

Targets 2018 reached -postponement of results publication

Buy, TP EUR 8.90

euromicron published some first preliminary results for FY 2018 which are in line with the company's own targets. By evaluating these results one has to keep in mind the profit warning from November last year. Group sales for FY 2018 reached EUR 318m (guidance at EUR 310-330m) and compare to our estimate of EUR 319.3m what is largely in line in our view. The Operating EBITDA amounted to EUR 6.5m what was below our estimate. The Operating EBITDA-margin reached 2.0% what is at the lower end of the target range of 2.0% – 4.0%. A positive development was seen at the operating cash flow which amounted to EUR 3.3 from EUR -1.6m a year earlier. Furthermore the company announced today that the annual results publication will be postponed to 11 April from 29 March 2019. It is explained by "additional organizational activities and time" for the results preparation. Looking forward it is an important information that the repayment of a loan about EUR 2.5m end of March will be made in due course. End of January 2020e another loan of EUR 25.0m will have to be refunded. For the time being we continue in our view that the transformation process end of FY 2018 was finalized, as already indicated by the company last year.

euromicron (EUR m)	2017	2018	2018e		Deviation 2018		Pareto estimates		
Deviation table	reported	reported *	Pareto	consensus	Pareto	consensus	2019e	2020e	2021e
Group sales	332.9	318.0	319.3	320.3	-0.4%	0.7%	331.9	344.6	359.1
EBITDA operating	13.5	6.5	8.2	n.a.	-20.7%	n.a.	15.1	17.3	21.0
EBITDA operating - margin, %	4.1%	2.0%	2.6%						
EBITDA reported	9.5	1.9	3.2	n.a.	-40.6%				
EPS adj., EUR	-0.13	n.a.	-0.61				0.24	0.54	0.86

* preliminary results

Source: Company data, Pareto Securities

Other news provided for FY 2018:

- ▶ Group order backlog reached EUR 148.6m (EUR 126.5m) or +17.5% yoy, what is a good level in our view
- ▶ Equity ratio at 27.2% (31.1%)
- ▶ Working capital ratio down to 9.0% from 12.9%

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