance sheet

In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Assets							
Goodwill and other intangible assets	42.5	39.6	41.2	55.3	91.2	83.4	77.4
thereof other intangible assets	1.8	3.8	6.1	4.9	34.1	26.3	20.3
thereof Goodwill	23.7	23.7	24.3	32.7	56.4	56.4	56.4
Property, plant and equipment	9.7	12.9	17.6	20.5	29.5	29.0	31.5
Financial assets	3.3	1.4	1.8	31.6	31.6	31.6	31.6
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	55.5	53.8	60.6	107.4	152.2	143.9	140.4
Inventories	14.1	15.6	9.4	16.3	11.1	11.9	12.6
Accounts receivable	68.0	72.2	88.3	112.9	106.8	111.4	118.1
Liquid assets	31.5	46.4	44.6	77.7	97.4	120.5	147.1
Other short-term assets	8.4	6.8	5.7	7.1	7.1	7.1	7.1
Current assets	122.0	141.0	148.1	214.1	222.4	250.9	284.9
Total Assets	177.4	194.9	208.6	321.5	374.6	394.8	425.3
Liabilities and shareholders' equity							
Subscribed capital	10.4	10.4	11.4	14.6	14.6	14.6	14.6
Capital reserve	15.9	15.9	26.1	94.6	94.6	94.6	94.6
Retained earnings	24.8	34.7	43.1	53.6	69.1	92.8	121.1
Other equity components	-0.1	-0.3	0.0	0.0	-18.0	-20.8	-23.5
Shareholder's equity	50.9	60.7	80.6	162.8	160.2	181.1	206.7
Minority interest	0.1	0.2	0.2	0.1	17.6	17.6	17.6
Total equity	51.0	60.9	80.8	162.9	177.8	198.7	224.3
Provisions	3.3	7.7	5.2	4.5	4.4	4.4	4.4
thereof provisions for pensions and similar obligations	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Financial liabilities (total)	30.6	25.9	15.4	15.2	57.5	49.5	49.5
thereof short-term financial liabilities	1.2	10.6	3.4	2.7	2.7	2.7	2.7
Accounts payable	64.4	72.9	76.9	99.0	98.3	104.6	108.5
Other liabilities	28.1	27.6	30.3	39.9	36.6	37.6	38.6
Liabilities	126.4	134.0	127.9	158.6	196.7	196.0	200.9
Total liabilities and shareholders' equity	177.4	194.9	208.6	321.5	374.6	394.8	425.3

Financial Ratios

	2010	2011	2012	2013	2014e	2015e	2016e
Efficiency of Capital Employment							
Operating Assets Turnover	18.4 x	21.0 x	16.1 x	13.9 x	18.3 x	20.2 x	18.7 x
Capital Employed Turnover	9.5 x	13.5 x	10.8 x	6.1 x	5.7 x	6.5 x	6.9 x
ROA	14.1 %	21.4 %	18.9 %	13.5 %	13.2 %	21.0 %	25.5 %
Return on Capital							
ROCE (NOPAT)	24.1 %	29.0 %	29.1 %	20.1 %	17.8 %	23.6 %	29.1 %
ROE	16.5 %	20.6 %	16.2 %	11.9 %	12.5 %	17.7 %	18.4 %
Adj. ROE	16.7 %	20.6 %	17.5 %	13.6 %	17.6 %	21.2 %	20.8 %
Balance sheet quality							
Net Debt	-0.8	-20.5	-29.1	-62.4	-39.9	-71.0	-97.6
Net Financial Debt	-0.9	-20.5	-29.2	-62.5	-39.9	-71.0	-97.6
Net Gearing	-1.6 %	-33.6 %	-36.0 %	-38.3 %	-22.4 %	-35.7 %	-43.5 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	4.9	5.8	7.6	13.8	11.0	12.1	13.8
Book value per share ex intangibles	0.8	2.0	3.7	9.1	4.7	6.5	8.7

ROCE Development

Net debt in EUR m

Book Value per Share in EUR


Source: Warburg Research

Source: Warburg Research

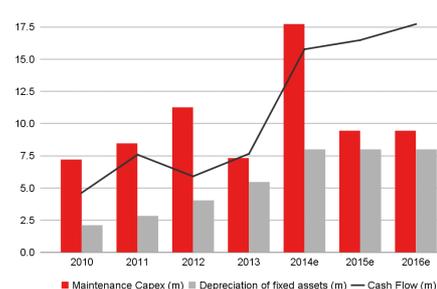
Source: Warburg Research

Consolidated cash flow statement

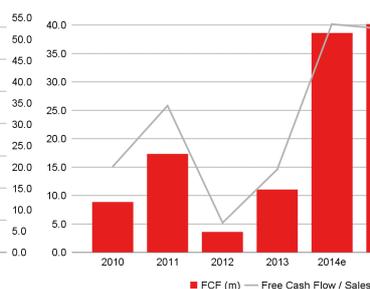
In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Net income	7.9	11.7	11.6	14.5	20.8	31.0	36.6
Depreciation of fixed assets	2.1	2.8	4.0	5.5	8.0	8.0	8.0
Amortisation of goodwill	0.0	0.0	0.0	0.3	0.0	0.0	0.0
Amortisation of intangible assets	1.7	3.7	3.4	5.0	13.0	10.8	9.0
Increase/decrease in long-term provisions	0.3	0.1	-0.1	-0.1	-0.1	0.0	0.0
Other non-cash income and expenses	2.0	4.6	-1.0	-2.1	6.0	0.0	0.0
Cash Flow	14.0	22.9	17.9	23.1	47.7	49.8	53.6
Increase / decrease in inventory	0.5	-6.3	6.3	-5.1	5.2	-0.8	-0.7
Increase / decrease in accounts receivable	-14.7	-5.2	-16.4	-20.3	6.1	-4.6	-6.7
Increase / decrease in accounts payable	17.2	15.3	8.4	21.5	-0.7	6.3	3.9
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 (total)	2.9	3.8	-1.8	-3.9	10.6	0.9	-3.5
Net cash provided by operating activities	16.9	26.7	16.1	19.2	58.3	50.7	50.1
Investments in intangible assets	-3.0	-2.8	-1.1	-0.7	-2.7	-3.0	-3.0
Investments in property, plant and equipment	-5.0	-6.6	-11.4	-7.5	-17.0	-7.5	-7.5
Payments for acquisitions	-9.7	-3.6	-0.6	-1.4	-79.0	-3.0	-6.0
Financial investments	0.0	0.0	0.0	-28.9	0.0	0.0	0.0
Income from asset disposals	0.5	5.1	2.5	3.4	0.5	0.5	0.5
Net cash provided by investing activities	-17.3	-7.9	-10.6	-35.2	-98.2	-13.0	-16.0
Change in financial liabilities	8.3	-4.3	-13.2	-1.8	42.3	-8.0	0.0
Dividends paid	-1.5	-1.6	-3.3	-4.0	-4.7	-6.6	-7.5
Purchase of own shares	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	11.4	56.1	0.0	0.0	0.0
Other	-1.5	0.1	-0.3	-1.2	0.0	0.0	0.0
Net cash provided by financing activities	5.9	-5.8	-5.3	49.1	37.6	-14.6	-7.5
Change in liquid funds	5.5	13.0	0.2	33.1	-2.4	23.1	26.6
Effects of exchange-rate changes on cash	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	31.5	44.5	44.6	77.7	75.4	120.5	147.1

Financial Ratios

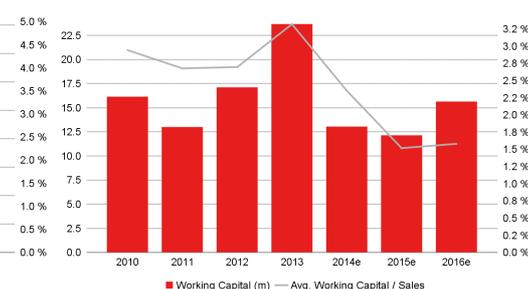
	2010	2011	2012	2013	2014e	2015e	2016e
Cash Flow							
FCF	8.9	17.3	3.6	11.1	38.6	40.2	39.6
Free Cash Flow / Sales	1.9 %	3.2 %	0.6 %	1.8 %	5.0 %	4.8 %	4.5 %
Free Cash Flow Potential	6.4	11.3	9.5	19.1	24.6	40.9	44.7
Free Cash Flow / Sales	1.9 %	3.2 %	0.6 %	1.8 %	5.0 %	4.8 %	4.5 %
Free Cash Flow / Net Profit	113.4 %	150.3 %	31.4 %	76.2 %	191.5 %	132.7 %	110.6 %
Interest Received / Avg. Cash	0.5 %	0.8 %	0.8 %	0.5 %	0.3 %	0.3 %	0.2 %
Interest Paid / Avg. Debt	7.4 %	7.9 %	10.4 %	9.1 %	2.5 %	1.7 %	1.8 %
Management of Funds							
Investment ratio	1.7 %	1.7 %	2.2 %	1.3 %	2.5 %	1.3 %	1.2 %
Maint. Capex / Sales	1.5 %	1.6 %	2.0 %	1.2 %	2.3 %	1.1 %	1.1 %
Capex / Dep	208.3 %	143.6 %	169.0 %	75.8 %	93.8 %	55.9 %	61.8 %
Avg. Working Capital / Sales	2.9 %	2.7 %	2.7 %	3.3 %	2.4 %	1.5 %	1.6 %
Trade Debtors / Trade Creditors	105.6 %	99.0 %	114.8 %	114.1 %	108.6 %	106.5 %	108.8 %
Inventory Turnover	23.9 x	24.8 x	42.0 x	26.3 x	48.5 x	48.3 x	48.4 x
Receivables collection period (days)	52	48	58	67	50	49	49
Payables payment period (days)	70	69	71	84	67	66	65
Cash conversion cycle (Days)	-54	-54	-64	-73	-63	-62	-60

CAPEX and Cash Flow
in EUR m


Source: Warburg Research

Free Cash Flow Generation


Source: Warburg Research

Working Capital


Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
CANCOM	5, 6	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005419105.htm

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

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Rating	Number of stocks	% of Universe
Buy	104	54
Hold	79	41
Sell	7	4
Rating suspended	3	2
Total	193	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	80	57
Hold	55	39
Sell	4	3
Rating suspended	2	1
Total	141	100

PRICE AND RATING HISTORY CANCOM AS OF 11.08.2014


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.

RESEARCH

Roland Rapelius Head of Research	+49 40 309537-220 rrapelius@warburg-research.com	Andreas Pläsier Banks, Financial Services	+49 40 309537-246 aplaesier@warburg-research.com
Henner Rüschemier Head of Research	+49 40 309537-270 hrueschmeier@warburg-research.com	Malte Rätther Technology, Telco, Internet	+49 40 309537-185 mraether@warburg-research.com
Christian Cohrs Engineering, Logistics	+49 40 309537-175 ccohrs@warburg-research.com	Jochen Reichert Telco, Internet, Media	+49 40 309537-130 jreichert@warburg-research.com
Felix Ellmann Software, IT	+49 40 309537-120 fellmann@warburg-research.com	Christopher Rodler Utilities	+49 40 309537-290 crodler@warburg-research.com
Jörg Philipp Frey Retail, Consumer Goods	+49 40 309537-258 jfrey@warburg-research.com	Malte Schaumann Technology	+49 40 309537-170 mschaumann@warburg-research.com
Harald Hof Medtech	+49 40 309537-125 hhof@warburg-research.com	Susanne Schwartze Telco, Internet, Media	+49 40 309537-155 sschwartze@warburg-research.com
Ulrich Huwald Health Care, Pharma	+49 40 309537-255 uhuwald@warburg-research.com	Oliver Schwarz Chemicals, Agriculture	+49 40 309537-250 oschwarz@warburg-research.com
Thilo Kleibauer Retail, Consumer Goods	+49 40 309537-257 tkleibauer@warburg-research.com	Marc-René Tonn Automobiles, Car Suppliers	+49 40 309537-259 mtonn@warburg-research.com
Torsten Klingner Real Estate	+49 40 309537-260 tklingner@warburg-research.com	Björn Voss Steel, Car Suppliers	+49 40 309537-254 bvoss@warburg-research.com
Eggert Kuls Engineering	+49 40 309537-256 ekuls@warburg-research.com	Andreas Wolf Software, IT	+49 40 309537-140 awolf@warburg-research.com
Frank Laser Construction, Industrials	+49 40 309537-235 flaser@warburg-research.com	Stephan Wulf Utilities	+49 40 309537-150 swulf@warburg-research.com

SALES

Holger Nass Head of Equity Sales, USA	+49 40 3282-2669 hnass@mmwarburg.com
Klaus Schilling Dep. Head of Equity Sales, GER	+49 40 3282-2664 kschilling@mmwarburg.com
Christian Alisch Scandinavia, Spain	+49 40 3282-2667 calisch@mmwarburg.com
Tim Beckmann United Kingdom	+49 40 3282-2665 tbeckmann@mmwarburg.com
Matthias Fritsch United Kingdom	+49 40 3282-2696 mfritsch@mmwarburg.com
Marie-Therese Grübner France	+49 40 3282-2630 mgruebner@mmwarburg.com
Ömer Güven Germany	+49 40 3282-2633 ogueven@mmwarburg.com
Michael Kriszun United Kingdom	+49 40 3282-2695 mkriszun@mmwarburg.com
Marc Niemann Germany	+49 40 3282-2660 mniemann@mmwarburg.com
Dirk Rosenfelder Austria, Switzerland	+49 40 3282-2692 drosenfelder@mmwarburg.com
Philipp Stumpfegger Australia, United Kingdom	+49 40 3282-2635 pstumpfegger@mmwarburg.com

SALES TRADING

Oliver Merckel Head of Sales Trading	+49 40 3282-2634 omerckel@mmwarburg.com
Gudrun Bolsen Sales Trading	+49 40 3282-2679 gbolsen@mmwarburg.com
Michael Ilgenstein Sales Trading	+49 40 3282-2700 milgenstein@mmwarburg.com
Bastian Quast Sales Trading	+49 40 3282-2701 bquast@mmwarburg.com
Thekla Struve Sales Trading	+49 40 3282-2668 tstruve@mmwarburg.com
Jörg Treptow Sales Trading	+49 40 3262-2658 jtreptow@mmwarburg.com
Jan Walter Sales Trading	+49 40 3262-2662 jwalter@mmwarburg.com
Katharina Merkel Roadshow/Marketing	+49 40 3282-2694 kmerckel@mmwarburg.com

MACRO RESEARCH

Carsten Klude Macro Research	+49 40 3282-2572 cklude@mmwarburg.com
Matthias Thiel Macro Research	+49 40 3282-2401 mthiel@mmwarburg.com
Dr. Christian Jasperneite Investment Strategy	+49 40 3282-2439 cjasperneite@mmwarburg.com

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For access please contact:

Andrea Schaper Sales Assistance	+49 40 3282-2632 aschaper@mmwarburg.com	Kerstin Muthig Sales Assistance	+49 40 3282-2703 kmuthig@mmwarburg.com
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