

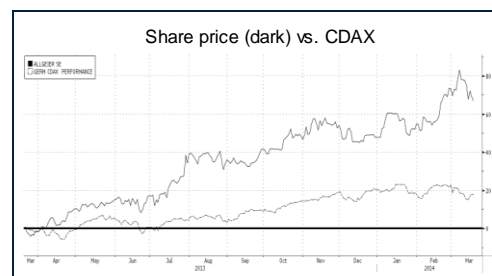
Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price target: **EUR 23.00** (23.00)

19 March 2014

Guidance for 2013 achieved

Didas to be sold to Cancom SE against shares

- Due to the **imminent sale of its subsidiary Didas Business Services GmbH**, Allgeier has issued **two sets of preliminary figures for FY 2013**. The **first set** still includes Didas and is the basis of comparison regarding the guidance and our estimates. On this basis, **sales** reached EUR 477.6m (CBSR estimate: EUR 485.0m) corresponding to a YOY growth rate of 13%. The **sales guidance** (growth in the lower two-digit percentage range) has thus been **achieved**. Allgeier's **FY 2012 earnings figures have been restated** due to IFRS amendments. On this altered basis, **EBITDA** increased by 28% to EUR 30.0m and was in line with our estimate (EUR 30.3m). EBIT jumped by 60% to EUR 15.5m (CBSRe: EUR 18.3m; FY 2012: EUR 9.7m). On an operating basis, the **earnings guidance** (clearly above-proportionate increase in earnings) for 2013 **has been achieved**, too. **EBT** accounted for EUR 11.1m (CBSRe: EUR 13.8m; FY 2012: EUR 11.9m). Besides retroactive changes due to the revised IAS 19 (pension liabilities), the EBT and EPS figures announced for **2012** also **include another income from discontinued operations** (EUR 5.1m) from the Personnel Services division (sold in 2008).
- For the **second set of preliminary figures** (see p. 2 of this document), **Didas was already treated as discontinued business**. On this basis, sales increased to EUR 421.3m (2012: EUR 374.8m, +12%), and EBITDA reached EUR 27.9m (2012: EUR 23.3m, +20%).
- Allgeier has concluded a **LOI with Cancom SE to sell its subsidiary Didas**. Didas' core business, which comprises IT services in the system integration area, no longer stood at the centre of Allgeier's future development as defined by the Group's Agenda 2015. According to Allgeier, the purchase price will lie 'in a normal market valuation range' and will be **paid in Cancom shares**. According to an announcement by Cancom, **Didas' sales revenues reached about EUR 56m**, and **EBITDA accounted for EUR 1.8m in 2013** (preliminary figures).
- As long as the Didas deal is not closed (and also subject to approval by the cartel authorities), **we maintain our previous estimates including the contribution of Didas for 2014 and 2015**. We expect the closing before publication of the annual report at the end of April. Until then, we also leave our **price target of EUR 23.00** unchanged. We reiterate our **BUY** recommendation.



Source: CBS Research, Bloomberg, Allgeier SE

Change	2013P		2014E		2015E	
	new	old	new	old	new	old
Sales	477.6	485.0	-	524.3	-	559.4
EBITDA	30.0	30.3	-	35.0	-	38.6
EPS	0.42	0.95	-	1.55	-	2.02

Internet: www.allgeier.com Sector: Software/IT services
WKN: 508630 ISIN: DE0005086300
Reuters: AEIG.DE Bloomberg: AEI GY

Short company profile:

Munich-based Allgeier SE is one of the leading IT companies for Business Performance in the German-speaking region. With more than 4,400 employees and over 1,300 freelance IT experts, Allgeier offers its customers a complete service approach spanning design, implementation, and through to the operation of IT landscapes. Six operating divisions, each with their individual specialist or sector-related focal points, work together for more than 2,000 customers from almost all sectors.

Share data:

Share price (EUR, latest closing price):	17.895
Shares outstanding (m):	8.8
Market capitalisation (EUR m):	156.9
Enterprise value (EUR m):	188.8
Ø daily trading volume (3 m., no. of shares):	23,496

Performance data:

High 52 weeks (EUR):	19.88
Low 52 weeks (EUR):	10.51
Absolute performance (12 months):	59.8%
Relative performance vs. CDAX:	
1 month	9.2%
3 months	5.5%
6 months	9.3%
12 months	17.9%

Shareholders:

Supervisory Board & Management Board:	42%
Own shares:	3%
Institutional investors:	3%
Other free float:	52%

Financial calendar:

Annual report 2013:	30 April 2014
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Y/E Dec 31, EUR m	2011	2012	2013P	2014E	2015E
Sales	378.8	422.8	477.6	524.3	559.4
EBITDA	22.3	23.5	30.0	35.0	38.6
EBIT	12.0	9.7	15.5	22.7	28.6
Net result	4.4	9.2	3.6	12.9	16.9
EPS (incl. discontinued op.)	0.52	1.05	0.42	1.55	2.02
EBITDA margin	5.9%	5.6%	6.3%	6.7%	6.9%
EBIT margin	3.2%	2.3%	3.2%	4.3%	5.1%
EV/EBITDA	8.5	8.0	6.3	5.4	4.9
P/E	34.2	17.1	42.8	11.6	8.8

Source: CBS Research AG, Allgeier SE

Preliminary key data
(unaudited figures; figures for 2012 have been restated due to amendments of IFRS)

	IFRS EURm	Continued and discontinued operations			Only continued operations		
		2013	2012	+/-	2013	2012	+/-
Sales		477.6	422.8	13%	421.3	374.8	12%
EBITDA		30.0	23.5	28%	27.9	23.3	20%
as % of sales		6.3%	5.6%		6.6%	6.2%	
EBIT		15.5	9.7	60%	n/a	n/a	n/a
as % of sales		3.2%	2.3%		n/a	n/a	
EBT		11.1	11.9	-7%	n/a	n/a	n/a
as % of sales		2.3%	2.8%		n/a	n/a	
Net income incl. minority interest		3.6	9.2	-61%	n/a	n/a	n/a
as % of sales		0.8%	2.2%		n/a	n/a	
Earnings per share (EUR)		0.42	1.05	-60%	n/a	n/a	n/a

Source: CBS Research AG, Allgeier SE

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BUY: The expected performance of the share price is above +10%.

HOLD: The expected performance of the share price is between 0% and +10%.

SELL: The expected performance of the share price is below 0%.

Recommendation history over the last 12 months for the company analysed in this report:

Date	Recommendation	Price at change date	Price target
2 April 2013	BUY	EUR 10.85	EUR 17.00
21 May 2013	BUY	EUR 12.225	EUR 17.00
15 August 2013	BUY	EUR 14.75	EUR 17.00
15 November 2013	BUY	EUR 16.55	EUR 20.00

28 January 2014	BUY	EUR 15.74	EUR 23.00
19 March 2014	BUY	EUR 17.895	EUR 23.00

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