CANCOM AG
Germany - IT Services

HAUCK & AUFHÄUSER
INSTITUTIONAL RESEARCH GMBH

Buy (old: Buy)

Price target: EUR 11.50 (old: EUR 11.50)

Price:	EUR 7.13	**Next result:**	Q2 2010: 11.08.10
Bloomberg:	COK GR	**Market cap:**	EUR 69.8 m
Reuters:	COKG.DE	**Enterprise Value:**	EUR 70.0 m

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CANCOM receives orders worth € 13m, gives indication on Q2

This morning, CANCOM announced that it has received two orders from government authorities for IT hardware worth a total of c. € 13.3m. CANCOM will start delivering 3,000 PC's and c. 1,000 monitors in the coming weeks, followed by a two-year roll-out of 10.000 notebooks.

We expect that the orders will be booked by c. 30% or € 4m in 2010E and by 70% or € 9.3m in 2011E. While the top-line contribution is moderate, **the profitability of the deal is significant**: We expect the order to throw off a total operating profit of up to € 1m, **implying an attractive margin of c. 8%**.

The deal underlines that **despite** widespread initiatives to cut costs IT demand from government authorities remains at a healthy level driven by stimulus packages and efforts to improve efficiency. Research institutes expect IT spending by government authorities to grow by 3-4% in 2010.

On top of this, Q2 results – due August 11 – should show that sound demand is coming not only from public authorities but also from CANCOM's focus customer group, small and mid-sized enterprises, whose IT demand is expected to grow by c. 5%. Disproportionate growth of 10%+ should come from high margin services like managed services and cloud computing – two areas where CANCOM has a strong footprint.

No wonder that CANCOM today indicated that **organic growth in Q2 2010 should surpass 10%**, which also implies market share gains vis-à-vis the large number of small competitors in the market. We expect organic growth of 12.5% and external growth of 12.5% (*Bürotex in December 2009*), which should translate into sales growth of 25% to c. € 120m in Q2 2010.

Hence, **news flow should remain very positive** and we reiterate to **BUY** the stock with an unchanged PT of € 11.50 based on DCF and FCFY 2011E.

Y/E 31.12 (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Sales	265.0	300.1	364.1	422.5	517.5	546.5	573.2
Sales growth	17 %	13 %	21 %	16 %	22 %	6 %	5 %
EBITDA	5.8	8.0	8.8	10.4	14.1	16.2	18.1
EBIT	4.3	6.2	5.4	7.0	10.3	11.8	13.1
Net income	2.4	4.7	2.7	5.1	7.1	7.3	8.3
Net debt	5.9	6.2	3.9	-3.5	0.1	-4.3	-8.7
Net gearing	18.6 %	17.2 %	9.9 %	-8.0 %	0.2 %	-8.0 %	-14.6 %
Net Debt/EBITDA	1.0	0.8	0.4	0.0	0.0	0.0	0.0
EPS fully diluted	0.24	0.45	0.36	0.49	0.68	0.71	0.80
CPS	-0.23	0.40	1.03	0.71	0.55	0.76	0.76
DPS	0.00	0.00	0.00	0.15	0.24	0.28	0.36
Dividend yield	0.0 %	0.0 %	0.0 %	2.2 %	3.5 %	4.1 %	5.3 %
Gross profit margin	24.7 %	28.8 %	29.1 %	27.5 %	29.3 %	29.8 %	30.4 %
EBITDA margin	2.2 %	2.7 %	2.4 %	2.5 %	2.7 %	3.0 %	3.2 %
EBIT margin	1.6 %	2.1 %	1.5 %	1.6 %	2.0 %	2.2 %	2.3 %
ROCE	8.9 %	10.6 %	8.5 %	10.3 %	14.0 %	15.0 %	15.7 %
EV/sales	0.3	0.3	0.2	0.2	0.1	0.1	0.1
EV/EBITDA	13.3	9.6	8.5	6.5	5.0	4.1	3.4
EV/EBIT	18.0	12.5	13.9	9.6	6.8	5.6	4.7
PER	26.6	14.6	25.6	14.0	9.9	9.6	8.5
Adjusted FCF yield	4.7 %	7.3 %	7.0 %	9.5 %	12.0 %	13.5 %	16.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 20.07.2010

Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	7.13 / 2.00
Price/Book Ratio:	1.5
Relative performance (TecDAX):	
3 months	42.6 %
6 months	93.2 %
12 months	222.5 %

Changes in estimates

		Sales	EBIT	EPS
2010	old:	517.5	10.3	0.68
	Δ	-	-	-
2011	old:	546.5	11.8	0.71
	Δ	-	-	-
2012	old:	573.2	13.1	0.80
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	10.4
Authorised capital: (in € m)	4.0
Book value per share: (in €)	4.8
Ø trading volume: (12 months)	60,000

Major shareholders:

Free Float	77.9 %
Raymond Kober	8.9 %
Stefan Kober	8.0 %
Klaus Weinmann	5.2 %

Company description:
CANCOM is the 3rd largest independent system house and IT hardware reseller in Germany.

Financials

Profit and loss (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Net sales	**265.0**	**300.1**	**364.1**	**422.5**	**517.5**	**546.5**	**573.2**
Sales growth	*17.2 %*	*13.2 %*	*21.3 %*	*16.0 %*	*22.5 %*	*5.6 %*	*4.9 %*
Increase/decrease in finished goods and work-in-process	0.0	0.9	0.3	1.0	1.0	1.0	1.0
Total sales	**265.1**	**301.0**	**364.5**	**423.4**	**518.5**	**547.5**	**574.2**
Other operating income	0.7	1.5	1.7	2.7	2.4	2.5	2.5
Material expenses	199.6	214.2	258.3	306.8	366.8	384.2	399.9
Personnel expenses	42.0	59.0	73.0	82.8	110.0	118.6	126.6
Other operating expenses	18.4	21.2	26.1	26.1	30.0	31.0	32.1
Total operating expenses	259.3	293.0	355.7	413.1	504.4	531.3	556.1
EBITDA	**5.8**	**8.0**	**8.8**	**10.4**	**14.1**	**16.2**	**18.1**
Depreciation	1.2	1.4	1.4	2.4	2.7	3.1	3.5
EBITA	**4.6**	**6.6**	**7.4**	**7.9**	**11.4**	**13.1**	**14.6**
Amortisation of goodwill	0.0	0.0	1.0	0.1	0.0	0.0	0.0
Amortisation of intangible assets	0.3	0.5	1.0	0.9	1.1	1.3	1.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**4.3**	**6.2**	**5.4**	**7.0**	**10.3**	**11.8**	**13.1**
Interest income	0.1	0.2	0.3	0.2	0.2	0.2	0.3
Interest expenses	1.1	1.0	1.6	1.5	1.5	1.5	1.5
Other financial result	0.1	0.0	-0.1	0.0	0.0	0.0	0.0
Financial result	-0.9	-0.9	-1.3	-1.3	-1.2	-1.2	-1.2
Recurring pretax income from continuing operations	**3.4**	**5.3**	**4.0**	**5.7**	**9.1**	**10.5**	**12.0**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	**3.4**	**5.3**	**4.0**	**5.7**	**9.1**	**10.5**	**12.0**
Taxes	0.6	-0.1	1.3	0.6	1.9	3.2	3.6
Net income from continuing operations	**2.8**	**5.4**	**2.8**	**5.1**	**7.2**	**7.4**	**8.4**
Result from discontinued operations (net of tax)	0.1	0.2	0.1	0.0	0.0	0.0	0.0
Net income	**2.6**	**5.2**	**2.7**	**5.1**	**7.2**	**7.4**	**8.4**
Minority interest	0.2	0.5	0.0	0.0	0.1	0.1	0.1
Net income (net of minority interest)	**2.4**	**4.7**	**2.7**	**5.1**	**7.1**	**7.3**	**8.3**
Average number of shares	9.9	10.4	10.4	10.4	10.4	10.4	10.4
EPS reported	**0.24**	**0.45**	**0.26**	**0.49**	**0.68**	**0.71**	**0.80**

Profit and loss (common size)	2006	2007	2008	2009	2010E	2011E	2012E
Net sales	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Increase/decrease in finished goods and work-in-process	0.0 %	0.3 %	0.1 %	0.2 %	0.2 %	0.2 %	0.2 %
Total sales	**100.0 %**	**100.3 %**	**100.1 %**	**100.2 %**	**100.2 %**	**100.2 %**	**100.2 %**
Other operating income	0.3 %	0.5 %	0.5 %	0.6 %	0.5 %	0.5 %	0.4 %
Material expenses	75.3 %	71.4 %	70.9 %	72.6 %	70.9 %	70.3 %	69.8 %
Personnel expenses	15.8 %	19.7 %	20.1 %	19.6 %	21.3 %	21.7 %	22.1 %
Other operating expenses	6.9 %	7.1 %	7.2 %	6.2 %	5.8 %	5.7 %	5.6 %
Total operating expenses	97.8 %	97.6 %	97.7 %	97.8 %	97.5 %	97.2 %	97.0 %
EBITDA	**2.2 %**	**2.7 %**	**2.4 %**	**2.5 %**	**2.7 %**	**3.0 %**	**3.2 %**
Depreciation	0.5 %	0.5 %	0.4 %	0.6 %	0.5 %	0.6 %	0.6 %
EBITA	**1.7 %**	**2.2 %**	**2.0 %**	**1.9 %**	**2.2 %**	**2.4 %**	**2.6 %**
Amortisation of goodwill	0.0 %	0.0 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.1 %	0.2 %	0.3 %	0.2 %	0.2 %	0.2 %	0.3 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	**1.6 %**	**2.1 %**	**1.5 %**	**1.6 %**	**2.0 %**	**2.2 %**	**2.3 %**
Interest income	0.1 %	0.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.1 %
Interest expenses	0.4 %	0.3 %	0.4 %	0.3 %	0.3 %	0.3 %	0.3 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.3 %	-0.3 %	-0.4 %	-0.3 %	-0.2 %	-0.2 %	-0.2 %
Recurring pretax income from continuing operations	**1.3 %**	**1.8 %**	**1.1 %**	**1.3 %**	**1.8 %**	**1.9 %**	**2.1 %**
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	**1.3 %**	**1.8 %**	**1.1 %**	**1.3 %**	**1.8 %**	**1.9 %**	**2.1 %**
Tax rate	18.1 %	-1.1 %	31.4 %	9.8 %	21.0 %	30.0 %	30.0 %
Net income from continuing operations	**1.0 %**	**1.8 %**	**0.8 %**	**1.2 %**	**1.4 %**	**1.4 %**	**1.5 %**
Income from discontinued operations (net of tax)	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	**1.0 %**	**1.7 %**	**0.7 %**	**1.2 %**	**1.4 %**	**1.4 %**	**1.5 %**
Minority interest	0.1 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	**0.9 %**	**1.6 %**	**0.7 %**	**1.2 %**	**1.4 %**	**1.3 %**	**1.4 %**

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Intangible assets	**20.2**	**25.7**	**28.3**	**31.5**	**35.9**	**36.1**	**36.1**
Property, plant and equipment	8.6	3.0	5.4	6.5	7.8	8.7	9.2
Financial assets	0.0	0.2	3.5	0.2	2.4	2.4	2.4
FIXED ASSETS	**28.8**	**28.9**	**37.3**	**38.2**	**46.2**	**47.3**	**47.8**
Inventories	8.7	8.6	10.1	12.6	14.6	14.8	15.5
Accounts receivable	35.8	39.3	44.2	47.2	57.4	59.9	62.8
Other current assets	0.5	1.5	6.3	5.1	5.1	5.1	5.1
Liquid assets	7.3	11.8	18.3	25.8	22.2	26.7	31.0
Deferred taxes	2.2	3.1	2.5	2.6	2.6	2.6	2.6
Deferred charges and prepaid expenses	3.2	7.4	2.1	3.4	3.4	3.4	3.4
CURRENT ASSETS	57.7	71.5	83.4	96.7	105.3	112.4	120.4
TOTAL ASSETS	**86.5**	**100.4**	**120.7**	**134.9**	**151.5**	**159.7**	**168.2**
SHAREHOLDERS EQUITY	31.7	36.3	38.9	43.9	49.4	54.3	59.7
MINORITY INTEREST	1.7	0.0	0.0	0.0	0.1	0.1	0.2
Long-term debt	12.7	16.1	20.3	21.6	21.6	21.6	21.6
Provisions for pensions and similar obligations	0.2	0.2	0.2	0.0	0.0	0.0	0.0
Other provisions	7.3	7.9	3.2	4.3	4.3	4.3	4.3
Non-current liabilities	**20.2**	**24.1**	**23.6**	**26.0**	**26.0**	**26.0**	**26.0**
short-term liabilities to banks	0.5	1.9	1.8	0.7	0.7	0.7	0.7
Accounts payable	26.2	27.5	39.3	47.9	58.8	62.1	65.2
Advance payments received on orders	0.6	0.8	2.0	1.1	1.1	1.1	1.1
Other liabilities (incl. from lease and rental contracts)	4.8	6.6	12.6	10.7	10.7	10.7	10.7
Deferred taxes	0.4	0.7	1.3	2.0	2.0	2.0	2.0
Deferred income	0.4	2.5	1.2	2.7	2.7	2.7	2.7
Current liabilities	**32.9**	**40.0**	**58.1**	**65.0**	**76.0**	**79.3**	**82.4**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**86.5**	**100.4**	**120.7**	**134.9**	**151.5**	**159.7**	**168.2**

Balance sheet (common size)	2006	2007	2008	2009	2010E	2011E	2012E
Intangible assets	**23.3 %**	**25.6 %**	**23.5 %**	**23.4 %**	**23.7 %**	**22.6 %**	**21.5 %**
Property, plant and equipment	9.9 %	3.0 %	4.5 %	4.8 %	5.2 %	5.5 %	5.5 %
Financial assets	0.0 %	0.2 %	2.9 %	0.1 %	1.6 %	1.5 %	1.5 %
FIXED ASSETS	**33.3 %**	**28.8 %**	**30.9 %**	**28.3 %**	**30.5 %**	**29.6 %**	**28.4 %**
Inventories	10.1 %	8.5 %	8.4 %	9.3 %	9.6 %	9.2 %	9.2 %
Accounts receivable	41.4 %	39.1 %	36.6 %	35.0 %	37.9 %	37.5 %	37.3 %
Other current assets	0.5 %	1.5 %	5.2 %	3.8 %	3.4 %	3.2 %	3.0 %
Liquid assets	8.4 %	11.7 %	15.1 %	19.2 %	14.7 %	16.7 %	18.5 %
Deferred taxes	2.6 %	3.1 %	2.1 %	1.9 %	1.7 %	1.6 %	1.5 %
Deferred charges and prepaid expenses	3.7 %	7.3 %	1.7 %	2.5 %	2.2 %	2.1 %	2.0 %
CURRENT ASSETS	66.7 %	71.2 %	69.1 %	71.7 %	69.5 %	70.4 %	71.6 %
TOTAL ASSETS	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
SHAREHOLDERS EQUITY	36.7 %	36.1 %	32.3 %	32.5 %	32.6 %	34.0 %	35.5 %
MINORITY INTEREST	1.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %
Long-term debt	14.7 %	16.0 %	16.9 %	16.0 %	14.3 %	13.5 %	12.9 %
Provisions for pensions and similar obligations	0.2 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	8.4 %	7.9 %	2.6 %	3.2 %	2.9 %	2.7 %	2.6 %
Non-current liabilities	**23.3 %**	**24.0 %**	**19.6 %**	**19.3 %**	**17.2 %**	**16.3 %**	**15.5 %**
short-term liabilities to banks	0.6 %	1.9 %	1.5 %	0.5 %	0.5 %	0.4 %	0.4 %
Accounts payable	30.3 %	27.4 %	32.5 %	35.5 %	38.8 %	38.9 %	38.7 %
Advance payments received on orders	0.7 %	0.8 %	1.6 %	0.8 %	0.8 %	0.7 %	0.7 %
Other liabilities (incl. from lease and rental contracts)	5.5 %	6.6 %	10.4 %	7.9 %	7.1 %	6.7 %	6.4 %
Deferred taxes	0.5 %	0.7 %	1.1 %	1.5 %	1.3 %	1.2 %	1.2 %
Deferred income	0.4 %	2.5 %	1.0 %	2.0 %	1.8 %	1.7 %	1.6 %
Current liabilities	**38.0 %**	**39.9 %**	**48.2 %**	**48.2 %**	**50.2 %**	**49.7 %**	**49.0 %**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Net profit/loss	2.6	5.2	2.7	5.1	7.2	7.4	8.4
Depreciation of fixed assets (incl. leases)	1.2	1.4	1.4	2.4	2.7	3.1	3.5
Amortisation of goodwill	0.0	0.0	1.0	0.1	0.0	0.0	0.0
Amortisation of intangible assets	0.3	0.5	1.0	0.9	1.1	1.3	1.5
Others	3.3	0.0	6.4	-0.2	0.0	0.0	0.0
Cash flow from operations before changes in w/c	7.4	7.0	12.5	8.3	11.0	11.8	13.4
Increase/decrease in inventory	1.0	0.2	-4.0	1.3	-2.0	-0.2	-0.7
Increase/decrease in accounts receivable	-16.3	-3.5	-4.8	1.1	-10.2	-2.5	-2.9
Increase/decrease in accounts payable	3.3	1.3	-0.1	-1.1	11.0	3.3	3.0
Increase/decrease in other working capital positions	3.4	1.0	9.5	1.1	0.0	0.0	0.0
Increase/decrease in working capital	-8.6	-1.1	0.5	2.4	-1.2	0.6	-0.6
Cash flow from operating activities	**-1.1**	**6.0**	**13.1**	**10.7**	**9.7**	**12.4**	**12.8**
CAPEX	1.3	4.2	3.2	4.7	5.5	5.5	5.5
Payments for acquisitions	3.8	4.7	3.0	-1.4	4.0	0.0	0.0
Financial investments	-0.2	-0.1	-3.0	-0.6	2.3	0.0	0.0
Income from asset disposals	-0.2	3.5	2.0	0.1	0.0	0.0	0.0
Cash flow from investing activities	**-5.0**	**-5.4**	**-1.2**	**-2.6**	**-11.8**	**-5.5**	**-5.5**
Cash flow before financing	-6.2	0.6	11.9	8.0	-2.1	6.9	2.9
Increase/decrease in debt position	-0.3	4.8	-4.4	0.3	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Capital measures	2.5	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	1.6	2.5	2.9
Others	-0.6	-0.8	-0.1	-1.2	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	-0.2	-0.3	0.0	0.0	0.0	0.0
Cash flow from financing activities	**1.6**	**4.0**	**-4.5**	**-1.1**	**-1.6**	**-2.5**	**-2.9**
Increase/decrease in liquid assets	-4.6	4.5	7.1	7.0	-3.6	4.5	n/a
Liquid assets at end of period	**7.3**	**11.8**	**18.9**	**25.8**	**22.2**	**26.7**	**31.0**

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
Domestic	0.0	0.0	322.2	386.1	478.8	506.1	531.4
yoy change	n/a	n/a	n/a	19.8 %	24.0 %	5.7 %	5.0 %
Rest of Europe	0.0	0.0	0.0	36.4	38.7	40.4	41.8
yoy change	n/a	n/a	n/a	n/a	6.3 %	4.3 %	3.7 %
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	**0.0**	**0.0**	**322.2**	**422.5**	**517.5**	**546.5**	**573.2**
yoy change	n/a	n/a	n/a	31.1 %	22.5 %	5.6 %	4.9 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2006	2007	2008	2009	2010E	2011E	2012E
P&L growth analysis							
Sales growth	17.2 %	13.2 %	21.3 %	16.0 %	22.5 %	5.6 %	4.9 %
EBITDA growth	51.8 %	38.7 %	9.1 %	18.4 %	35.9 %	14.8 %	12.2 %
EBIT growth	80.4 %	44.7 %	-13.0 %	29.8 %	47.8 %	14.4 %	11.7 %
EPS growth	129.3 %	85.5 %	-42.5 %	87.9 %	40.6 %	3.0 %	13.4 %
Efficiency							
Total operating costs / sales	97.8 %	97.6 %	97.7 %	97.8 %	97.5 %	97.2 %	97.0 %
Sales per employee	291.1	233.3	229.3	237.7	265.4	264.0	266.6
EBITDA per employee	6.4	6.2	5.5	5.8	7.2	7.8	8.4
Balance sheet analysis							
Avg. working capital / sales	4.5 %	6.2 %	4.5 %	2.8 %	2.2 %	2.1 %	2.0 %
Inventory turnover (sales/inventory)	30.4	35.1	36.1	33.6	35.5	37.0	37.0
Trade debtors in days of sales	49.3	47.8	44.3	40.8	40.5	40.0	40.0
A/P turnover [(A/P*365)/sales]	36.1	33.5	39.3	41.3	41.5	41.5	41.5
Cash conversion cycle (days)	17.3	15.5	3.1	-1.2	-3.5	-5.0	-5.3
Cash flow analysis							
Free cash flow	-2.4	1.8	9.9	6.0	4.2	6.9	7.3
Free cash flow/sales	-0.9 %	0.6 %	2.7 %	1.4 %	0.8 %	1.3 %	1.3 %
FCF / net profit	-101.2 %	38.0 %	367.4 %	118.4 %	59.5 %	94.5 %	87.5 %
FCF yield	-3.5 %	2.5 %	14.0 %	8.5 %	6.1 %	9.9 %	10.4 %
Capex / depn	71.7 %	221.5 %	4.0 %	120.4 %	205.4 %	125.0 %	110.0 %
Capex / maintenance capex	74.8 %	84.3 %	105.9 %	98.6 %	97.6 %	87.0 %	80.0 %
Capex / sales	0.4 %	1.4 %	0.0 %	1.0 %	1.5 %	1.0 %	n/a
Security							
Net debt	5.9	6.2	3.9	-3.5	0.1	-4.3	-8.7
Net Debt/EBITDA	1.0	0.8	0.4	0.0	0.0	0.0	0.0
Net debt / equity	0.2	0.2	0.1	-0.1	0.0	-0.1	-0.1
Interest cover	3.9	6.0	3.4	4.7	7.1	8.1	9.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	30.7 %	34.6 %	39.5 %	44.5 %
Asset utilisation							
Capital employed turnover	4.9	4.8	5.7	6.0	6.8	6.7	6.6
Operating assets turnover	10.1	13.3	19.7	24.4	26.1	27.2	27.0
Plant turnover	30.9	99.4	67.4	64.7	66.1	62.6	62.1
Inventory turnover (sales/inventory)	30.4	35.1	36.1	33.6	35.5	37.0	37.0
Returns							
ROCE	8.9 %	10.6 %	8.5 %	10.3 %	14.0 %	15.0 %	15.7 %
ROE	7.6 %	12.9 %	6.9 %	11.5 %	14.4 %	13.5 %	13.9 %
Other							
Interest paid / avg. debt	8.6 %	6.6 %	7.8 %	6.6 %	6.5 %	6.5 %	6.5 %
No. employees (average)	911	1287	1588	1777	1950	2070	2150
Number of shares	9.9	10.4	10.4	10.4	10.4	10.4	10.4
DPS	0.0	0.0	0.0	0.2	0.2	0.3	0.4
EPS reported	0.24	0.45	0.26	0.49	0.68	0.71	0.80
Valuation ratios							
P/BV	2.1	1.9	1.8	1.6	1.4	1.3	1.2
EV/sales	0.3	0.3	0.2	0.2	0.1	0.1	0.1
EV/EBITDA	13.3	9.6	8.5	6.5	5.0	4.1	3.4
EV/EBITA	16.7	11.6	10.1	8.4	6.1	5.0	4.2
EV/EBIT	18.0	12.5	13.9	9.6	6.8	5.6	4.7
EV/FCF	-31.5	43.3	7.5	11.2	16.5	9.5	8.4
Dividend yield	0.0 %	0.0 %	0.0 %	2.2 %	3.5 %	4.1 %	5.3 %

Source: Company data, Hauck & Aufhäuser

Disclosure in respect of section 34b of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG)

Company	Disclosure
CANCOM AG	2

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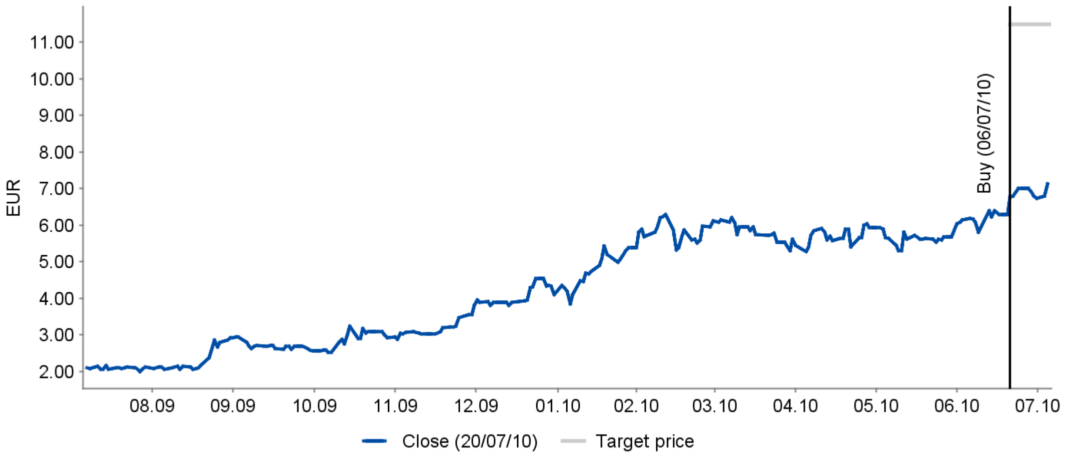
Historical target price and rating changes for CANCOM AG in the last 12 months

Price and Rating History
CANCOM AG as of 21/07/10



Initiation coverage
06-July-10

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Competent supervisory authority

Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin – (Federal Financial Supervisory Authority), Graurheindorfer Straße 108, 53117 Bonn and Lurgiallee 12, 60439 Frankfurt am Main, Germany

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