

Buy EUR 16.50 Price EUR 14.55 Upside 13.4 %	Value Indicators: EUR DCF: 16.50 FCF-Value Potential: 17.30	Share data: Bloomberg: COK GR Reuters: COKG ISIN: DE0005419105	Description: One of the three largest independent system houses in Germany
	Market Snapshot: EUR m Market cap: 151 No. of shares (m): 10 EV: 124 Freefloat MC (ord.): 141 Ø Trad. Vol. (ord./30d): 694.05 th	Shareholders: Freefloat 93.0 % Raymond Kober (Supervisory) 2.5 % Stefan Kober (Supervisory) 2.5 % Klaus Weinmann (CEO) 2.0 %	Risk Profile (WRe): 2012e Beta: 1.4 Price / Book: 2.4 Net Gearing: -43 % Debt / Equity: 182 % Net debt / EBITDA: -1.0 x

Preview: No top line growth in Q2 - final figures

in € m	Q2 2012e	Q2 2011	Δ in %	6M 2012e	6M 2011	Δ in %
Group						
P&L						
Sales	126.9	126.9	0.0	268.0	251.5	6.6
EBITDA	6.4	6.1	4.8	13.4	10.8	24.4
EBIT	4.9	4.5	8.2	10.2	7.6	33.6
EPS (€)	0.33	0.26	26.9	0.53	0.42	26.2

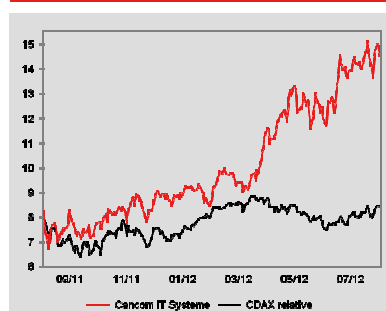
CANCOM will announce final Q2 figures on August 9, 2012. Preliminary figures have already been announced.

The top line was approximately unchanged compared to the same quarter last year. In a qoq comparison this reflected a significant slowdown in growth (13% yoy growth in Q1). However, Q1 was positively influenced by revenue slippages from Q4 2011 of c. EUR 10m. Furthermore, CANCOM said the product shift of the Apple MacBook Pro led to revenue slippages from Q2 into the second half of the year of about EUR 3-4m. From our perspective, the lower number of working days due to Easter Holidays should also be considered.

Despite weaker than expected Q2 revenues and the impact of SAP implementation in its services unit CANCOM NSG (cost impact was not quantified), the company managed to increase returns. We expect this was linked to the expansion of its business in the area of cloud computing (e.g. with its proprietary private cloud solution AHP) and a higher services revenue share.

Demand in July was solid as booking and billings significantly exceeded last year's level.

The Buy rating as well as the PT of EUR 16.50 are reiterated.



Rel. Performance vs CDAX:	
1 month:	0.3 %
6 months:	60.7 %
Year to date:	50.3 %
Trailing 12 months:	70.3 %

Company events:	
08/09/12	Q2
11/08/12	Q3

FY End: 31.12. in EUR m	CAGR (11-14e)	2008	2009	2010	2011	2012e	2013e	2014e
Sales	4.3 %	364	422	475	544	572	597	618
Change Sales yoy		31.2 %	16.0 %	12.3 %	14.7 %	5.0 %	4.5 %	3.5 %
Gross profit margin		29.1 %	27.6 %	29.4 %	29.1 %	30.2 %	30.4 %	30.5 %
EBITDA	7.6 %	9	10	19	25	28	30	31
Margin		2.4 %	2.5 %	4.0 %	4.6 %	5.0 %	5.0 %	5.0 %
EBIT	9.2 %	5	7	15	18	22	23	24
Margin		1.5 %	1.6 %	3.2 %	3.4 %	3.9 %	3.8 %	3.9 %
Net income	11.2 %	3	5	8	12	13	15	16
EPS	11.3 %	0.26	0.49	0.76	1.11	1.27	1.43	1.53
EPS adj.	11.3 %	0.26	0.49	0.77	1.11	1.27	1.43	1.53
DPS	10.1 %	0.00	0.15	0.15	0.30	0.35	0.40	0.40
Dividend Yield		0.0 %	6.4 %	2.2 %	3.4 %	2.4 %	2.7 %	2.8 %
FCFPS		0.97	0.58	0.86	1.67	0.74	1.09	1.18
EV / Sales		0.1 x	0.0 x	0.1 x	0.1 x	0.2 x	0.2 x	0.2 x
EV / EBITDA		4.2 x	2.0 x	3.7 x	2.9 x	4.4 x	3.9 x	3.4 x
EV / EBIT		6.9 x	3.0 x	4.6 x	3.9 x	5.5 x	5.1 x	4.4 x
P / E		12.2 x	4.8 x	9.0 x	8.0 x	11.5 x	10.2 x	9.4 x
P / E adj.		12.2 x	4.8 x	8.9 x	8.0 x	11.5 x	10.2 x	9.4 x
FCF Yield Potential		12.9 %	27.0 %	9.1 %	15.7 %	10.7 %	12.7 %	14.3 %
Net Debt		4	-3	-1	-20	-27	-35	-43
ROE		7.2 %	12.2 %	16.5 %	20.6 %	21.3 %	21.7 %	20.0 %
ROCE		6.3 %	9.8 %	14.7 %	15.6 %	18.2 %	18.1 %	16.9 %
Guidance:	So far, no guidance for 2012 has been announced by the company.							

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
CANCOM	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005419105.htm

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-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	113	60
Hold	62	33
Sell	9	5
Rating suspended	4	2
Total	188	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	98	64
Hold	46	30
Sell	7	5
Rating suspended	3	2
Total	154	100

PRICE AND RATING HISTORY CANCOM AS OF 02.08.2012


The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

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