

August 13, 2012

Europe | Germany | Software

DR. KALLIWODA
RESEARCH GmbH

Update

BUY

Target price: EUR 2.90

Overview

Industry:	Software
Country:	Germany
Reuters:	WWDG.DE
WKN	520470
Website:	www.vwd.com

Current Price:	1,85
	High Low
Price 52W.:	3,04 1,79
Market Cap. (Mill. EUR)	47,7
No. Of Shares (in Mill.)	25,8

Shareholders

Free Float	5,54%
Deutsche Balaton AG	35,23%
Dietmar Hopp	28,00%
Edmund J. Keferstein	14,99%
Oliver Hopp	11,07%
Spencer Bosse	4,67%
Pieter van Halem	0,50%

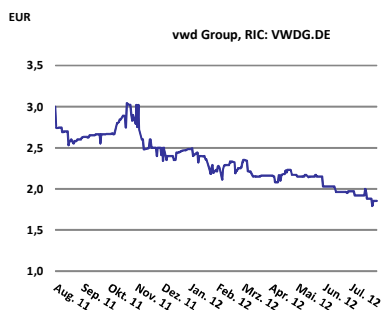
Performance

4 Weeks	-5,9%
13 Weeks	-14,6%
26 Weeks	-16,9%
52 Weeks	-38,2%
YTD	-24,1%

Dividend

	EUR/Share	in %
2009	0,04	2,16%
2010	0,00	0%
2011e	0,00	0%
2012e	0,00	0%
2013e	0,00	0%

52-Week Chart



Analyst Coverage

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vwd Verein. Wirtschaftsdienste AG

Revising forecasts after H1/12 results

- vwd's H1/12 results showed a weaker development y-o-y. While sales grew strongly (+19.3% to €44.1m), EBIT deteriorated by 25.9% y-o-y to €1.5m. Due to much higher tax expenses y-o-y resulting from lower deferred tax assets, net income decreased even more, from €0.8m in H1/11 to €-0.1m.
- In H1/12, the main growth driver was the segment Market Data Solutions (+35.3% y-o-y to €23.6m), which benefitted from the integration of vwd group Italia as well as strong product sales of vwd market manager financials and market data feeds. While the segment Technology Solutions grew by 14.5% y-o-y to €10.5m, Specialized Marketing Solutions deteriorated by 3.2% y-o-y to €10.1m due to weak advertising sales of the portal finanztreff.de. The main reason, why vwd's EBIT and net income came in lower y-o-y, were significantly higher variable expenses (e.g. transaction costs, stock exchange processing fees) stemming from business expansion in Italy.
- As a much weaker net income and higher investments into working capital y-o-y were offset by higher net assets and D&A expenses the operating cash flow remained constant y-o-y at €9.1m. Together with cash outflows from investing and financing activity of €1.3m and €1.5m respectively, this resulted in an increase of the cash position from €7.8m to €14.1m. As the net debt equaled €0.1m and shareholder's equity €25.4m, vwd's net gearing amounted to 0.4% as of 30 June 2012.
- Despite unchanged management guidance, we have lowered our forecasts for 2012 and due to the basis effect also for the next years. Consequently, our 12-months DCF-based price target goes down from previously €3.03 to €2.90 (Buy rating unchanged). For full-year 2012, we are cautious due to the still unresolved Euro debt crisis and expect sales at the lower end of vwd's guidance and EBITDA below. From 2013, vwd should however benefit from higher synergies especially relating to its Italian business and robust demand for its services due to regulatory changes.

Key Figures

EURm	2008	2009	2010	2011	2012E	2013E
Net sales	73,36	79,23	76,12	80,89	86,95	96,52
EBITDA	10,89	9,75	7,45	9,06	9,28	10,69
EBIT	8,28	5,81	3,14	4,02	3,86	4,67
Net income	3,43	2,51	0,62	-2,64	-0,35	1,87
EPS	0,14	0,10	0,02	-0,10	-0,01	0,07
BVPS	0,99	1,10	1,08	0,98	0,97	1,05
RoE	14,11%	9,58%	2,21%	-9,95%	-1,40%	7,19%
EBIT margin	11,28 %	7,33 %	4,12 %	4,97 %	4,44 %	4,84 %
P/E	13,33	18,91	77,21	neg	neg	25,50
P/BVPS	1,88	1,69	1,72	1,88	1,90	1,77
EV/EBITDA	4,39	4,91	6,42	5,28	5,15	4,47

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1 Company profile

vwd Vereinigte Wirtschaftsdienste AG is a leading service provider in the area of preparation and distribution of financial information. With locations in Germany, Belgium, France, the Netherlands, Switzerland and since recently also in Italy, the Group operates mainly on the European market.

vwd divides its operations into three business units. In the business unit Market Data Solutions (MDS), it offers banks, financial institutions, asset managers, companies and private investors a wide spectrum of market data systems, applications and portfolio management solutions with a focus on standardized software, which generates high returns to scale.

The business unit Technology Solutions (TS) offers information, technology and transaction solutions (Tradelink) as well as consulting services for client-specific requirements of the financial community. This comprises the realization and hosting of professional websites for banks, online brokers and media as well as the concept and provision of ready-to-print stock quotes for daily newspapers and financial magazines.

In the business segment Specialised Market Solutions (SMS), vwd offers its clients certificate ratings as well as customized advertising specials for issuers in the financial media. With its solutions, the company allows its customers to approach their target groups directly through different wide-coverage media.

vwd Vereinigte Wirtschaftsdienste AG is one of few companies worldwide, which collect their data themselves and distribute them in edited software products. In its markets, vwd acts as a full-service-provider and is able to contribute with its wide product offering to the customer's problem solution. For establishing client contacts, the company uses its high brand awareness within the financial industry, which it has gained through a longstanding provision of stock quotes. In the area of financial information, vwd is subject to strong competition from Reuters and Bloomberg, is however the cheapest provider. In terms of geographic regions, the company focuses on continental Europe, where it holds the leading position in its markets when it comes to sales volume. This is a major competitive advantage as the connection of different data sources and their maintenance only pays off with a certain critical size. On the national level, the company only has small competitors. In the industry, know-how and system availability are also important market entry barriers. Therefore, training of staff and investments into research and development have a high value at vwd.

In terms of the competitive position and payment default risks on the customer level, vwd benefits from a balanced customer portfolio and stable revenue sources. The clients are usually large companies. As the 10 largest customers contribute less than a fifth to total revenues, the dependence on single customers is relatively small. However, there is a high dependence on the advertising and financial sector. With the provision of stock quotes for print media and recurring revenues e.g. in the segment MDS, vwd has a stable sales basis and therefore planning security. The share of recurring revenues amounts to 80% on average. An important part of the company's philosophy is the maintenance of solid financing. Thus, vwd has the relevant structures, which allow it to use the scalability of its business model by acquiring new customers and distributing new product developments efficiently. The company expands organically as well as geographically through acquisitions.

2 Valuation

In order to value vwd, we have used our DCF model, which derives a 12-months price target for the stock of €2.90. Compared to the current market level, this corresponds to an upside of 56.3%.

WACC assumptions

Growth assumptions

Long-term growth rate	2,0%
Assimilation phase (from 2016)	4 years
Sales growth at the beginning	10,0%
Margin development (p.a)	-5 bps

Equity

Risk-free rate	2,3%
Market risk premium	6,0%
Beta	1,30

Equity costs

10,1%

Debt costs

Debt costs (before tax)	6,0%
Tax rate on interest	30,0%

Debt costs (after tax)

4,2%

Equity

100,0%

Debt

0,0%

Gearing

0,0%

WACC

10,1%

DCF model

Discounted Cash Flow Model (Basis 08/2012)

in EURm	Phase 1								
	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Net sales	86,95	96,52	106,46	117,10	127,06	135,95	142,75	147,03	149,97
(y-o-y change)	7,5%	11,0%	10,3%	10,0%	8,5%	7,0%	5,0%	3,0%	2,0%
EBIT	3,86	4,67	6,22	7,43	8,44	8,89	9,33	9,46	9,53
(EBIT margin)	4,4%	4,8%	5,8%	6,3%	6,6%	6,5%	6,5%	6,4%	6,3%
NOPLAT	0,77	3,27	4,35	5,20	5,91	6,22	6,53	6,63	6,67
+ Depreciation	5,43	6,02	6,64	7,31	7,93	8,48	8,91	9,17	9,36
= Net operating cash flow	6,20	9,29	11,00	12,51	13,84	14,71	15,44	15,80	16,03
- Total investments (Capex and WC)	-3,73	-5,18	-5,85	-6,52	-7,38	-8,21	-9,04	-9,73	-10,14
Capital expenditure	-4,73	-7,37	-8,02	-8,75	-9,27	-9,68	-9,85	-9,82	-9,84
Working capital	1,01	2,19	2,17	2,23	1,89	1,47	0,81	0,08	-0,30
= Free cash flow (FCF)	2,47	4,11	5,14	5,99	6,46	6,50	6,40	6,07	5,89
PV of FCFs	2,38	3,60	4,09	4,32	4,24	3,87	3,46	2,98	2,63

PV of FCFs in explicit period	31,57
PV of FCFs in terminal period	38,01
Enterprise value (EV)	69,58
+ Net cash / - net debt	-0,11
+ Investments / - Minorities	-1,67
Shareholder value	67,80
Number of shares outstanding (m)	25,75

WACC	10,10%
Equity costs	10,1%
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)	2,63
Fair value per share in € (in 12 months)	2,90

Sensitivity analysis		Terminal EBIT margin						
		3,3%	4,3%	5,3%	6,3%	7,3%	8,3%	9,3%
WACC	7,1%	3,19	3,69	4,20	4,70	5,21	5,71	6,22
	8,1%	2,73	3,12	3,51	3,90	4,29	4,68	5,07
	9,1%	2,40	2,71	3,02	3,33	3,64	3,95	4,26
	10,1%	2,14	2,39	2,65	2,90	3,15	3,40	3,66
	11,1%	1,94	2,15	2,36	2,56	2,77	2,98	3,19
	12,1%	1,77	1,95	2,12	2,29	2,47	2,64	2,82

Source: Dr. Kalliwoda Research GmbH

3 H1 2012 financial results

Revenues

In H1/12, vwd generated total sales of €44.1m, which were 19.3% higher y-o-y. The reasons were the introduction of a new solution, which allows a standardised investment process, and business expansion in Italy.

The sales growth was driven by the segment Market Data Solutions (+35.3% to €23.6m), which had by far the highest share in total sales (H1/12: 53.5%). Between January and June 2012, Market Data Solutions benefitted from the contract, which vwd signed in 2011 with Il Sore 24 Ore S.p.A, the publisher of the largest Italian financial and economic newspaper, as well as strong product sales of vwd market manager financials and market data feeds.

vwd's other two segments, Technology Solutions (TS) and Specialised Marketing Solutions (SMS), showed a weaker development. TS reported H1/12 sales of €10.5m, which were 14.5% above previous year. Revenues of the SMS segment even went down by 3.2% y-o-y to €10.1m. While TS benefitted from a growing demand for solutions for structured distribution of financial products as well as business-process-outsourcing solutions by asset managers e.g. in Switzerland, SMS suffered from lower advertising sales of the financial portal finanztreff.de.

H1/2012 vs previous year

in EURm	H1 2012	H1 2011	change (%)
Net sales	44,10	36,95	19,3%
EBITDA	4,01	4,03	-0,4%
EBITDA margin	9,1%	10,9%	
EBIT	1,45	1,95	-25,9%
EBIT margin	3,3%	5,3%	
Net income	-0,07	0,76	-108,6%
Net margin	-0,1%	2,0%	

Source: Company data, Dr. Kalliwoda Research GmbH

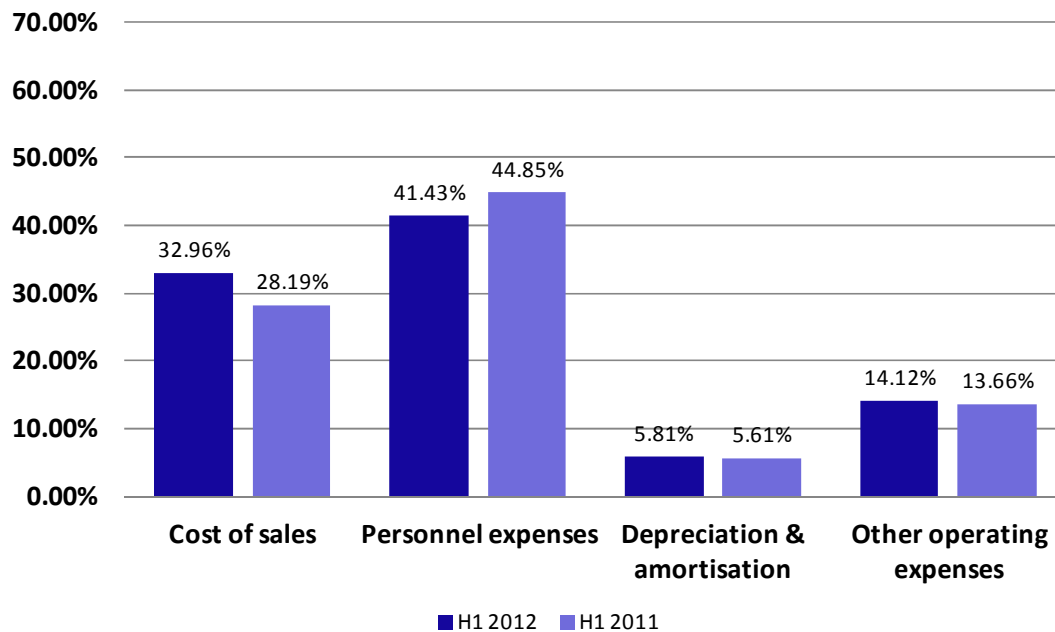
Sales and EBIT margins according to segments H1/12 vs. H1/11

	H1 2012	H1 2011		H1 2012	H1 2011
Market Data Solutions			Specialised Marketing Solutions		
Sales €m	23,57	17,42	Sales €m	10,05	10,38
share in total sales	53,5%	47,1%	share in total sales	22,8%	28,1%
EBIT margin	5,5%	7,4%	EBIT margin	0,0%	5,4%
Technology Solutions			Group		
Sales €m	10,47	9,15	Total sales	44,10	36,95
share in total sales	23,8%	24,8%	change y-o-y	19,3%	
EBIT margin	1,6%	1,2%			

Source: Company data, Dr. Kalliwoda Research GmbH

Profitability

Share in sales H1/12 vs. H1/11



Source: Company data, Dr. Kalliwoda Research GmbH

Despite a strong sales development, vwd's EBIT and net income were significantly below H1/11. The main reasons were significantly higher sales-dependent expenses such as stock exchange processing fees, transmission costs and expenses relating to collecting information, which stemmed especially from vwd's expansion to Italy in 2011. The share of depreciation and amortization expenses increased y-o-y due to purchase price allocations relating to acquisitions, which vwd had conducted in the last years. Other operating expenses were positively affected by valuation costs relating to the put option of the EDG Unternehmensgruppe. As the tax expenses strongly increased due to lower deferred tax assets, net income decreased much more than EBITDA and EBIT in H1/12 (-108.6% to €65k).

Balance Sheet and Cash Flow

At the end of June 2012, the most important positions on vwd's balance sheet were (1) goodwill of €47.4m (2) Other short-term liabilities of €27.3m and (3) equity of €27.1m. As of 30 June 2012, the company had interest-bearing debt of €14.6m (short- and long-term bank debt and pension obligations) and liquid funds of €14.5m. Thus, the net cash position amounted to €0.1m.

Despite lower net income and higher working capital investments y-o-y (€6.6m vs. €3.1m in H1/11), the operating cash flow remained constant at €9.1m. The reasons were higher D&A expenses (€2.6m vs. €2.1m) as well as an increase of other net assets by €12.9m due to the EDG put option.

As both the cash outflow from investing and financing activity remained more or less unchanged y-o-y (€1.3m and €1.5m respectively), the total cash position increased from €7.8m as of 1 January 2012 to €14.1m at the end of June 2012.

4 Outlook

Although the Euro debt crisis is having a profound negative impact on the financial sector and thus on its investment activity, vwd is optimistic when it comes to its development in the coming years. The reasons are continuous changes of financial regulation, which require an ongoing review and optimization of business processes. Also, the new financial investment intermediation act in Germany (Finanzanlagevermittlungsverordnung), which will become law in 2013, provides additional business opportunities for vwd. On the profitability level, management forecast an improvement due to among others a better integration of the Italian business and synergies there from.

Following a weak H1/12, we have lowered our estimates for 2012 and the next years. As we do not believe that the situation on financial markets will improve much in H2/12, our forecasts for the current fiscal year remain at the lower end or below vwd's own guidance. Management have maintained their own forecasts of €87-96m for sales and €9.6-10.5m for EBITDA, with the segment MDS contributing both the highest sales (€42.8m-47.1m) and EBITDA (€4.9-5.5m).

Our forecasts 2012E - 2014E

in EURm	2012E		2013E		2014E	
	new	old	new	old	new	old
Net sales	86,95	89,00	96,52	99,00	106,46	109,00
EBITDA	9,28	10,00	10,69	13,00	12,86	17,00
EBITDA margin	10,7%	11,2%	11,1%	13,1%	12,1%	15,6%
EBIT	3,86	6,00	4,67	9,00	6,22	11,00
EBIT margin	4,4%	6,7%	4,8%	9,1%	5,8%	10,1%
Net income	-0,35	3,00	1,87	5,00	2,77	7,00
Net margin	-0,4%	3,4%	1,9%	5,1%	2,6%	6,4%

Source: Dr. Kalliwoda Research GmbH

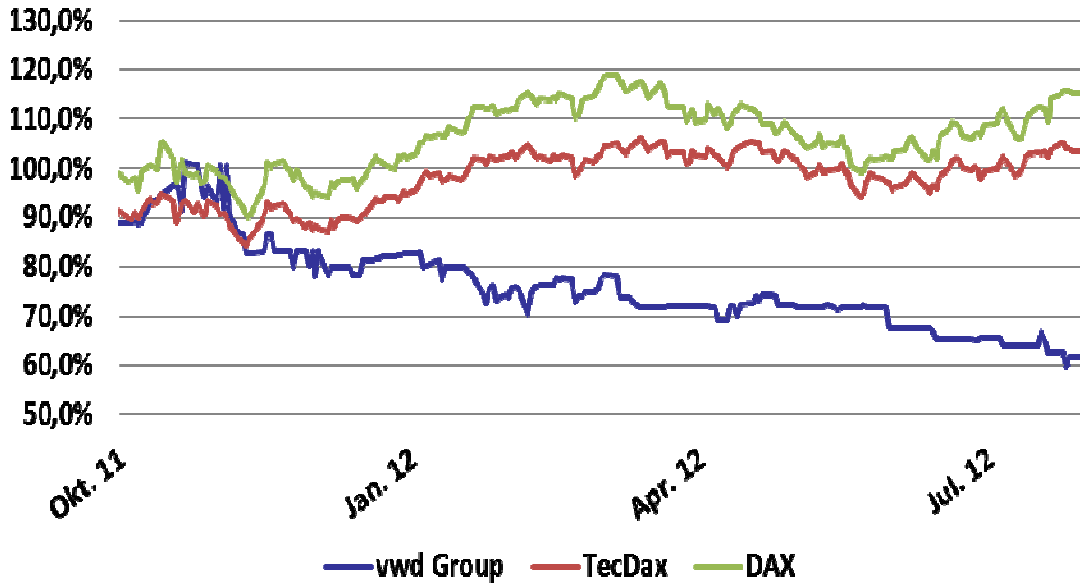
Sales estimates according to segments 2012E-2014E

in EURm	2012E	2013E	2014E
Market Data Solutions	42,88	47,79	52,93
change y-o-y	7,9%	11,5%	10,7%
share in total sales	49,3%	49,5%	49,7%
Technology Solutions	21,62	24,19	26,90
change y-o-y	8,4%	11,9%	11,2%
share in total sales	24,9%	25,1%	25,3%
Specialised Marketing Soluti	22,45	24,53	26,63
change y-o-y	5,9%	9,3%	8,6%
share in total sales	25,8%	25,4%	25,0%
Total sales	86,95	96,52	106,46

Source: Dr. Kalliwoda Research GmbH

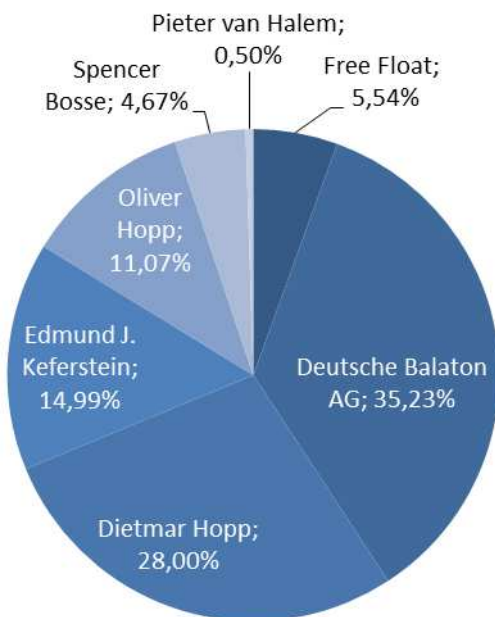
5 Stock and Shareholder Structure

Stock Price Development



Source: Reuters, Own Calculations

Shareholder Structure



Source: Company

6 Profit and loss statements

Profit and loss statement - vwd group						
	Fiscal year					
in EURm	2008	2009	2010	2011	2012E	2013E
Sales split						
<i>Market Data Solutions</i>	34,71	36,34	35,41	39,73	42,88	47,79
<i>Technology Solutions</i>	15,98	19,89	18,51	19,95	21,62	24,19
<i>Specialised Marketing Solutions</i>	22,67	23,01	22,20	21,21	22,45	24,53
Net sales	73,36	79,23	76,12	80,89	86,95	96,52
<i>Change in inventories</i>	0,00	-0,01	0,00	0,00	0,00	0,00
Total Output	73,51	79,54	76,33	81,62	87,70	97,28
<i>Cost of goods sold</i>	-24,32	-27,21	-26,84	-27,65	-28,94	-31,91
Gross profit	49,19	52,33	49,48	53,97	58,76	65,37
<i>Other operating income</i>	2,23	2,86	3,00	3,68	2,39	2,44
<i>Personnel costs</i>	-27,25	-31,99	-32,85	-34,63	-36,83	-40,76
<i>Depreciation & Amortization</i>	-2,62	-3,94	-4,32	-5,05	-5,43	-6,02
<i>Other operating expenses</i>	-13,28	-13,45	-12,19	-13,95	-15,03	-16,36
EBIT	8,28	5,81	3,14	4,02	3,86	4,67
<i>Net financial results</i>	-0,66	-0,92	-1,22	-5,23	-1,50	-1,55
EBT	7,61	4,89	1,92	-1,21	2,36	3,12
<i>Income taxes</i>	-3,17	-1,76	-0,72	-0,95	-1,89	-0,94
<i>Minority interests</i>	-1,01	-0,61	-0,59	-0,48	-0,83	-0,31
Net income / loss	3,43	2,51	0,62	-2,64	-0,35	1,87
<i>EPS</i>	0,14	0,10	0,02	-0,10	-0,01	0,07
<i>DPS</i>	0,00	0,04	0,00	0,00	0,00	0,00
Change y-o-y						
<i>Net sales</i>	n.a	8,01%	-3,92%	6,26%	7,50%	11,00%
<i>Total Output</i>	n.a	8,21%	-4,04%	6,93%	7,45%	10,92%
<i>Cost of goods sold</i>	n.a	11,89%	-1,35%	3,02%	4,66%	10,25%
<i>Gross profit</i>	n.a	6,39%	-5,45%	9,06%	8,88%	11,25%
<i>Other operating income</i>	n.a	27,93%	5,13%	22,52%	-35,00%	2,00%
<i>Personnel costs</i>	n.a	17,40%	2,68%	5,44%	6,36%	10,66%
<i>Depreciation & Amortization</i>	n.a	50,73%	9,46%	16,92%	7,50%	11,00%
<i>Other operating expenses</i>	n.a	1,27%	-9,40%	14,48%	7,75%	8,83%
<i>EBIT</i>	n.a	-29,84%	-45,96%	28,00%	-3,93%	21,01%
<i>Net financial results</i>	n.a	38,15%	32,63%	329,36%	-71,29%	3,33%
<i>EBT</i>	n.a	-35,77%	-60,71%	-162,91%	-295,17%	32,25%
<i>Income taxes</i>	n.a	-44,40%	-59,32%	31,92%	99,37%	-50,41%
<i>Net income / loss</i>	n.a	-26,64%	-75,49%	-528,27%	-86,58%	-628,99%
<i>EPS</i>	n.a	-29,50%	-75,51%	-525,00%	-86,53%	-628,99%
<i>DPS</i>	n.a	n.a	-100,00%	n.a	n.a	n.a
Share in total sales						
<i>Net sales</i>	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
<i>Total Output</i>	96,56 %	104,49 %	100,27 %	107,22 %	115,21 %	127,79 %
<i>Cost of goods sold</i>	-31,94 %	-35,74 %	-35,26 %	-34,19 %	-33,28 %	-33,06 %
<i>Gross profit</i>	64,62 %	68,75 %	65,00 %	66,72 %	67,58 %	67,73 %
<i>Other operating income</i>	2,93 %	3,75 %	3,94 %	4,55 %	2,75 %	2,53 %
<i>Personnel costs</i>	-35,80 %	-42,02 %	-43,15 %	-42,81 %	-42,36 %	-42,23 %
<i>Depreciation & Amortization</i>	-3,44 %	-5,18 %	-5,67 %	-6,24 %	-6,24 %	-6,24 %
<i>Other operating expenses</i>	-17,45 %	-17,67 %	-16,01 %	-17,25 %	-17,29 %	-16,95 %
<i>EBIT</i>	10,87 %	7,63 %	4,12 %	4,97 %	4,44 %	4,84 %
<i>Net financial results</i>	-0,87 %	-1,21 %	-1,60 %	-6,46 %	-1,73 %	-1,61 %
<i>EBT</i>	10,00 %	6,42 %	2,52 %	-1,49 %	2,71 %	3,23 %
<i>Income taxes</i>	-4,17 %	-2,32 %	-0,94 %	-1,17 %	-2,17 %	-0,97 %
<i>Net income / loss</i>	4,50 %	3,30 %	0,81 %	-3,26 %	-0,41 %	1,94 %

7 Balance sheets

Balance sheet - vwd group						
in EURm	Fiscal year					
	2008	2009	2010	2011	2012E	2013E
Assets						
Cash and cash equivalents	10,63	9,29	7,67	11,77	14,57	18,62
Inventories	0,03	0,03	0,02	0,02	0,02	0,02
Trade accounts and notes receivables	5,80	4,75	4,06	5,15	5,54	6,14
Other current assets	2,11	3,19	2,63	3,11	3,34	3,71
Current assets	18,58	17,27	14,37	20,04	23,46	28,50
Property, plant and equipment	5,85	4,56	4,37	4,28	4,58	4,88
Other intangible assets	11,00	11,21	10,16	11,43	10,43	11,49
Goodwill	36,65	46,50	46,90	47,36	47,36	47,36
Property held as financial assets	0,53	0,00	0,00	0,00	0,00	0,00
Other financial assets	0,90	0,43	0,43	0,45	0,48	0,53
Deferred tax assets	0,88	0,98	1,71	2,99	3,10	2,53
Non-current assets	55,80	63,68	63,56	66,50	65,95	66,79
Total assets	74,38	80,95	77,93	86,55	89,41	95,29
Liabilities						
Trade payables	5,34	6,59	6,20	11,41	11,35	11,86
Other liabilities	12,31	13,75	14,40	22,50	24,19	26,85
Short-term financial debt	6,16	10,18	7,12	6,11	6,12	6,13
Provisions	1,69	1,83	2,07	2,52	2,71	3,01
Current liabilities	25,51	32,36	29,79	42,54	44,36	47,84
Long-term financial debt	9,26	10,53	8,42	6,32	6,22	6,12
Pension provisions	5,68	4,70	6,92	6,87	7,39	8,20
Other provisions	1,01	0,57	0,81	0,58	0,62	0,69
Deferred tax liabilities	2,27	2,72	2,47	2,97	3,08	2,52
Long-term liabilities	18,23	18,52	18,63	16,74	17,30	17,52
Total liabilities	43,74	50,88	48,42	59,28	61,66	65,36
Shareholders equity	24,27	28,18	27,60	25,43	25,08	26,95
Minority interests	6,37	1,89	1,91	1,84	2,67	2,98
Total equity and liabilities	74,38	80,95	77,93	86,55	89,41	95,29

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8 Cash flow statements

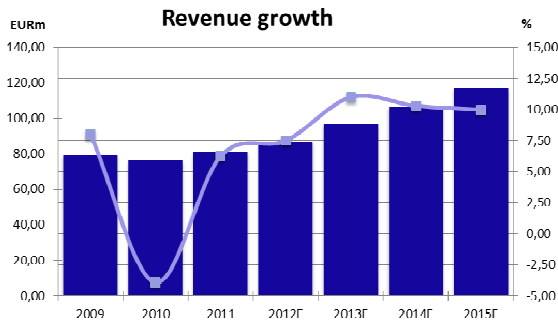
Cash flow statement - vwd group						
in EURm	Fiscal year					
	2008	2009	2010	2011	2012E	2013E
Net income / loss	3,43	2,51	0,62	-2,64	-0,35	1,87
Depreciation & Amortization	2,62	3,94	4,32	5,05	5,43	6,02
Change of working capital	-1,92	2,67	0,31	4,08	1,01	2,19
Others	1,20	-4,62	2,02	6,54	0,40	0,41
Net operating cash flow	5,32	4,51	7,26	13,02	6,48	10,49
Cash flow from investment	-13,61	-5,18	-2,12	-5,25	-8,02	-8,75
Free cash flow	-8,29	-0,67	5,14	7,78	-1,54	1,75
Cash flow from financing	9,62	-5,14	-3,71	-2,66	4,34	2,31
Change of cash	6,21	-5,36	1,44	5,12	2,80	4,06
Cash at the beginning of the period	0,37	6,58	1,22	2,65	11,77	14,57
Cash at the end of the period	6,58	1,22	2,65	7,77	14,57	18,62

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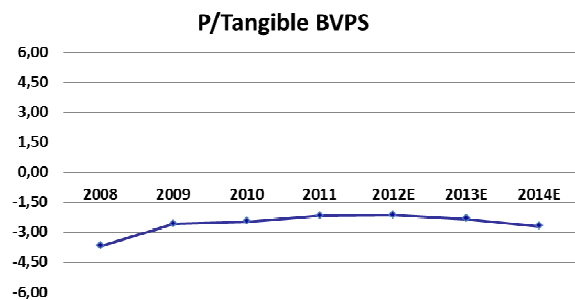
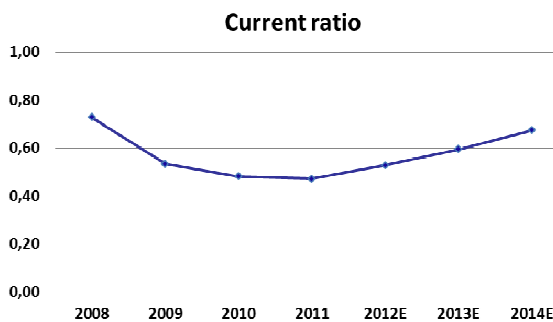
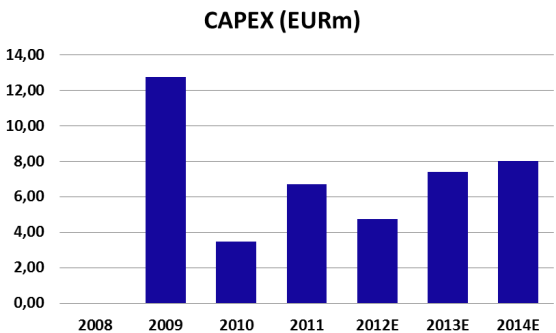
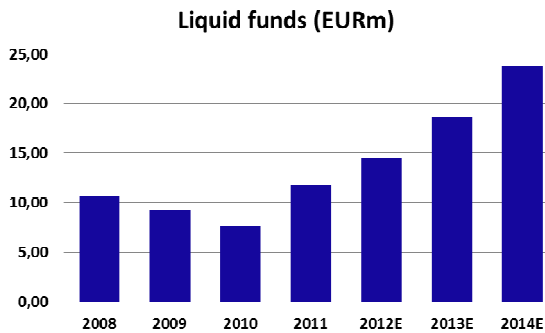
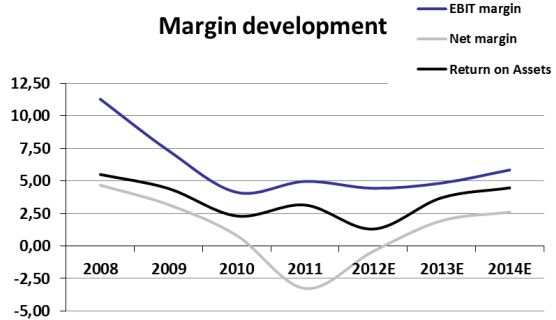
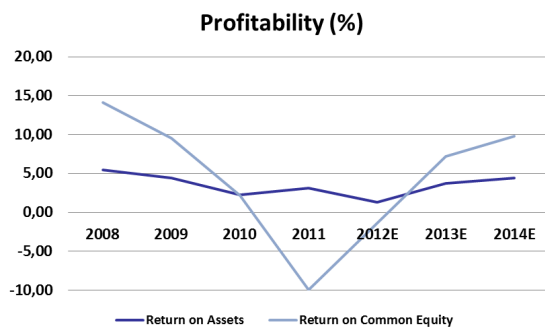
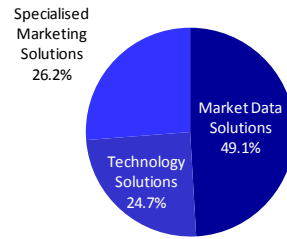
9 Financial ratios

Fiscal year	2008	2009	2010	2011	2012E	2013E	2014E	2015E
Gross margin	66,92%	65,79%	64,83%	66,12%	67,00%	67,20%	67,40%	67,60%
EBITDA margin	14,85%	12,31%	9,79%	11,21%	10,68%	11,08%	12,08%	12,58%
EBIT margin	11,26%	7,30%	4,11%	4,92%	4,40%	4,80%	5,80%	6,30%
Net margin	4,66%	3,16%	0,81%	-3,23%	-0,40%	1,92%	2,58%	2,94%
Return on equity (ROE)	14,11%	9,58%	2,21%	-9,95%	-1,40%	7,19%	9,78%	11,02%
Return on assets (ROA)	5,50%	4,42%	2,31%	3,15%	1,30%	3,71%	4,47%	4,89%
Return on capital employed (ROCE)	9,88%	7,64%	4,08%	16,27%	1,71%	6,89%	8,89%	9,64%
Net debt (in EURm)	10,47	16,12	14,80	7,52	5,15	1,81	-2,55	-7,73
Net gearing	43,15%	57,21%	53,62%	29,57%	20,54%	6,73%	-8,58%	-23,29%
Equity ratio	32,63%	34,81%	35,41%	29,38%	28,05%	28,28%	29,63%	30,48%
Current ratio	0,73	0,53	0,48	0,47	0,53	0,60	0,67	0,76
Quick ratio	0,64	0,43	0,39	0,40	0,45	0,52	0,59	0,68
Net interest cover	12,46	6,33	2,58	0,77	2,57	3,01	3,89	4,50
Net debt/EBITDA	0,96	1,65	1,99	0,83	0,55	0,17	-0,20	-0,52
Tangible BVPS	-0,50	-0,71	-0,75	-0,85	-0,87	-0,79	-0,68	-0,55
Capex/Sales	n.a	-16,06%	-4,55%	-8,27%	-5,44%	-7,64%	-7,53%	-7,47%
Working capital/Sales	-13,29%	-15,65%	-18,28%	-31,72%	-30,66%	-29,89%	-29,14%	-28,39%
EV/Sales	0,65	0,60	0,63	0,59	0,55	0,50	0,45	0,41
EV/EBITDA	4,39	4,91	6,42	5,28	5,15	4,47	3,72	3,25
EV/EBIT	5,78	8,24	15,24	11,91	12,40	10,24	7,69	6,44
P/Tangible BVPS	-3,69	-2,59	-2,46	-2,19	-2,14	-2,34	-2,71	-3,37
P/E	13,33	18,91	77,21	-18,17	-134,88	25,50	17,22	13,77
P/FCF	-5,74	-70,55	9,24	6,11	-30,82	27,20	17,63	12,98

Source: Company data, Dr. Kalliwoda Research GmbH



Sales split 2011



Source: Company data, Dr. Kalliwoda Research GmbH

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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
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