



14th November 2006

## COMPANY ANALYSIS

Coverage: Q3/2006



**Sector: Communications Technology**

### Primary Estimation

**Risk:** BBB      **Rating (new):** Buy  
**Last Price:** 14,70 EURO      **Fair Value (new)** 17,79 EURO

Index: Prime Standard  
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## Funkwerk AG: Specialized Communication for Transportation Sector



Source: Deutsche Börse

- State of the art “telematic” technology for transportation
- Solid reporting structure
- Prognosis not met

### SWOT

- + high market entry barrier
- + Diversification
- - EBIT-Margin on a low level
- - Customer concentrations

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See also  
 Kalliwoda Recommendations  
 on Terminal: Bloomberg  
 Reuters  
 Thomson Financials  
 JCF Factset

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### COMPANY DESCRIPTION

Funkwerk AG and its fully owned subsidiaries are specialized in mobile communications for transportation carriers. The company employs 1278. Headquarters are in Kölleda (Thuringia). Majority shareholder is Hörman Funkwerk Holding GmbH. Funkwerk AG was founded in 2000.

### HISTORY & ESTIMATES

Funkwerk AG	
Umsätze 2006	248,95
Umsätze 2007	258,36
EBITDA 2006	22,8
EBITDA 2007	29,6
EBIT 2006	9,62
EBIT 2007	15,72
EPS 2006	0,83
EPS 2007	1,35
Quelle: WB/E/S Consensus	

Mio. € resp. € per share	PER	Market Cap.	Enterprise Value	Revenues		EBITDA		EBIT		EPS	
				2006	2007	2006	2007	2006	2007	2006	2007
Init	7,65	76,81	66,04	33,40	42,08	6,66	7,02	4,55	5,05	0,27	0,33
OHB Technology	8,20	120,92	36,55	177,71	204,23	28,11	24,30	20,42	16,62	0,76	0,62
IVU Traffic	1,20	21,20	25,52	32,30	30,90	3,10	3,40	1,00	1,30	0,15	0,17
Tele Atlas	12,02	1.078,80	899,32	252,44	305,69	29,40	57,70	-25,31	-1,60	0,43	0,54
Höft & Wessel	3,81	32,38	46,66	84,60	93,30	8,34	9,22	1,87	3,72	0,23	0,26
Continental	92,11	13.430,25	15.114,15	15.169,29	16.435,83	2.490,60	2.716,90	1.711,68	1.868,08	7,19	8,01
Itis Holding	57,75	58,11	54,70	12,30	14,10	n.a	n.a	-1,50	-1,20	-1,30	-1,00
Garmin	39,78	8.628,09	8.293,04	1.323,49	1.658,10	436,88	484,26	309,28	333,01	1,60	1,82
Tomtom	30,90	3.422,39	3.141,11	1.323,05	1.662,40	306,33	350,67	286,65	330,26	1,74	2,17
Funkwerk AG	14,80	118,94	99,63	248,95	258,36	22,80	29,60	9,62	15,72	0,83	1,35

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The study contains a Peergroup view, a three-stage Discount Cashflow Model and a differentiated 3-Stage Rating:

- **Sub-Rating 1:** Economical conditions;
- **Sub-Rating 2:** Qualitative Company Valuation
- **Sub-Rating 3:** Industry, Product and Environment Analysis.



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Also view Sales and Earnings Estimates:

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**Bloomberg**  
**Thomson Financial**  
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<b>BUY</b>	On a basis of our prognoses the stock should have a performance of at least 20% in the following 12 months.	
<b>ACCUMULATE</b>	On a basis of our prognoses the stock should have a performance of between 10% and 20% in the following 12 months.	
<b>HOLD</b>	On a basis of our prognoses the stock should have a performance of between minus 10% and plus 10% in the following 12 months.	
<b>REDUCE</b>	On a basis of our prognoses the stock should have an underperformance of between minus 10% and minus 20%.	
<b>SELL</b>	On a basis of our prognoses the stock should have an underperformance of at least minus 20%	

### Additional Disclosure/Erklärung

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- d) have serviced the analyzed investments based on any contract with the emitter on the stock exchange or in the market.

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