

Buy EUR 17.00 Price EUR 16.80 Upside 1.2 %	Value Indicators: EUR DCF: 17.20 FCF-Value Potential: 15.00	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: 192.0 No. of shares (m): 11.4 EV: 169.5 Freefloat MC: 147.9 Ø Trad. Vol. (30d): 930.84 th	Shareholders: Freefloat: 77.0 % Karin Schick: 10.0 % ELBER: 9.0 % S. Kober (Superv. Board): 2.0 % Klaus Weinmann (CEO): 2.0 %	Risk Profile (WRe): 2013e Beta: 1.4 Price / Book: 2.4 x Equity Ratio: 43 % Net Fin. Debt / EBITDA: -0.8 x Net Debt / EBITDA: -0.8 x

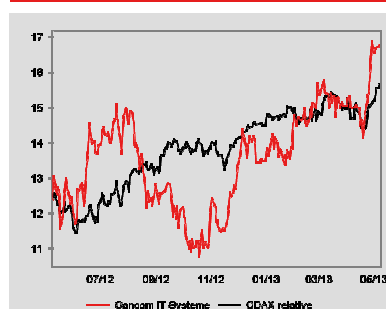
Preview: Strong March and higher service revenues support Q1

Final Q1 figures

Expected Figures Q1/2013:				Comment on Figures:		
FY End: 31.12. in EUR m	Q1 13e	Q1 12	yoy	13e	12	yoy
Sales	135.1	141.1	-4 %	569.1	558.1	0 %
EBITDA	7.0	7.0	0 %	27.9	28.1	3 %
Margin	5.2 %	5.0 %		5.0 %	5.0 %	
EBIT	4.8	5.3	-9 %	19.9	20.7	2 %
Margin	3.6 %	3.8 %		3.6 %	3.7 %	
EPS	0.28	0.26	8 %	1.16	1.09	12 %

■ Preliminary figures have already been announced

- CANCOM will release final figures on May 15. A conference call with CEO Klaus Weinmann is scheduled for 3 p.m. (CET).
- Q1 was stronger than initially assumed (both revenue and EBITDA were expected to be below last year's Q1) owing to improved business in March (January and February were weak).
- Nevertheless, EBITDA was approximately unchanged thanks to a more favourable revenue mix with a higher share of services compared to reselling revenues.
- During the conference call, questions might arise in connection with CANCOM's new majority shareholder Karin Schick. She is the daughter of Bechtle's co-founder Gerhard Schick. Karin Schick also holds a 35% stake in Bechtle, which is CANCOM's strongest competitor in the area of small and mid-sized companies. We maintain our view that a takeover is not the intention, but it might reduce competition between the two rivals. According to the German law, she will have to publish the intention of her share purchase by the end of May.
- Q2 should benefit from good business in April. Furthermore, management referred to the expectation of customer gains in the area of CANCOM's proprietary private cloud solution AHP. On the other hand, management also intends to invest in future growth (i.e. increase number of staff). This looks set to negatively impact profitability over the next few quarters.
- Given the limited upside to our PT we will review estimates, PT and rating after the conference call.



Rel. Performance vs CDAX:	
1 month:	5.6 %
6 months:	28.2 %
Year to date:	16.4 %
Trailing 12 months:	7.9 %

Company events:	
15.05.13	Q1
18.06.13	AGM
13.08.13	Q2
08.11.13	Q3

FY End: 31.12. in EUR m	CAGR (12-15e)	2009	2010	2011	2012	2013e	2014e	2015e
Sales	3.0 %	422.5	474.6	544.4	558.1	569.1	589.0	609.6
Change Sales yoy		16.0 %	12.3 %	14.7 %	2.5 %	2.0 %	3.5 %	3.5 %
Gross profit margin		27.6 %	29.4 %	29.1 %	29.7 %	30.3 %	30.4 %	30.4 %
EBITDA	2.1 %	10.4	19.0	25.0	28.1	27.9	29.0	29.8
Margin		2.5 %	4.0 %	4.6 %	5.0 %	4.9 %	4.9 %	4.9 %
EBIT	1.2 %	7.0	15.2	18.5	20.7	19.9	20.7	21.4
Margin		1.6 %	3.2 %	3.4 %	3.7 %	3.5 %	3.5 %	3.5 %
Net income	8.5 %	5.1	7.8	11.5	11.5	13.3	14.2	14.6
EPS	5.5 %	0.49	0.76	1.11	1.09	1.16	1.24	1.28
EPS adj.	5.5 %	0.49	0.77	1.11	1.09	1.16	1.24	1.28
DPS	0.0 %	0.15	0.15	0.30	0.35	0.35	0.35	0.35
Dividend Yield		6.4 %	2.2 %	3.4 %	2.9 %	2.1 %	2.1 %	2.1 %
FCFPS		0.58	0.86	1.67	0.34	-0.30	1.05	1.03
EV / Sales		0.0 x	0.1 x	0.1 x	0.2 x	0.3 x	0.3 x	0.3 x
EV / EBITDA		2.0 x	3.7 x	2.9 x	3.5 x	6.1 x	5.5 x	5.1 x
EV / EBIT		3.0 x	4.6 x	3.9 x	4.7 x	8.5 x	7.8 x	7.1 x
P / E		4.8 x	9.0 x	8.0 x	11.0 x	14.5 x	13.5 x	13.1 x
P / E adj.		4.8 x	8.9 x	8.0 x	11.0 x	14.5 x	13.5 x	13.1 x
FCF Yield Potential		27.0 %	9.1 %	15.7 %	9.8 %	8.2 %	9.1 %	9.5 %
Net Debt		-3.5	-0.8	-20.5	-29.1	-22.5	-31.0	-39.2
ROE		12.2 %	16.5 %	20.6 %	16.2 %	16.4 %	16.4 %	15.1 %
ROCE (NOPAT)		15.1 %	24.1 %	29.0 %	29.1 %	24.9 %	24.3 %	24.1 %
Guidance:	So far, no guidance for 2013 has been provided by the company.							

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PREVIEW

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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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-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-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	111	58
Hold	64	33
Sell	14	7
Rating suspended	3	2
Total	192	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	99	63
Hold	49	31
Sell	6	4
Rating suspended	2	1
Total	156	100

PRICE AND RATING HISTORY CANCOM AS OF 08.05.2013


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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