



euromicron AG

Corrections to financial statements

24/03/2015

Hold
14.00 EUR

Close (23/03/2015)	14.15 EUR
Bloomberg: EUCA	WKN: A1K030
Sector	Technology

Share price performance

52 week high	14.18
52 week low	10.37
Compared to	Prime All Share
YTD	3.1%
1 month	-2.5%
12 months	10.6%



Share data

Market Cap (m EUR)	101.6
No. of shares (m)	7.2
Free float	95.4%
Trading vol. Ø (m EUR)	0.17

Next event

27/03/2015	Annual Results
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Analyst

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See end of document for disclaimer.

KEY TAKEAWAYS

- euromicron has announced that its financial statements for 2014 revealed that errors were made in accounting and in the valuation of projects in previous quarters.
- The statements for 2012 and 2013 will probably have to be corrected. This may result in a reduction of equity capital for 2014, which we put at approximately € 15 m.
- The company believes that it can still fulfil all of the financial covenants agreed to with credit institutes.
- The Chairman of the Executive Board of, Dr Willibald Späth, today resigned from his position as member of the executive board with immediate effect. Thomas Hoffmann will assume Dr Späth's responsibilities until further notice.
- 2014 group sales are likely to reach the projected range of between € 340 m and € 360 m. The EBITDA margin is expected to come in at the lower end of the projected range of between 6 and 8%.
- No dividend payment will be proposed to the AGM for 2014.

FIRST TAKE

- The correction of the financial statements clearly is a negative point.
- The operational performance in 2014 largely depends on the sales level if the EBITDA margin merely meets the lower end of the guidance range (€ 20.4-28.8 m).
- The share is likely to show a negative reaction to this news.

in m EUR	2012	2013	2014e	2015e	2016e
Sales	330.0	329.4	360.7	381.6	400.7
EBIT	17.1	5.5	13.2	18.3	22.3
EBIT margin	5.2%	1.7%	3.7%	4.8%	5.6%
Net financial debt	75.2	37.9	36.2	31.7	26.5
Free cash-flow	-6.5	34.3	0.9	4.6	6.9
EPS (in EUR)	1.29	-0.12	0.86	1.37	1.76
DPS (in EUR)	0.30	0.00	0.10	0.30	0.40
Dividend yield	1.7%	0.0%	0.9%	2.1%	2.8%
EV/Sales	0.6	0.4	0.3	0.4	0.3
EV/EBIT	11.6	25.9	9.1	7.4	5.8
Price Earnings ratio (P/E)	14.1	-119.8	13.2	10.3	8.0

Source: Company information, Bankhaus Lampe Research estimates

Disclaimer

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Shares are rated based upon analyst forecasts with regard to the performance of the share during a period of twelve months. The rating "Buy" within this general concept means that the share's forecast performance is at least 10%. "Hold" means a price movement in a bandwidth of 0% to 10%. "Sell" means that the share's forecast performance is negative.

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Unless shown otherwise, the stated upside targets are based upon either a discounted cash-flow pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment.

Overview of changes in our recommendations/price targets in the previous twelve months for: euromicron AG (EUCA GY), Close (23/03/2015): 14.15 EUR, Analyst: Wolfgang Specht (Analyst).

Date of publication	Price at recommendation	Rating	Price target
17/11/2014	12.63 EUR	Hold	14.00 EUR
11/04/2014	12.45 EUR	Buy	18.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/01/2015)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	57.4%	50.0%
Hold	30.1%	50.0%
Sell	12.5%	0.0%
under review	0.0%	0.0%

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Company	Disclosure
euromicron AG	---

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