

euromicron AG

Guidance maintained after a sluggish Q1

10/05/2016

Hold
7.70 EUR

Close (09/05/2016)	7.90 EUR
Bloomberg: EUCA	WKN: A1K030
Sector	Technology

Share price performance

52 week high	11.49
52 week low	5.70
Compared to	Prime All Share
YTD	12.6%
1 month	9.0%
12 months	-11.2%



Share data

Market Cap (m EUR)	56.7
No. of shares (m)	7.2
Free float	100.0%
Trading vol. Ø (m EUR)	0.08

Next event

07/06/2016	AGM
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Analyst

Wolfgang Specht, Analyst
 Phone: +49 (0)211 4952-637
 wolfgang.specht@bankhaus-lampe.de

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2016 started somewhat weaker than we had hoped for with the P&L figures at all levels down on the previous year's Q1. However, the order book is slightly up yoy (+4%) and the company upheld its full-year guidance.

RESTRUCTURING BURDEN REMAINS

- Q1 sales were down 12.6% yoy burdened by discontinued operations and less trading activity in the Intelligent Building Technology segment.
- The operating EBITDA has turned from € 1.4 m in Q1 2015 to € -1.0 m in Q1 2016. Including restructuring measures, the reported EBITDA came to € -2.0 m vs. € 0.8 m in Q1 2015.
- The order intake for the core business fields is up 12% yoy (€ 85.2 m) and the order book is 4% up on Q1 2015 (€ 123.4 m).
- The net debt position of € 101.9 m may require re-financing measures, which may well be in the pipeline for H2 2016.

Euromicron [€ m]	BHL				BHL		
	Q1 2016	Q1 2016e	Q1 2015	% yoy	FY 2016e	FY 2015	% yoy
Sales	65.2	71.8	74.6	-12.6%	358	345	0.4%
EBITDA	-2.0	-1.4	0.8	-365.6%	16	7	>100%
EBITDA-margin	-3.1%	-2.0%	1.0%	-4.1 PP	4.5%	2.0%	4.1 PP
Net income (after min.)	-4.5	-4.3	-1.9	>100%	1.4	-13.2	
EPS [€]	(0.63)	-0.59	(0.27)	>100%	0.20	(1.85)	

Source: Company information, Bankhaus Lampe Research

FY OUTLOOK MAINTAINED

- The company maintained its FY guidance: Sales of € 350 – 370 m; operating EBITDA margin of 4.5 – 5.5%, burden from restructuring measures € 2 – 3 m. The upper end of the guidance looks somewhat ambitious after the Q1 reporting.
- We analyse the share based on our three-stage DCF model, which arrives at a price target of € 7.70.

in m EUR	2014	2015	2016e	2017e	2018e
Sales	346.3	344.9	358.4	374.2	389.3
EBIT	11.4	-8.6	6.1	13.5	18.9
EBIT margin	3.3%	-2.5%	1.7%	3.6%	4.9%
Net financial debt	54.4	59.2	56.8	52.7	45.6
Free cash-flow	-16.2	-5.2	2.1	3.9	7.5
EPS (in EUR)	0.36	-1.85	0.20	0.99	1.60
DPS (in EUR)	0.00	0.00	0.00	0.10	0.15
Dividend yield	0.0%	0.0%	0.0%	1.3%	1.9%
EV/Sales	0.4	0.3	0.3	0.3	0.3
EV/EBIT	12.1	-13.3	18.9	8.2	5.5
Price Earnings ratio (P/E)	32.1	-4.1	40.2	7.9	4.9

Source: Company information, Bankhaus Lampe Research estimates

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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 -10% to 10%. "Sell" means that the share's forecast performance is less than -10%.

Explanation of valuation

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: Aareal Bank AG (ARL GY), Close (09/05/2016): 29.76 EUR, Analyst: Neil Smith (ACA).

Date of publication	Price at recommendation	Rating	Price target
29/02/2016	26.80 EUR	Buy	32.00 EUR
24/02/2016	24.81 EUR	Buy	34.00 EUR
25/11/2015	32.73 EUR	Hold	36.00 EUR
07/10/2015	32.89 EUR	Buy	38.00 EUR
07/08/2015	37.85 EUR	Hold	40.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: alstria office REIT-AG (AOX GY), Close (09/05/2016): 12.33 EUR, Analyst: Dr. Georg Kandors (Analyst).

Date of publication	Price at recommendation	Rating	Price target
26/10/2015	12.96 EUR	Hold	13.50 EUR
24/06/2015	11.55 EUR	Buy	13.50 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Aurubis AG (NDA GY), Close (09/05/2016): 46.90 EUR, Analyst: Marc Gabriel (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
29/01/2016	38.11 EUR	Hold	40.00 EUR
15/12/2015	47.77 EUR	Hold	50.00 EUR
24/11/2015	59.09 EUR	Hold	61.00 EUR
07/08/2015	56.35 EUR	Hold	60.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Evotec AG (EVT GY), Close (09/05/2016): 3.49 EUR, Analyst: Volker Braun.

Date of publication	Price at recommendation	Rating	Price target
05/04/2016	3.22 EUR	Buy	4.40 EUR
13/08/2015	3.75 EUR	Buy	4.60 EUR
02/07/2015	3.33 EUR	Buy	4.50 EUR
16/06/2015	3.46 EUR	Buy	5.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Hannover Rück SE (HNR1 GR), Close (09/05/2016): 101.15 EUR, Analyst: Andreas Schäfer (Analyst).

Date of publication	Price at recommendation	Rating	Price target
14/03/2016	101.20 EUR	Hold	104.00 EUR
31/07/2015	96.59 EUR	Hold	95.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Heidelberger Druckmaschinen AG (HDD GY), Close (09/05/2016): 1.99 EUR, Analyst: Gordon Schönell (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
10/05/2016	1.99 EUR	Buy	2.60 EUR
08/03/2016	1.93 EUR	Buy	2.40 EUR
19/11/2015	2.21 EUR	Buy	2.90 EUR
14/08/2015	2.28 EUR	Buy	3.20 EUR
19/06/2015	2.07 EUR	Buy	2.40 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Jungheinrich AG (JUN3 GY), Close (09/05/2016): 79.80 EUR, Analyst: Gordon Schönell (CIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
03/02/2016	71.64 EUR	Sell	60.00 EUR
28/08/2015	61.95 EUR	Hold	63.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: K+S AG (SDF GR), Close (09/05/2016): 22.03 EUR, Analyst: Marc Gabriel (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
03/05/2016	21.91 EUR	Buy	27.00 EUR
11/04/2016	18.92 EUR	Hold	21.00 EUR
25/02/2016	18.09 EUR	Hold	20.00 EUR
01/02/2016	19.41 EUR	Buy	24.00 EUR
04/12/2015	24.43 EUR	Buy	32.00 EUR
12/11/2015	23.78 EUR	Buy	36.00 EUR
01/07/2015	37.79 EUR	Buy	46.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Koenig & Bauer AG (SKB GY), Close (09/05/2016): 33.22 EUR, Analyst: Gordon Schönell (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
10/05/2016	33.22 EUR	Buy	44.00 EUR
15/10/2015	26.92 EUR	Hold	29.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: Münchener Rück AG (MUV2 GY), Close (09/05/2016): 163.25 EUR, Analyst: Andreas Schäfer (Analyst).

Date of publication	Price at recommendation	Rating	Price target
18/03/2016	183.25 EUR	Hold	180.00 EUR
02/09/2015	162.45 EUR	Hold	165.00 EUR
02/07/2015	161.30 EUR	Hold	170.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: PATRIZIA Immobilien AG (P1Z GY), Close (09/05/2016): 19.98 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
02/12/2015	23.56 EUR	Buy	27.00 EUR
26/08/2015	19.65 EUR	Buy	23.00 EUR
08/07/2015	20.15 EUR	Buy	22.73 EUR
12/06/2015	18.35 EUR	Buy	20.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: TAG Immobilien AG (TEG GY), Close (09/05/2016): 12.00 EUR, Analyst: Dr. Georg Kanders (Analyst).

Date of publication	Price at recommendation	Rating	Price target
10/11/2015	11.04 EUR	Buy	13.00 EUR
31/07/2015	10.56 EUR	Buy	13.50 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: ThyssenKrupp AG (TKA GY), Close (09/05/2016): 18.36 EUR, Analyst: Marc Gabriel (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
26/01/2016	14.97 EUR	Hold	16.00 EUR
24/11/2015	19.47 EUR	Buy	23.00 EUR
06/10/2015	16.72 EUR	Buy	21.00 EUR
07/08/2015	23.96 EUR	Hold	26.00 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: euromicron AG (EUCA GY), Close (09/05/2016): 7.90 EUR, Analyst: Wolfgang Specht (Analyst).

Date of publication	Price at recommendation	Rating	Price target
04/05/2016	8.16 EUR	Hold	7.70 EUR

Overview of changes in our recommendations/price targets in the previous twelve months for: technotrans AG (TTR1 GY), Close (09/05/2016): 17.16 EUR, Analyst: Gordon Schönell (CIIA, CEFA).

Date of publication	Price at recommendation	Rating	Price target
19/05/2015	16.27 EUR	Buy	20.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/04/2016)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	53.0%	60.0%
Hold	41.0%	40.0%
Sell	6.0%	0.0%
Under Review	0.0%	0.0%

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Aurubis AG	---
Evotec AG	6
Hannover Rück SE	---
Heidelberger Druckmaschinen AG	---
Jungheinrich AG	---
K+S AG	6
Koenig Et Bauer AG	---
Münchener Rück AG	6
PATRIZIA Immobilien AG	---
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Bankhaus Lampe KG, Jägerhofstraße 10, D-40479 Düsseldorf is responsible for this study.

Further information may be obtained from Bankhaus Lampe KG.

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Contacts

HEAD OF CAPITAL MARKETS & ADVISORY

Ute Gerbaulet

+ 49 (0)211 4952-656

ute.gerbaulet@bankhaus-lampe.de

HEAD OF EQUITY

Ralf Menzel

+ 49 (0)211 4952-282

ralf.menzel@bankhaus-lampe.de

VIA

INTERNATIONAL KBR FINANCE LLC CHAPERONE
OF BANKHAUS LAMPE KG IN THE US

EQUITY SALES CONTINENTAL EUROPE

Ulrich Klingmüller

+ 49 (0)211 4952-784

ulrich.klingmueller@bankhaus-lampe.de

EQUITY SALES IN GB

Yusuf Bilgic

+ 44 (0)203 405 4318

yb@lampe-capital.com

EQUITY SALES IN US

Björn Kahl

+1 212 218 7411

bk@ikbrfinance.com

EQUITY SALES TRADING CONTINENTAL EUROPE

Nils Carstens

+ 49 (0)211 4952-758

nils.carstens@bankhaus-lampe.de

EQUITY SALES TRADING IN GB

Chris Ford

+ 44 (0)203 405 1083

cf@lampe-capital.com

EQUITY SALES TRADING IN US

Kim Last

+1 212 218 7412

kl@ikbrfinance.com

Bankhaus Lampe Research

Jägerhofstraße 10

D - 40479 Düsseldorf

research@bankhaus-lampe.de

📞 + 49 (0)211 4952-678

📠 + 49 (0)211 4952-494