

19 August 2013

Europe | Germany | IT & Software

DR. KALLIWODA
RESEARCH GmbH

Update

BUY

Target price: EUR 5.20

Overview

Industry: IT Services & Software
Country: Germany
ISIN: DE0007008906
Reuters: RTCG.DE
Bloomberg: RTC GR
Website: www.realtech.de

Last price: 3.50
High 5.70 Low 3.26
Price 52 W.: 5.70
Market cap. (EURm) 18.85
Number of shares (m) 5.39

Shareholders

Daniele Di Croco 16.44%
Rainer Schmidt 14.22%
Peter Stier 13.84%
BW-Versorgungsanstalt 5.39%
Free float 50.11%

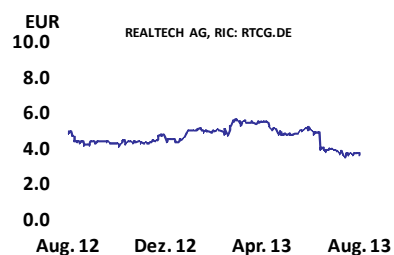
Performance

4 weeks -4.55%
13 weeks -25.66%
26 weeks -29.44%
52 weeks -25.55%
YTD -19.54%

Dividend

	in EUR	in %
2009	0.50	14.29%
2010	0.00	0.00%
2011	0.30	8.57%
2012	0.00	0.00%

52-Week Chart



Analyst

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REALTECH AG

H1/13 results disappoint

- REALTECH's H1/13 results came in weaker than we expected. Revenues totaled €18.8m (-0.2% y-o-y), whereby Germany performed best. EBIT (€-2.8m vs. €-0.9m in H1/12) and net income (€-3.1m vs. €-1.5m) were negatively affected by lower gross margins of both the Consulting and Software segment as well as a higher share of distribution (27.9% vs. 22.6%) and R&D expenses (13% vs. 11.4%).
- Between January and June 2013, the main growth driver was the Consulting segment, where sales increased by 3.3% y-o-y to €132m due to in our opinion an improved utilization of consultants. In the Software segment, revenues decreased by 7.5% to €5.6m following weaker than expected business development.
- As net income went down y-o-y, operating cash flow deteriorated from €0.3m in H1/12 to €-0.7m. However, the decrease of liquid funds was similar to last year (€-1.7m vs. €-1.6m in H1/12) and there was no dividend payout (in H1/12 €1.6m or €0.30 per share were paid out to shareholders). With interest-bearing debt of €6.2m and cash of €95m, REALTECH had a net gearing of -16.2% at the end of June 2013.
- On 26 June, management lowered their 2013 guidance and now expect a low single-digit operating loss instead of a profit of €2.1m. We have adjusted our estimates accordingly, which results in a lower 12-months DCF-based price target of €5.20 (previously: €7.50). However, for us the stock remains a BUY as in the next years REALTECH should be able to benefit strongly from its co-operation with SAP in the areas of mobile data access, cloud computing and Big Data.

Key Figures

in EURm	2009	2010	2011	2012	2013E	2014E
Net sales	61.68	39.50	39.18	39.84	41.02	44.10
EBITDA	3.71	5.33	1.41	1.65	-1.02	2.95
EBIT	2.58	4.18	0.17	0.42	-2.29	1.59
Net income	1.20	-1.37	0.81	-0.21	-0.49	0.38
EPS	0.23	-0.26	0.15	-0.04	-0.09	0.07
BVPS	5.26	4.60	4.77	4.40	4.31	4.38
RoE	4.27%	-5.26%	3.22%	-0.84%	-2.10%	1.64%
EBIT margin	4.18 %	10.58 %	0.43 %	1.05 %	-5.58 %	3.60 %
P/E	15.36x	neg	23.29x	neg	neg	49.17x
P/BVPS	0.66x	0.76x	0.73x	0.79x	0.81x	0.80x
EV/EBITDA	4.19x	2.92x	11.06x	9.44x	neg	5.28x

Content

1	Company profile	3
2	SWOT Analysis	4
3	Valuation	5
4	Q1/13 results	6
5	Outlook	9
6	Profit and loss statements	11
7	Balance sheets	12
8	Cash flow statements	13
9	Financial ratios	13

1 Company profile

REALTECH AG is one of the leading German IT consultancies. The company was founded in 1994 in Walldorf, near Heidelberg, and has been listed on the Frankfurt stock exchange since 1999. Apart from Germany, REALTECH also has operations in other European countries, Asia/Pacific and North America. At the end of June 2013, it had 373 employees, thereof 280 in Germany.

In the past, the fast progress of IT technology has resulted in a high number of enterprise application systems as well as a diverse, heterogenic IT landscape. Especially, non-integrated standalone systems, proprietary software and isolated applications have led to significant integration deficits, which at company level have limited cross-functional work processes and complicated information supply for disposition tasks. REALTECH's IT consulting services can facilitate an instant integration of customers and suppliers into the value chain, which in turn can prevent media disruption and redundancies and allow new forms of intercompany collaboration. REALTECH's products allow IT departments or IT outsourcers to run a variety of applications and IT systems securely and efficiently and reduce IT costs significantly.

2 SWOT Analysis

Strength	Weaknesses
<ul style="list-style-type: none"> • Due to the long-standing co-operation with and proximity to SAP REALTECH has a know-how edge when it comes to SAP applications. • A unique selling point in the area of Consulting is the combination of SAP knowledge as well as supplemental business and strategic consulting. Thus, REALTECH can provide a fast and long-term project success. Due to the partnership, which is also valid in foreign markets, it is also possible to integrate international locations into a comprehensive IT landscape. • theGuard! product family is an internationally unique software portfolio for the monitoring and the secure operation of IT systems for company-wide use. In Europe, REALTECH is the largest manufacturer of IT service management solutions. Unique selling points are the close connection of all disciplines, the centralized storage according to standards such as ITIL as well as the application in small companies, simultaneously guaranteeing future scalability of product use. 	<ul style="list-style-type: none"> • Concentration on SAP solutions means a high dependence on market acceptance and SAP's existing customers. Thus, there is high business risk. However, a wide geographic diversification with branches in Europe, Asia and the US and cross-industry product distribution in over 25 countries reduce the above-mentioned risk. • There is strong competition in the area of Consulting.
Opportunities	Threats
<ul style="list-style-type: none"> • The OEM contract with SAP in the area of IT infrastructure management as well as expansion of SAP solutions should all contribute to internationalization and growth of high-margin sales. • Due to standardization of the consulting portfolio, product sales in new countries and third-party sales of the enterprise solution for SAP ByDesign, there is an opportunity to generate high scale effects. • A higher demand for change management support, driven by the trend to use external suppliers in order to further develop SAP software should lead to additional sales. • IT systems increasingly constitute the basis for cross-departmental business processes, which lead to a higher level of complexity. Thus, there is higher demand for REALTECH's solutions for flexible, automated and failsafe systems. 	<ul style="list-style-type: none"> • The ongoing consolidation within the IT industry can intensify competition through new or stronger competitors. This would result in a loss of revenues or lower prices. • A lack of qualified personnel caused by a structural shortage of supply in the industry would make it more difficult for the company to become aware of its opportunities. This is being counteracted by REALTECH's reputation as an attractive training provider, which stems from the company's SAP know-how.

3 Valuation

In order to value REALTECH, we have used our DCF model, which derives a 12-months price target for the stock of €5.20. Compared to the current market level, this corresponds to an upside of 48.7%.

DCF model

Discounted Cash Flow Model (Basis 08/2013)

in EURm	Phase 1								
	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
Net sales	41.02	44.10	49.96	54.96	59.08	62.03	63.89	65.49	66.80
(y-o-y change)	3.0%	7.5%	13.3%	10.0%	7.5%	5.0%	3.0%	2.5%	2.0%
EBIT	-2.29	1.59	2.52	3.54	3.75	3.94	3.99	4.09	4.11
(EBIT margin)	-5.6%	3.6%	5.1%	6.5%	6.4%	6.4%	6.3%	6.3%	6.2%
NOPLAT	-1.60	1.11	1.77	2.48	2.63	2.76	2.80	2.87	2.88
+ Depreciation	1.27	1.36	1.54	1.70	1.82	1.91	1.97	2.02	2.06
= Net operating cash flow	-0.34	2.47	3.31	4.18	4.45	4.67	4.77	4.89	4.94
- Total investments (Capex and WC)	-1.65	-2.18	-2.37	-2.47	-2.45	-2.44	-2.37	-2.41	-2.31
Capital expenditure	-1.55	-1.63	-1.84	-1.99	-2.10	-2.18	-2.22	-2.27	-2.30
Working capital	-0.10	-0.56	-0.53	-0.48	-0.35	-0.26	-0.15	-0.14	-0.01
= Free cash flow (FCF)	-1.99	0.29	0.94	1.71	2.00	2.24	2.40	2.47	2.63
PV of FCFs	-1.92	0.25	0.75	1.25	1.33	1.36	1.33	1.25	1.21

PV of FCFs in explicit period	6.82
PV of FCFs in terminal period	16.33
Enterprise value (EV)	23.14
+ Net cash / - net debt	3.29
+ Investments / - Minorities	-0.89
Shareholder value	25.55
Number of shares outstanding (m)	5.39
WACC	9.7%
Equity costs	9.7%
Debt costs before tax	6.0%
Tax rate	30.0%
Debt costs after tax	4.2%
Equity ratio	100.0%
Debt ratio	0.0%
Fair value per share in € (today)	4.74
Fair value per share in € (in 12 months)	5.20

Sensitivity analysis		Terminal EBIT margin						
		3.3%	4.3%	5.3%	6.3%	7.3%	8.3%	9.3%
WACC	6.7%	5.43	6.63	7.84	9.04	10.24	11.44	12.64
	7.7%	4.56	5.47	6.39	7.30	8.22	9.14	10.05
	8.7%	3.93	4.65	5.37	6.09	6.81	7.54	8.26
	9.7%	3.46	4.04	4.62	5.20	5.78	6.37	6.95
	10.7%	3.09	3.57	4.05	4.52	5.00	5.48	5.95
	11.7%	2.80	3.19	3.59	3.99	4.38	4.78	5.18

Source: Dr. Kalliwoda Research GmbH

Peer Group Analysis

We have additionally conducted a plausibility check of the valuation, which was derived by our DCF model. The application of a relative valuation method is based on the idea that comparable companies have similar market values. Hence, mainly listed companies are chosen, which offer similar products, or have a comparable business model. An analysis of financial figures provides an estimation to which degree the company's valuation stems from a low comparability with its peer group or an under- or overvaluation.

The input data of the peers stem from the information provider Thomson Reuters. The forward-looking financial data of the peer group represent the mean average of all analyst' estimates, which are available on ThomsonReutersKnowledge. We have used the book value in order to approximate the market value of financial liabilities.

Peer Group Multiples		Enterprise Value Multiples					Equity Value Multiples			
Peers	EV / Sales		EV / EBITDA		EV / EBIT		Price / Eps		Price / Bvps	
	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014
All for One Steeb AG	0.7	0.6	8.2	7.7	13.2	11.7	17.7	14.1	n.a.	n.a.
KPS AG	2.2	2.2	26.6	16.1	17.2	16.7	16.0	16.0	n.a.	n.a.
Orbis AG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Plaut AG	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Seven Principles AG	0.3	0.2	19.1	n.a.	n.a.	9.4	n.a.	11.1	0.9	0.9
SNP Schneider Neureither & Partner AG	1.5	1.3	6.3	n.a.	n.a.	15.9	n.a.	26.5	n.a.	n.a.
Realtech AG	0.6	0.6	neg.	8.5	neg.	15.8	neg.	49.2	0.8	0.8
Median	n.a.	0.6	13.6	8.5	15.2	15.8	16.8	16.0	n.a.	0.8
Mean	n.a.	1.0	15.0	10.8	15.2	13.9	16.8	23.4	n.a.	0.8
Peer Benchmark	n.a.	0.6	13.6	8.5	15.2	15.8	16.8	16.0	n.a.	0.8
Discount (-)/Premium (+)	n.a.	-10%	n.a.	0%	n.a.	0%	n.a.	208%	n.a.	-5%
Valuation										
Peer Benchmark	n.a.	0.6	13.6	8.5	15.2	15.8	16.8	16.0	n.a.	0.8
Realtech AG financials	41.0	44.1	-1.0	2.9	-2.3	1.6	-0.1	0.1	4.3	4.4
Implied Enterprise Value	n.a.	28.0	-14.0	25.1	-34.8	25.1				
+ Cash and Cash Equivalents	9.5	9.5	9.5	9.5	9.5	9.5				
- Financial Debt	6.2	6.2	6.2	6.2	6.2	6.2				
- Pension Liabilities	0.0	0.0	0.0	0.0	0.0	0.0				
- Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0				
- Preferred Equity	0.0	0.0	0.0	0.0	0.0	0.0				
+ Change in Equity Capital	0.0	0.0	0.0	0.0	0.0	0.0				
Implied Equity Value	n.a.	31.3	-10.7	28.4	-31.5	28.4				
Number of Shares	5.4	5.4	5.4	5.4	5.4	5.4				
Implied fair value per share	n.a.	5.8	-2.0	5.3	-5.8	5.3	-1.5	1.1	n.a.	3.7
Weights	17%	17%	17%	17%	17%	17%	25%	25%	25%	25%
Results				1.42				0.82		
Weights	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%
Fair Value Implied by Both Peer Multiples:						1.18 EUR				
Premium (Discount) to Peer Benchmark: 0 %										
Fair Value per Share 1.18 EUR										

Source: Dr. Kalliwoda | Research 2013

Based on our peer group multiples, the implied fair value equals EUR 1.18 per share.

4 Q1/13 results

Revenues

In H1/13, REALTECH generated total sales of €18.8m, which were 0.2% lower y-o-y. While the Consulting segment grew by 3.3% y-o-y to €13.2m due to we believe a further improvement of the utilisation of consultants, in the Software segment revenues declined by 7.5% y-o-y to €5.6m. In terms of geographic sales split, Germany and Asia/Pacific were the growth drivers. Both increased their share in total revenues from 66.4% to 69.1% and 23.6% to 24.4% respectively.

H1/13 vs. our estimates**H1/13 vs. previous year**

in EURm	H1/13	H1/12	change (%)
Net sales	18.83	18.87	-0.2%
EBITDA	-2.02	-0.26	669.2%
EBITDA margin	-10.7%	-1.4%	
EBIT	-2.78	-0.86	225.3%
EBIT margin	-14.8%	-4.5%	
Net income	-3.11	-1.54	102.6%
Net margin	-16.5%	-8.1%	

Source: Company information, Dr. Kalliwoda Research GmbH

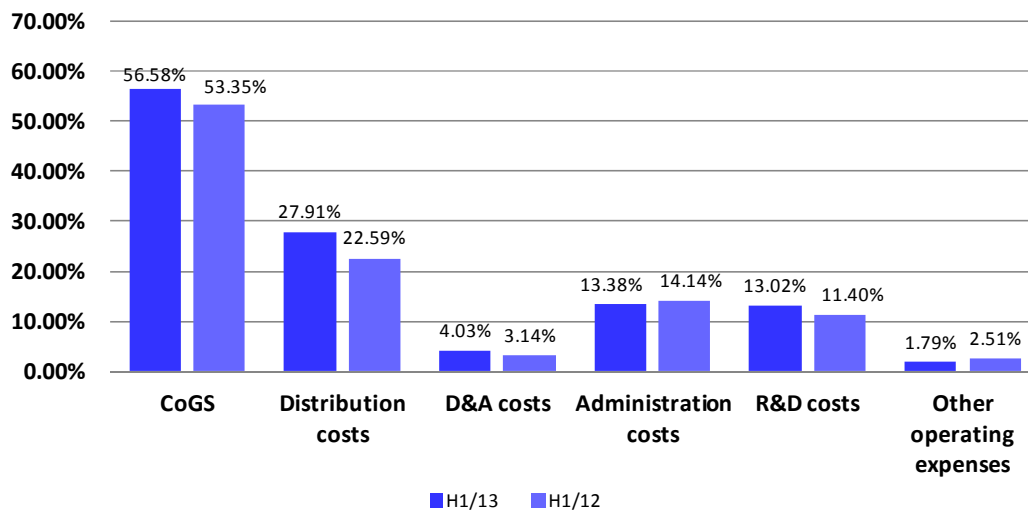
Sales and gross margins according to segments**Sales and Gross margins according to segments Q1/13 vs. Q1/12**

	H1/13	H1/12		H1/13	H1/12
Consulting			Group		
Sales €m	13.21	12.79	Total sales	18.83	18.87
share in total sales	70.2%	67.8%	change y-o-y	-0.2%	
Gross margin	23.4%	24.2%			
Software					
Sales €m	5.62	6.07			
share in total sales	29.8%	32.2%			
Gross margin	77.0%	84.3%			
Germany			USA		
Sales €m	13.01	12.53	Sales €m	1.05	1.53
share in total sales	69.1%	66.4%	share in total sales	5.5%	8.1%
RoE (Portugal, Nordic)			Asia/Pacific		
Sales €m	0.19	0.35	Sales €m	4.59	4.45
share in total sales	1.0%	1.9%	share in total	24.4%	23.6%

Source: Company information, Dr. Kalliwoda Research GmbH

Profitability

Share in sales H1/13 vs. H1/12



Source: Company information, Dr. Kalliwoda Research GmbH

In H1/13, REALTECH's EBIT and net income deteriorated from €-0.9m to €-2.8m and €-1.5m to €-3.1m respectively. The main reason was a higher share of CoGS, distribution and R&D expenses y-o-y. On the one hand, both the Consulting and Software segment generated lower gross margins y-o-y. On the other, distribution and R&D expenses were affected by higher marketing activity, expansion of related personnel and investments associated with the projects Simplify and SAP Infrastructure Management.

Balance Sheet and Cash Flow

At the end of June 2013, the most important positions on REALTECH's balance sheet were (1) Equity of €20.3m (45.4% of the balance sheet total) (2) Property, Plant & Equipment of €13.3m comprising REALTECH's office building in Walldorf, computer hardware and cars as well as (3) Trade receivables of €10.6m. As of 30 June 2013, the company had interest-bearing debt of €6.2m (31/12/12: €6.7m) and liquid funds of €9.5m (€11.3m). Working capital amounted to €0.6m vs. €2.3m in December 2012.

Due to a higher net loss y-o-y REALTECH's operating cash flow deteriorated from €0.3m to €-0.7m. Together with a cash outflow from investing of €0.8m (€0.4m) and negative cash effects from exchange rate movements of €0.3m (€0.1m), this led to a total cash outflow of €1.7m.

5 Outlook

On 26 June 2013, REALTECH issued a profit warning saying that its 2013 EBIT guidance of €2.1m was no longer achievable and that instead it expected a negative low single-digit EBIT. The reasons were unfulfilled expectations regarding sales of the Software segment, investments in the new Simplify product and the economic situation at some of REALTECH's foreign subsidiaries.

At the same time, REALTECH also announced that CEO Dr. Caspary, who had been with the company since 2004, was leaving as of 30 June 2013. The Supervisory Board appointed Mr Thomas Meyerbacher as new CEO, who has been with company since 2011 and previously responsible for finance.

Although H1/13 disappointed, we continue to be optimistic for REALTECH's future. In the short run, the company will continue to invest heavily in software development, technological innovations and new employees. However, as its products are highly promising, it should be able to benefit strongly from them in the long run.

Following weak H1/13 figures and guidance reduction, we have reduced our estimates, which lowers our 12-months DCF-based price target from previously €7.50 to €5.20. However, our BUY rating for the REALTECH stock remains unchanged.

Our forecasts 2013E-2015E

Our forecasts 2013E - 2015E						
in EURm	2013E		2014E		2015E	
	old	new	old	new	old	new
Net sales	47.72	41.02	52.16	44.10	59.09	49.96
EBITDA	3.43	-1.02	5.21	2.95	5.96	4.06
EBITDA margin	7.2%	-2.5%	10.0%	6.7%	10.1%	8.1%
EBIT	1.96	-2.29	3.60	1.59	4.14	2.52
EBIT margin	4.1%	-5.6%	6.9%	3.6%	7.0%	5.1%
Net income	0.46	-0.49	0.84	0.38	0.96	0.60
Net margin	1.0%	-1.2%	1.6%	0.9%	1.6%	1.2%

Source: Dr. Kalliwoda Research GmbH

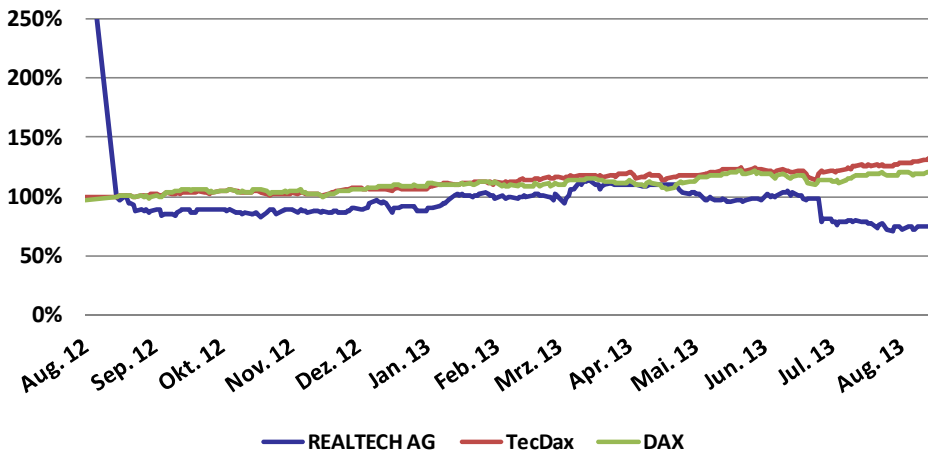
Sales estimates according to segments 2013E-2015E

Sales estimates according to segments 2013E-2015E			
in EURm	2013E	2014E	2015E
Consulting	28.41	30.58	34.68
change y-o-y	4.3%	3.1%	7.6%
share in total sales	69.2%	69.3%	69.3%
Software	12.61	13.52	15.28
change y-o-y	-3.7%	2.7%	7.2%
share in total sales	30.8%	30.7%	30.7%
Total sales	41.02	44.10	49.96

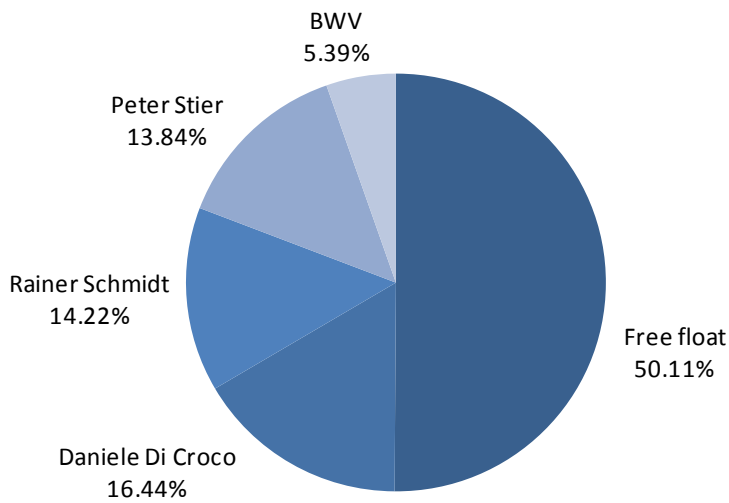
Source: Dr. Kalliwoda Research GmbH

Stock and shareholder structure

Stock Price Development



Shareholder Structure



6 Profit and loss statements

Profit and loss statement - Realtech AG						
	Fiscal year					
in EURm	2009	2010	2011	2012	2013E	2014E
Sales split						
Consulting	49.53	26.60	26.43	27.56	28.41	30.58
Software	12.15	12.90	12.74	12.28	12.61	13.52
Net sales	61.68	39.50	39.18	39.84	41.02	44.10
Change in inventories	0.00	0.00	0.00	0.00	0.00	0.00
Total Output	61.68	39.50	39.18	39.84	41.02	44.10
Cost of goods sold	-39.69	-20.39	-20.99	-20.52	-21.33	-19.75
Gross profit	21.99	19.11	18.18	19.32	19.69	24.34
Other operating income	2.04	2.04	1.05	1.32	1.35	1.38
Distribution costs	-8.48	-6.48	-7.61	-8.22	-10.66	-11.02
Depreciation & Amortization	-1.13	-1.15	-1.24	-1.23	-1.27	-1.36
Administration costs	-6.68	-4.66	-4.97	-5.44	-5.48	-5.75
R&D costs	-3.85	-3.62	-4.30	-4.36	-4.49	-4.83
Other operating expenses	-1.31	-1.05	-0.94	-0.97	-1.43	-1.16
EBIT	2.58	4.18	0.17	0.42	-2.29	1.59
Net financial results	-0.15	-0.20	-0.21	0.09	0.10	0.11
EBT	2.43	3.98	-0.04	0.51	-2.19	1.70
Income taxes	-1.12	-2.38	-0.17	-0.47	0.66	-0.51
Minority interests	-0.10	-0.01	-0.09	-0.24	1.04	-0.81
Net income / loss	1.20	1.59	-0.30	-0.21	-0.49	0.38
EPS	0.23	-0.26	0.15	-0.04	-0.09	0.07
DPS	0.50	0.00	0.30	0.00	0.00	0.00
Change y-o-y						
Net sales	n.a	-35.95%	-0.82%	1.68%	2.97%	7.50%
Total Output	n.a	-35.95%	-0.82%	1.68%	2.97%	7.50%
Cost of goods sold	n.a	-48.61%	2.94%	-2.27%	3.96%	-7.38%
Gross profit	n.a	-13.10%	-4.83%	6.25%	1.91%	23.63%
Other operating income	n.a	-0.01%	-48.69%	26.61%	2.00%	2.00%
Distribution costs	n.a	-23.61%	17.53%	7.98%	29.71%	3.37%
Depreciation & Amortization	n.a	1.54%	7.64%	-0.71%	2.97%	7.50%
Administration costs	n.a	-30.14%	6.64%	9.33%	0.70%	5.08%
R&D costs	n.a	-5.78%	18.64%	1.53%	2.97%	7.50%
Other operating expenses	n.a	-20.09%	-10.58%	3.89%	46.94%	-18.71%
EBIT	n.a	62.18%	-95.98%	148.79%	-647.30%	-169.35%
Net financial results	n.a	30.79%	4.71%	-144.79%	10.88%	9.81%
EBT	n.a	64.12%	-100.93%	-1474.92%	-528.71%	-177.70%
Income taxes	n.a	111.93%	-92.74%	174.83%	-238.34%	-177.70%
Net income / loss	n.a	32.40%	-118.99%	-31.81%	139.33%	-177.70%
EPS	n.a	-213.32%	-158.20%	-125.47%	139.33%	-177.70%
DPS	n.a	-100.00%	n.a	n.a	n.a	n.a
Share in total sales						
Net sales	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Total Output	157.42 %	100.82 %	100.00 %	101.68 %	104.70 %	112.55 %
Cost of goods sold	-101.30 %	-52.06 %	-53.59 %	-51.50 %	-52.00 %	-44.80 %
Gross profit	56.12 %	48.77 %	46.41 %	48.50 %	48.00 %	55.20 %
Other operating income	5.20 %	5.20 %	2.67 %	3.32 %	3.29 %	3.12 %
Distribution costs	-21.65 %	-16.54 %	-19.44 %	-20.64 %	-26.00 %	-25.00 %
Depreciation & Amortization	-2.89 %	-2.94 %	-3.16 %	-3.09 %	-3.09 %	-3.09 %
Administration costs	-17.04 %	-11.91 %	-12.70 %	-13.65 %	-13.35 %	-13.05 %
R&D costs	-9.81 %	-9.25 %	-10.97 %	-10.95 %	-10.95 %	-10.95 %
Other operating expenses	-3.34 %	-2.67 %	-2.39 %	-2.44 %	-3.48 %	-2.63 %
EBIT	6.58 %	10.67 %	0.43 %	1.05 %	-5.58 %	3.60 %
Net financial results	-0.38 %	-0.50 %	-0.52 %	0.23 %	0.25 %	0.25 %
EBT	6.20 %	10.17 %	-0.09 %	1.28 %	-5.33 %	3.85 %
Income taxes	-2.86 %	-6.07 %	-0.44 %	-1.19 %	1.60 %	-1.16 %
Net income / loss	3.07 %	4.06 %	-0.77 %	-0.52 %	-1.20 %	0.87 %

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7 Balance sheets

Balance sheet - Realtech AG						
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Assets						
Cash and cash equivalents	7.30	6.36	13.22	11.26	9.32	9.77
Securities	0.00	0.00	0.00	0.00	0.00	0.00
Trade accounts and notes receivables	17.99	16.71	9.88	11.44	11.78	12.67
Other current assets	1.74	4.35	4.93	5.47	5.64	6.06
Current assets	27.04	27.42	28.04	28.17	26.74	28.50
Property, plant and equipment	8.98	14.32	13.64	13.29	13.52	13.74
Other intangible assets	0.64	0.62	0.44	0.47	0.53	0.57
Goodwill	4.34	4.33	4.33	4.33	4.33	4.33
Other financial assets	0.15	0.20	0.66	0.30	0.31	0.34
Deferred tax assets	0.22	2.54	2.91	3.10	3.25	3.13
Non-current assets	14.32	22.01	21.98	21.50	21.94	22.12
Total assets	41.35	49.43	50.02	49.68	48.68	50.61
Liabilities						
Trade payables	1.93	1.46	1.36	1.95	2.00	1.82
Other liabilities	4.80	12.08	10.25	11.94	12.30	13.22
Short-term leasing debt	0.00	0.26	1.82	2.05	2.06	2.07
Provisions	5.68	3.04	3.05	2.58	2.66	2.86
Current liabilities	12.41	16.85	16.48	18.52	19.01	19.97
Long-term leasing debt	0.00	5.33	5.14	4.69	4.59	4.49
Deferred tax liabilities	0.38	1.85	1.84	1.88	2.03	1.91
Long-term liabilities	0.38	7.18	6.99	6.57	6.62	6.40
Total liabilities	12.79	24.03	23.47	25.09	25.63	26.37
Shareholders equity	27.79	24.46	25.61	23.71	23.22	23.60
Minority interests	0.78	0.94	0.93	0.87	-0.16	0.64
Total equity and liabilities	41.35	49.43	50.02	49.68	48.68	50.61

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8 Cash flow statements

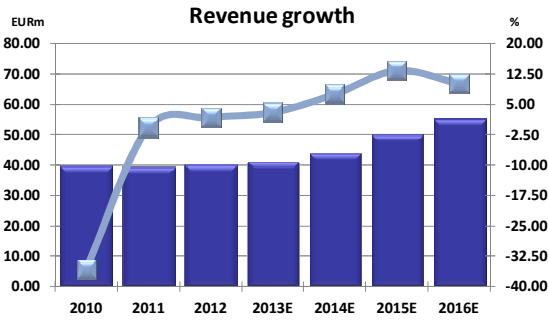
Cash flow statement - Realtech AG						
in EURm	Fiscal year					
	2009	2010	2011	2012	2013E	2014E
Net income / loss	1.20	-1.37	0.81	-0.21	-0.49	0.38
Depreciation & Amortization	1.13	1.15	1.24	1.23	1.27	1.36
Change of working capital	5.36	0.81	6.73	-0.97	-0.10	-0.56
Others	-2.58	1.65	-6.23	0.74	0.08	0.20
Net operating cash flow	5.11	2.24	2.54	0.79	0.75	1.39
Cash flow from investment	-0.62	-1.12	4.33	-0.52	-1.55	-1.63
Free cash flow	4.49	1.12	6.88	0.27	-0.80	-0.24
Cash flow from financing	-2.50	-2.62	-0.05	-2.08	-1.14	0.69
Change of cash	1.99	-0.94	6.86	-1.96	-1.94	0.45
Cash at the beginning of the period	5.32	7.30	6.36	13.22	11.26	9.32
Cash at the end of the period	7.30	6.36	13.22	11.26	9.32	9.77

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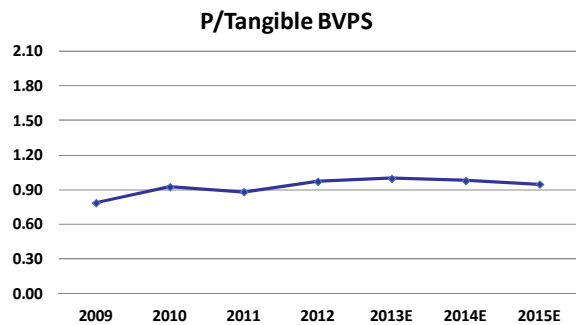
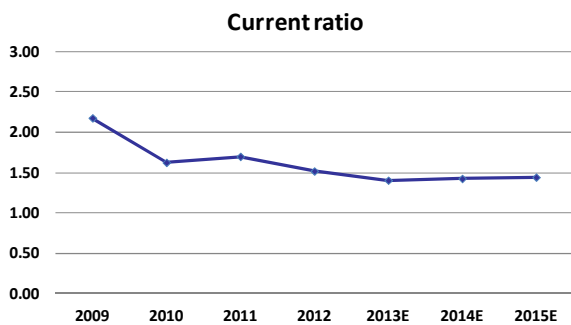
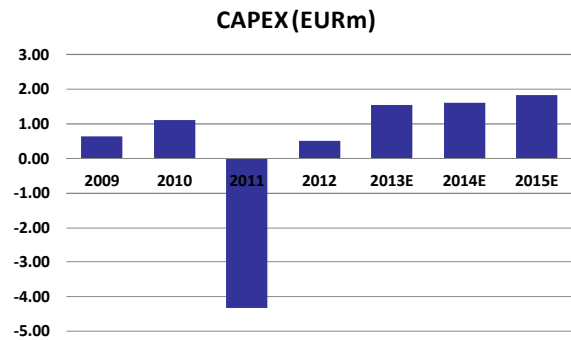
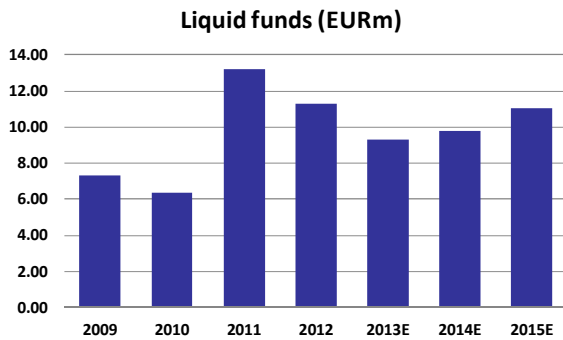
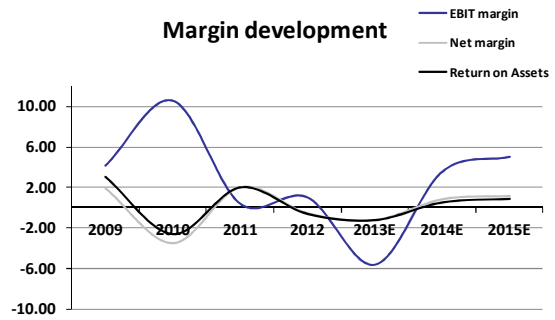
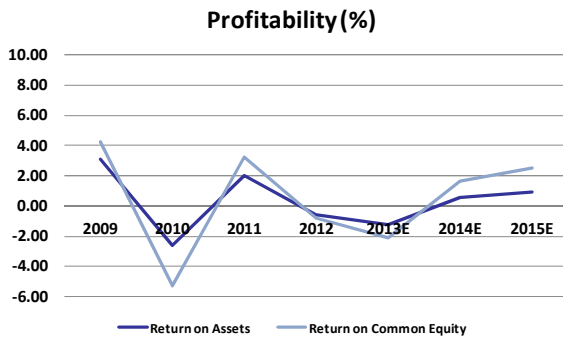
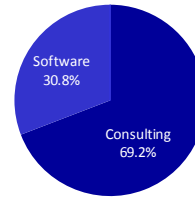
9 Financial ratios

Fiscal year	2009	2010	2011	2012	2013E	2014E	2015E	2016E
Gross margin	35.65%	48.37%	46.41%	48.50%	48.00%	55.20%	55.40%	56.00%
EBITDA margin	6.02%	13.50%	3.59%	4.14%	-2.49%	6.69%	8.14%	9.54%
EBIT margin	4.18%	10.58%	0.43%	1.05%	-5.58%	3.60%	5.05%	6.45%
Net margin	1.95%	-3.48%	2.06%	-0.52%	-1.20%	0.87%	1.19%	1.51%
Return on equity (ROE)	4.27%	-5.26%	3.22%	-0.84%	-2.10%	1.64%	2.50%	3.37%
Return on assets (ROA)	3.08%	-2.60%	2.03%	-0.60%	-1.21%	0.55%	0.90%	1.23%
Return on capital employed (ROCE)	4.79%	5.17%	2.83%	0.09%	-5.40%	3.63%	5.48%	7.20%
Net debt (in EURm)	-7.30	-0.77	-6.25	-4.52	-2.67	-3.21	-4.57	-6.65
Net gearing	-26.29%	-3.14%	-24.41%	-19.05%	-11.50%	-13.61%	-18.88%	-26.58%
Equity ratio	67.19%	49.49%	51.21%	47.73%	47.69%	46.63%	44.37%	42.61%
Current ratio	2.18	1.63	1.70	1.52	1.41	1.43	1.45	1.50
Quick ratio	2.04	1.37	1.40	1.23	1.11	1.12	1.14	1.19
Net interest cover	17.20	21.33	0.82	-4.55	22.46	-14.18	-20.69	-26.87
Net debt/EBITDA	-1.97	-0.14	-4.45	-2.74	2.61	-1.09	-1.12	-1.27
Tangible BVPS	4.44	3.78	3.97	3.60	3.51	3.58	3.69	3.84
Capex/Sales	-2.07%	-16.38%	-0.96%	-2.30%	-3.78%	-3.69%	-3.69%	-3.61%
Working capital/Sales	21.10%	19.04%	8.19%	7.59%	7.61%	8.35%	8.43%	8.54%
EV/Sales	0.25	0.39	0.40	0.39	0.38	0.35	0.31	0.28
EV/EBITDA	4.19	2.92	11.06	9.44	-15.21	5.28	3.83	2.97
EV/EBIT	6.04	3.72	92.55	37.20	-6.80	9.80	6.17	4.39
P/Tangible BVPS	0.79	0.93	0.88	0.97	1.00	0.98	0.95	0.91
P/E	15.36	-13.56	23.29	-91.45	-38.21	49.17	31.59	22.73
P/FCF	16.62	2.71	68.28	-23.26	-77.37	127.69	49.17	-26.44

Source: Company information, Dr. Kalliwoda Research GmbH



Sales split 2012



Source: Company information, Dr. Kalliwoda Research GmbH

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KAUFEN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung von mindestens 10 % aufweisen	BUY
AKKUMULIEREN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung zwischen 5% und 10% aufweisen	ACCUMULATE
HALTEN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung zwischen 5% und - 5% aufweisen	HOLD
REDUZIEREN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung zwischen - 5% und - 10% aufweisen	REDUCE
VERKAUFEN:	Die Aktie wird auf Basis unserer Prognosen auf Sicht von 12 Monaten eine Kursentwicklung von mindestens - 10 % aufweisen	SELL

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