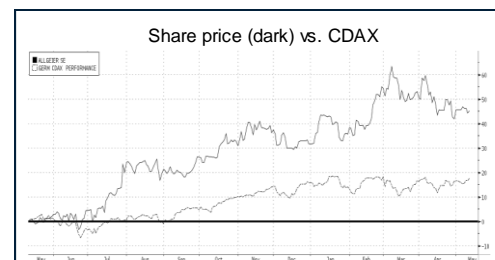


Recommendation: **BUY** (BUY) Risk: **MEDIUM** (MEDIUM) Price target: **EUR 23.00** (23.00)

13 May 2014

## Price target confirmed after preliminary 1Q figures

- Annual report FY 2013:** The final figures for FY 2013, as shown in the table on page 2 of this document, were **rather well in line with the preliminary figures** issued in mid-March. Earnings came in only marginally above the preliminary figures. While sales and especially operating earnings showed strong growth, net income from continuing operations declined due to a tax rate of >65% (reasons: losses for which no deferred tax assets were recognised; high amount of non-tax-deductible expenses).
- Preliminary 1Q figures:** Due to the imminent sale of its subsidiary Didas Business Services GmbH, Allgeier has issued two sets of preliminary figures for 1Q 2014 (see table on p. 2). **Sales, including discontinued operations**, increased only slightly by 1% to EUR 111.0m in 1Q 2014 (1Q 2013: EUR 110.2m). **EBITDA**, incl. discontinued operations, climbed by 6% to EUR 5.1m (1Q 2013: EUR 4.8m). **Net income** amounted to about EUR 0.7m (1Q 2013: EUR 0.4m). **Sales from continuing operations** (excl. Didas) came in at EUR 100.4m (1Q 2013: EUR 98.6m). **EBITDA** from continuing operations reached EUR 4.7m (1Q 2013: EUR 4.8m).
- Guidance FY 2014E:** **Sales from continuing operations** are expected to grow in the order of around **10%**, with growth to come partly from the operational growth of the Group companies and partly from the full-year effect of last year's acquisitions. Allgeier also plans further small acquisitions in 2014. The **EBITDA margin is expected to increase about 50 bps**, from 6.6% to around 7%, by means of stronger growth in the high-margin segments 'Projects' and 'Solutions'.
- New financial estimates:** We completely revised our estimates. Even though the sale of Didas to Cancom is not closed yet, **we now assume that Didas will be sold in any case** (if not to Cancom, than to some other party). Currently, we take the LOI with Cancom as a basis for our estimates, assuming the closing at mid-year. We estimate that Allgeier will receive Cancom shares worth about EUR 9.5m in return for Didas, and will realise a profit (discontinued business) from the sale of some EUR 2m. **Our financial estimates for 2014-2016 therefore already exclude Didas** except for the assumed income from discontinued business in 2014E. On the one hand, this results in lower sales and earnings estimates. On the other hand, we include the assumed value of the Cancom shares in our valuation.
- A valuation update yields a fair value per share of EUR 24.57.** Until closing and publication of the exact terms of the deal, we nevertheless leave our **price target** unchanged at **EUR 23.00**. We maintain our '**BUY**'.



Source: CBS Research, Bloomberg, Allgeier SE

| Change | 2014E |       | 2015E |       | 2016E |     |
|--------|-------|-------|-------|-------|-------|-----|
|        | new   | old   | new   | old   | new   | old |
| Sales  | 463.9 | 524.3 | 498.7 | 559.4 | 534.6 | -   |
| EBITDA | 32.3  | 35.0  | 35.4  | 38.6  | 38.9  | -   |
| EPS    | 1.44  | 1.55  | 1.62  | 2.02  | 1.99  | -   |

Internet: [www.allgeier.com](http://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 4,600 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, last closing price):        | <b>17.40</b> |
| Shares outstanding (m):                       | 8.8          |
| Market capitalisation (EUR m):                | 153.6        |
| Enterprise value (EUR m):                     | 231.1        |
| Ø daily trading volume (3 m., no. of shares): | 19,157       |

### Performance data:

|                                   |       |
|-----------------------------------|-------|
| High 52 weeks (EUR):              | 19.88 |
| Low 52 weeks (EUR):               | 11.45 |
| Absolute performance (12 months): | 41.0% |
| Relative performance vs. CDAX:    |       |
| 1 month                           | -6.0% |
| 3 months                          | 5.6%  |
| 6 months                          | -4.4% |
| 12 months                         | 7.0%  |

### Shareholders:

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

### Financial calendar:

|                         |              |
|-------------------------|--------------|
| 1Q report 2014:         | 15 May 2014  |
| Annual General Meeting: | 17 June 2014 |

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| Y/E Dec 31, EUR m            | 2012  | 2013E | 2014E | 2015E | 2016E |
|------------------------------|-------|-------|-------|-------|-------|
| Sales                        | 374.8 | 421.3 | 463.9 | 498.7 | 534.6 |
| EBITDA                       | 23.3  | 28.0  | 32.3  | 35.4  | 38.9  |
| EBIT                         | 10.6  | 14.5  | 20.1  | 25.5  | 29.7  |
| Net result                   | 8.8   | 3.5   | 12.7  | 14.3  | 17.5  |
| EPS (incl. discontinued op.) | 1.05  | 0.42  | 1.44  | 1.62  | 1.99  |
| EPS (from continuing op.)    | 0.53  | 0.38  | 1.17  | 1.62  | 1.99  |
| DPS                          | 0.50  | 0.50  | 0.50  | 0.50  | 0.50  |
| EBITDA margin                | 6.2%  | 6.6%  | 7.0%  | 7.1%  | 7.3%  |
| EBIT margin                  | 2.8%  | 3.4%  | 4.3%  | 5.1%  | 5.6%  |

Source: CBS Research AG, Allgeier SE

## Key data FY 2013

| IFRS<br>EURm  | Continued and discontinued operations<br>(DIDAS is still normally consolidated) |              |      | Only continued operations<br>(DIDAS is included in result from discontinued operations) |              |     |
|---|---|--------------|------|---|--------------|-----|
|   | 2013  | 2012         | +/-  | 2013  | 2012         | +/- |
| <b>Sales</b>  | 477.6   | 422.8        | 13%  | 421.3   | 374.8        | 12% |
| <b>EBITDA</b><br>as % of sales                                | 30.1<br>6.3%  | 23.5<br>5.6% | 28%  | 28.0<br>6.6%  | 23.3<br>6.2% | 20% |
| <b>EBIT</b><br>as % of sales                                  | 15.6<br>3.3%  | 9.7<br>2.3%  | 61%  | 14.5<br>3.4%  | 10.6<br>2.8% | n/a |
| <b>EBT</b><br>as % of sales                                   | 11.4<br>2.4%  | 6.7<br>1.6%  | 69%  | 10.4<br>2.5%  | 7.7<br>2.0%  | n/a |
| <b>Net income from continuing operations</b><br>as % of sales | Including DIDAS<br>4.0<br>0.8%  |              |      | Excluding DIDAS<br>3.3<br>0.8%  |              |     |
| <b>EPS from continuing operations (EUR)</b>                   | 4.2<br>0.45   |              |      | 4.8<br>0.53   |              |     |
| <b>Net income of the group</b>                                | 3.7   | 9.2          | -60% | 3.7   | 9.2          | n/a |
| <b>Total earnings per share (EUR)</b>                         | 0.42  | 1.05         | -60% | 0.42  | 1.05         | n/a |
| <b>Adjusted net income</b>                                    | 13.6  | 16.0         | -15% | n/a   | n/a          | -   |
| <b>Adjusted earnings per share (EUR)</b>                      | 1.63  | 1.91         | -15% | n/a   | n/a          | -   |

Source: CBS Research AG, Allgeier SE

## Key data 1Q 2014 (preliminary figures)

| IFRS<br>EURm                   | Continued and discontinued operations<br>(DIDAS is still normally consolidated) |             |     | Only continued operations<br>(DIDAS is included in result from discontinued operations) |             |     |
|--------------------------------|---|-------------|-----|---|-------------|-----|
|                                | 1Q 2013   | 1Q 2012     | +/- | 1Q 2013   | 1Q 2012     | +/- |
| <b>Sales</b>                   | 111.0   | 110.2       | 1%  | 100.4   | 98.6        | 2%  |
| <b>EBITDA</b><br>as % of sales | 5.1<br>4.6%   | 4.8<br>4.4% | 6%  | 4.7<br>4.7%   | 4.8<br>4.9% | -2% |
| <b>EBIT</b><br>as % of sales   | 2.0<br>0.4%   | 1.8<br>0.4% | 14% | n/a<br>n/a  | n/a<br>n/a  | -   |
| <b>Net income</b>              | 0.7   | 0.4         | 76% | n/a   | n/a         | -   |

Source: CBS Research AG, Allgeier SE

## Change in sales and earnings estimates

| EURm (except for EPS)       | 2014E |       | 2015E |       | 2016E |     |
|-----------------------------|-------|-------|-------|-------|-------|-----|
|                             | new   | old   | new   | old   | new   | old |
| Sales                       | 463.9 | 524.3 | 498.7 | 559.4 | 534.6 | -   |
| EBITDA                      | 32.3  | 35.0  | 35.4  | 38.6  | 38.9  | -   |
| EBIT                        | 20.1  | 22.7  | 25.5  | 28.6  | 29.7  | -   |
| Net result after minorities | 12.7  | 12.9  | 14.3  | 16.9  | 17.5  | -   |
| EPS (EUR)                   | 1.44  | 1.55  | 1.62  | 2.02  | 1.99  | -   |

Source: CBS Research AG

## Profit and loss account

| IFRS  | 2011         | 2012         | 2013         | 2012                                      | 2013         | 2014E        | 2015E        | 2016E        |
|---|--------------|--------------|--------------|---|--------------|--------------|--------------|--------------|
|   |              |              |              | DIDAS included in discontinued operations |              |              |              |              |
| <b>Sales</b>  | <b>378.8</b> | <b>422.8</b> | <b>477.6</b> | <b>374.8</b>                              | <b>421.3</b> | <b>463.9</b> | <b>498.7</b> | <b>534.6</b> |
| YoY growth  | 22.7%        | 11.6%        | 13.0%        | n.m.                                      | 12.4%        | 10.1%        | 7.5%         | 7.2%         |
| Inventory changes (finished goods,                              | 0.3          | 0.6          | 0.5          | 0.6                                       | 0.6          | 0.5          | 0.5          | 0.6          |
| Other own work capitalised                                      | 0.1          | 0.0          | 0.1          | 0.0                                       | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Total output</b>   | <b>379.1</b> | <b>423.5</b> | <b>478.2</b> | <b>375.4</b>                              | <b>422.0</b> | <b>464.4</b> | <b>499.2</b> | <b>535.2</b> |
| Cost of materials   | -220.2       | -218.8       | -225.1       | -191.9                                    | -190.3       | -215.9       | -231.9       | -248.3       |
| as % of total output  | -58.1%       | -51.7%       | -47.1%       | -51.1%                                    | -45.1%       | -46.5%       | -46.5%       | -46.4%       |
| <b>Gross profit</b>   | <b>158.9</b> | <b>204.7</b> | <b>253.1</b> | <b>183.5</b>                              | <b>231.6</b> | <b>248.4</b> | <b>267.3</b> | <b>286.8</b> |
| as % of total output  | 41.9%        | 48.3%        | 52.9%        | 48.9%                                     | 54.9%        | 53.5%        | 53.6%        | 53.6%        |
| Personnel expenses  | -109.0       | -148.4       | -185.7       | -132.2                                    | -169.7       | -180.2       | -193.7       | -207.4       |
| as % of total output  | -28.7%       | -35.1%       | -38.8%       | -35.2%                                    | -40.2%       | -38.8%       | -38.8%       | -38.8%       |
| Other operating income  | 6.6          | 7.3          | 9.2          | 6.6                                       | 8.1          | 6.0          | 6.0          | 6.0          |
| as % of total output  | 1.7%         | 1.7%         | 1.9%         | 1.8%                                      | 1.9%         | 1.3%         | 1.2%         | 1.1%         |
| Other operating expenses  | -34.2        | -40.0        | -46.5        | -34.6                                     | -42.1        | -42.0        | -44.2        | -46.6        |
| as % of total output  | -9.0%        | -9.4%        | -9.7%        | -9.2%                                     | -10.0%       | -9.1%        | -8.9%        | -8.7%        |
| <b>EBITDA</b>   | <b>22.3</b>  | <b>23.5</b>  | <b>30.1</b>  | <b>23.3</b>                               | <b>28.0</b>  | <b>32.3</b>  | <b>35.4</b>  | <b>38.9</b>  |
| as % of total output  | 5.9%         | 5.6%         | 6.3%         | 6.2%                                      | 6.6%         | 7.0%         | 7.1%         | 7.3%         |
| Depreciation and amortization,<br>excl. goodwill impairments    | -10.3        | -13.8        | -14.5        | -12.8                                     | -13.5        | -12.1        | -9.9         | -9.2         |
| as % of total output  | -2.7%        | -3.3%        | -3.0%        | -3.4%                                     | -3.2%        | -2.6%        | -2.0%        | -1.7%        |
| Goodwill impairments  | 0.0          | 0.0          | 0.0          | 0.0                                       | 0.0          | 0.0          | 0.0          | 0.0          |
| as % of total output  | 0.0%         | 0.0%         | 0.0%         | 0.0%                                      | 0.0%         | 0.0%         | 0.0%         | 0.0%         |
| <b>EBIT</b>   | <b>12.0</b>  | <b>9.7</b>   | <b>15.6</b>  | <b>10.6</b>                               | <b>14.5</b>  | <b>20.1</b>  | <b>25.5</b>  | <b>29.7</b>  |
| as % of total output  | 3.2%         | 2.3%         | 3.3%         | 2.8%                                      | 3.4%         | 4.3%         | 5.1%         | 5.5%         |
| Result from at-equity<br>consolidated investments               | 0.0          | 0.0          | 0.2          | 0.0                                       | 0.2          | 0.2          | 0.3          | 0.3          |
| Interest and other financial income                             | 0.4          | 0.6          | 0.5          | 0.5                                       | 0.5          | 0.5          | 0.5          | 0.5          |
| Interest expenses   | -2.9         | -3.5         | -5.0         | -3.5                                      | -4.9         | -4.8         | -4.0         | -3.2         |
| <b>EBT (Earnings before income taxes)</b>                       | <b>9.5</b>   | <b>6.7</b>   | <b>11.4</b>  | <b>7.7</b>                                | <b>10.4</b>  | <b>16.1</b>  | <b>22.2</b>  | <b>27.2</b>  |
| as % of total output  | 2.5%         | 1.6%         | 2.4%         | 2.0%                                      | 2.5%         | 3.5%         | 4.4%         | 5.1%         |
| Taxes on income   | -4.2         | -2.6         | -7.4         | -2.8                                      | -7.1         | -5.6         | -7.8         | -9.5         |
| as % of EBT   | -44.1%       | -38.0%       | -65.0%       | -36.8%                                    | -68.3%       | -35.0%       | -35.0%       | -35.0%       |
| <b>Income from continuing operations</b>                        | <b>5.3</b>   | <b>4.2</b>   | <b>4.0</b>   | <b>4.8</b>                                | <b>3.3</b>   | <b>10.4</b>  | <b>14.4</b>  | <b>17.7</b>  |
| Income from discontinued operations/<br>disposals, net of taxes | -            | 5.1          | -0.3         | 4.4                                       | 0.4          | 2.4          | -            | -            |
| <b>Net income of the group</b>                                  | <b>5.3</b>   | <b>9.2</b>   | <b>3.7</b>   | <b>9.2</b>                                | <b>3.7</b>   | <b>12.8</b>  | <b>14.4</b>  | <b>17.7</b>  |
| as % of total output  | 1.4%         | 2.2%         | 0.8%         | 2.5%                                      | 0.9%         | 2.8%         | 2.9%         | 3.3%         |
| Minority interests  | -0.9         | -0.4         | -0.1         | -0.4                                      | -0.1         | -0.1         | -0.1         | -0.2         |
| <b>Net income attributable to shareholder:</b>                  | <b>4.4</b>   | <b>8.8</b>   | <b>3.5</b>   | <b>8.8</b>                                | <b>3.5</b>   | <b>12.7</b>  | <b>14.3</b>  | <b>17.5</b>  |
| <b>Total basic EPS (EUR)</b>                                    | <b>0.52</b>  | <b>1.05</b>  | <b>0.42</b>  | <b>1.05</b>                               | <b>0.42</b>  | <b>1.44</b>  | <b>1.62</b>  | <b>1.99</b>  |
| <b>EPS from continuing operations</b>                           | <b>0.52</b>  | <b>0.45</b>  | <b>0.46</b>  | <b>0.53</b>                               | <b>0.38</b>  | <b>1.17</b>  | <b>1.62</b>  | <b>1.99</b>  |
| <b>Adjusted earnings per share (EUR)*</b>                       | <b>1.27</b>  | <b>1.91</b>  | <b>1.63</b>  | <b>n/a</b>                                | <b>n/a</b>   | <b>1.77</b>  | <b>2.06</b>  | <b>2.39</b>  |

\* Adjusted EPS = Adjusted net income divided by weighted average of shares outstanding;

Adjusted net income = Operating EBITA minus financial result minus assumed taxes (30% tax rate) minus minority interests.

Source: CBS Research AG, Allgeier SE

**Balance sheet**

|  | IFRS | EURm | 2012         | 2013         | 2014E        | 2015E        | 2016E        |
|--|------|------|--------------|--------------|--------------|--------------|--------------|
| <b>Assets</b>  |      |      |              |              |              |              |              |
| <b>Noncurrent assets</b>   |      |      | <b>145.7</b> | <b>130.9</b> | <b>134.0</b> | <b>130.1</b> | <b>126.5</b> |
| as % of total assets   |      |      | 50.3%        | 45.2%        | 47.7%        | 50.3%        | 46.5%        |
| Intangible assets  |      |      | 128.4        | 117.9        | 111.4        | 106.6        | 101.3        |
| Property, plant and equipment  |      |      | 10.7         | 10.8         | 11.6         | 12.6         | 14.0         |
| Investments in companies consolidated at equity                                    |      |      | 0.0          | 0.1          | 9.8          | 10.1         | 10.3         |
| Deferred taxes   |      |      | 2.0          | 1.4          | 0.4          | 0.0          | 0.0          |
| Other long-term receivables and assets   |      |      | 4.6          | 0.7          | 0.8          | 0.8          | 0.8          |
| <b>Current assets</b>  |      |      | <b>143.9</b> | <b>158.4</b> | <b>146.7</b> | <b>128.8</b> | <b>145.4</b> |
| as % of total assets   |      |      | 49.7%        | 54.8%        | 52.3%        | 49.7%        | 53.5%        |
| Inventories  |      |      | 4.9          | 3.1          | 3.4          | 3.6          | 3.9          |
| Trade receivables  |      |      | 76.4         | 73.3         | 78.8         | 84.7         | 90.8         |
| Other assets and receivables   |      |      | 23.6         | 16.8         | 17.6         | 18.4         | 19.1         |
| Cash and cash equivalents  |      |      | 38.9         | 46.7         | 46.8         | 22.0         | 31.6         |
| Assets held for sale   |      |      | 0.0          | 18.6         | 0.0          | 0.0          | 0.0          |
| <b>Total assets</b>  |      |      | <b>289.6</b> | <b>289.3</b> | <b>280.6</b> | <b>258.9</b> | <b>271.9</b> |
| <b>Shareholders' equity and liabilities</b>  |      |      |              |              |              |              |              |
| <b>Shareholders' equity</b>  |      |      | <b>93.4</b>  | <b>94.7</b>  | <b>103.4</b> | <b>113.6</b> | <b>127.1</b> |
| as % of total equity and liabilities   |      |      | 32.3%        | 32.7%        | 36.8%        | 43.9%        | 46.7%        |
| Subscribed capital   |      |      | 9.1          | 9.1          | 9.1          | 9.1          | 9.1          |
| Capital reserve  |      |      | 13.3         | 16.9         | 16.9         | 16.9         | 16.9         |
| Retained earnings  |      |      | 0.1          | 0.1          | 0.1          | 0.1          | 0.1          |
| Own shares at acquisition cost   |      |      | -5.5         | -2.0         | -2.0         | -2.0         | -2.0         |
| Profit carried forward   |      |      | 62.0         | 66.6         | 65.9         | 74.4         | 84.5         |
| Net income for the year  |      |      | 8.8          | 3.5          | 12.7         | 14.3         | 17.5         |
| Changes in equity recognised directly in equity                                    |      |      | 1.1          | -1.9         | -1.9         | -1.9         | -1.9         |
| Minority interests   |      |      | 4.5          | 2.4          | 2.6          | 2.7          | 2.9          |
| <b>Noncurrent liabilities and deferred income</b>                                  |      |      | <b>106.7</b> | <b>92.7</b>  | <b>83.4</b>  | <b>48.9</b>  | <b>48.0</b>  |
| as % of total equity and liabilities   |      |      | 36.9%        | 32.0%        | 29.7%        | 18.9%        | 17.6%        |
| Noncurrent profit-participation liabilities (PREPS)                                |      |      | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Noncurrent financial liabilities incl. promissory notes                            |      |      | 72.0         | 70.8         | 71.1         | 42.0         | 42.0         |
| Noncurrent provisions  |      |      | 2.9          | 2.0          | 2.2          | 2.3          | 2.4          |
| Other noncurrent liabilities (mainly earnout components from company acquisitions) |      |      | 22.1         | 12.1         | 4.1          | 1.7          | 1.7          |
| Deferred tax liabilities   |      |      | 9.7          | 7.7          | 5.9          | 2.9          | 1.9          |
| <b>Current liabilities</b>   |      |      | <b>89.5</b>  | <b>101.9</b> | <b>93.9</b>  | <b>96.4</b>  | <b>96.9</b>  |
| as % of total equity and liabilities   |      |      | 30.9%        | 35.2%        | 33.5%        | 37.2%        | 35.6%        |
| Current profit-participation liabilities (PREPS)                                   |      |      | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Current financial liabilities  |      |      | 1.8          | 4.7          | 2.0          | 2.0          | 2.0          |
| Current provisions   |      |      | 16.5         | 11.4         | 12.5         | 16.2         | 18.6         |
| Trade accounts payable   |      |      | 33.3         | 29.4         | 31.9         | 34.3         | 36.7         |
| Other liabilities incl. earnout components from company acquisitions               |      |      | 37.9         | 45.2         | 47.4         | 43.9         | 39.5         |
| Liabilities relating to assets held for sale                                       |      |      | 0.0          | 11.2         | 0.0          | 0.0          | 0.0          |
| <b>Total equity and liabilities</b>  |      |      | <b>289.6</b> | <b>289.3</b> | <b>280.6</b> | <b>258.9</b> | <b>271.9</b> |

Source: CBS Research AG, Allgeier SE

**Cash flow statement**

|  | IFRS | EURm | 2012         | 2013        | 2014E        | 2015E        | 2016E        |
|--|------|------|--------------|-------------|--------------|--------------|--------------|
| <b>EBIT</b>  |      |      | 10.6         | 14.5        | 20.1         | 25.5         | 29.7         |
| Depreciation and amortisation  |      |      | 12.8         | 13.5        | 12.1         | 9.9          | 9.2          |
| Other non-cash income and expenses incl. expenses from additions to provisions         |      |      | 8.3          | 5.4         | 8.8          | 8.7          | 9.0          |
| Change in non-current provisions   |      |      | 0.2          | 0.0         | 0.2          | 0.1          | 0.1          |
| Cash taxes paid/received   |      |      | -4.8         | -8.1        | -6.6         | -7.6         | -9.1         |
| Cash flow from changes in working capital  |      |      | -12.2        | -11.7       | -9.2         | -10.6        | -12.0        |
| <b>Cash flow from operating activities</b>   |      |      | <b>14.8</b>  | <b>13.6</b> | <b>25.5</b>  | <b>25.9</b>  | <b>26.9</b>  |
| Net cash outflows from the purchase and retirement of PP&E and intangible assets       |      |      | -3.5         | -4.3        | -6.4         | -6.2         | -5.3         |
| Payments for the purchase of subsidiaries and for the acquisition of assets and rights |      |      | -30.7        | -2.3        | 0.0          | 0.0          | 0.0          |
| Purchase price components paid for companies acquired in other periods                 |      |      | -4.2         | -3.1        | -7.9         | -7.7         | -5.1         |
| Investments valued at equity (incl. disposals)   |      |      | 0.0          | -3.9        | 0.0          | 0.0          | 0.0          |
| Payment balance from the sale of subsidiaries  |      |      | 0.0          | 4.7         | 0.0          | 0.0          | 0.0          |
| Purchase/sale of bank bonds  |      |      | -5.0         | 5.0         | 0.0          | 0.0          |              |
| <b>Cash flow from investing activities</b>   |      |      | <b>-43.4</b> | <b>-3.9</b> | <b>-14.3</b> | <b>-13.9</b> | <b>-10.4</b> |
| Payments for own shares  |      |      | -0.8         | 7.1         | 0.0          | 0.0          | 0.0          |
| Net borrowings/retirements of loans and cash flow from promissory notes                |      |      | 50.3         | 0.8         | -2.5         | -29.1        | 0.0          |
| Net cash inflow from ABS programme (assignment of trade receivables)                   |      |      | 0.8          | 0.0         | 0.0          | 0.0          | 0.0          |
| Repayment of profit-participation liabilities  |      |      | -6.0         | 0.0         | 0.0          | 0.0          | 0.0          |
| Interests paid and received, net   |      |      | -2.6         | -2.7        | -4.3         | -3.5         | -2.7         |
| Dividends paid   |      |      | -4.2         | -4.2        | -4.2         | -4.2         | -4.2         |
| Purchases of non-controlling interests   |      |      | -0.8         | -2.1        | 0.0          | 0.0          | 0.0          |
| Payments to/from shareholders with non-controlling interests                           |      |      | -0.2         | 0.0         | 0.0          | 0.0          | 0.0          |
| <b>Cash flow from financing activities</b>   |      |      | <b>36.6</b>  | <b>-1.1</b> | <b>-11.0</b> | <b>-36.8</b> | <b>-6.9</b>  |
| <b>Total change in cash and cash equivalents</b>                                       |      |      | <b>8.0</b>   | <b>8.6</b>  | <b>0.2</b>   | <b>-24.8</b> | <b>9.6</b>   |
| Currency-induced changes in cash and cash  |      |      | 0.0          | -0.7        | 0.0          | 0.0          | 0.0          |
| Cash and cash equivalents at the start of the period                                   |      |      | 30.1         | 38.0        | 45.9         | 46.1         | 21.3         |
| <b>Cash and cash equivalents at the end of the period</b>                              |      |      | <b>38.0</b>  | <b>45.9</b> | <b>46.1</b>  | <b>21.3</b>  | <b>30.8</b>  |
| Bank overdraft   |      |      | 0.9          | 0.7         | 0.7          | 0.7          | 0.7          |
| <b>Cash and cash equivalents in the balance sheet</b>                                  |      |      | <b>38.9</b>  | <b>46.7</b> | <b>46.8</b>  | <b>22.0</b>  | <b>31.6</b>  |

Source: CBS Research AG, Allgeier SE

## Valuation summary

|                                   | Weighting factor | Fair value per share (EUR) |
|-----------------------------------|------------------|----------------------------|
| DCF valuation                     | 50.0%            | 25.86                      |
| Peer group valuation              | 50.0%            | 23.27                      |
| <b>Fair value per share (EUR)</b> |                  | <b>24.57</b>               |

Source: CBS Research AG

## Discounted Cash Flow Model

| EURm  | PHASE 1      |            |             | PHASE 2     |             |             |             |             |             |             | PHASE 3      |
|---|--------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
|   | 2014E        | 2015E      | 2016E       | 2017E       | 2018E       | 2019E       | 2020E       | 2021E       | 2022E       | 2023E       | ∞            |
| Sales revenues  | 463.9        | 498.7      | 534.6       | 550.6       | 567.1       | 584.1       | 601.7       | 619.7       | 638.3       | 647.9       |              |
| Y-o-Y growth  | 10.1%        | 7.5%       | 7.2%        | 3.0%        | 3.0%        | 3.0%        | 3.0%        | 3.0%        | 3.0%        | 1.5%        |              |
| EBIT  | 20.1         | 25.5       | 29.7        | 31.9        | 32.9        | 33.9        | 34.9        | 35.9        | 37.0        | 37.6        |              |
| EBIT margin as % of sales                                       | 4.3%         | 5.1%       | 5.6%        | 5.8%        | 5.8%        | 5.8%        | 5.8%        | 5.8%        | 5.8%        | 5.8%        |              |
| Income tax on EBIT (cash tax rate)                              | -8.2         | -8.8       | -9.9        | -10.5       | -10.5       | -10.5       | -10.5       | -10.8       | -11.1       | -11.3       |              |
| Depreciation and amortisation                                   | 12.1         | 9.9        | 9.2         | 5.6         | 5.3         | 6.0         | 5.7         | 5.7         | 5.6         | 5.7         |              |
| Change in net working capital and non-cash income and expenses* | -3.9         | -6.9       | -7.3        | 2.3         | -1.7        | -1.7        | -1.8        | -1.9        | -1.9        | -1.1        |              |
| Net capital expenditure incl. earnouts                          | -14.3        | -13.9      | -5.3        | -4.5        | -5.4        | -6.6        | -6.3        | -5.7        | -5.1        | -5.7        |              |
| <b>Free cash flow</b>   | <b>5.8</b>   | <b>5.8</b> | <b>16.4</b> | <b>24.8</b> | <b>20.5</b> | <b>21.1</b> | <b>22.0</b> | <b>23.3</b> | <b>24.5</b> | <b>25.2</b> |              |
| <b>Present values</b>   | <b>5.5</b>   | <b>5.0</b> | <b>12.8</b> | <b>17.7</b> | <b>13.4</b> | <b>12.5</b> | <b>11.9</b> | <b>11.5</b> | <b>11.0</b> | <b>10.3</b> | <b>135.3</b> |
| Present value Phase 1   | 23.3         |            |             |             |             |             |             |             |             |             |              |
| Present value Phase 2   | 88.3         |            |             |             |             |             |             |             |             |             |              |
| Present value Phase 3   | 135.3        |            |             |             |             |             |             |             |             |             |              |
| Total present value   | 246.9        |            |             |             |             |             |             |             |             |             |              |
| + Liquid funds  | 46.7         |            |             |             |             |             |             |             |             |             |              |
| + Securities**  | 12.2         |            |             |             |             |             |             |             |             |             |              |
| - Financial debt and minority interests***                      | -77.5        |            |             |             |             |             |             |             |             |             |              |
| <b>Fair value of equity</b>                                     | <b>228.2</b> |            |             |             |             |             |             |             |             |             |              |
| Number of shares outstanding (m)                                | 8.8          |            |             |             |             |             |             |             |             |             |              |
| <b>Fair value per share (EUR)</b>                               | <b>25.86</b> |            |             |             |             |             |             |             |             |             |              |

|                      |       |                        |              |
|----------------------|-------|------------------------|--------------|
| Risk free rate       | 3.50% | Target equity ratio    | 80.0%        |
| Equity risk premium  | 6.00% | Beta                   | 1.20         |
| Debt risk premium    | 1.40% | <b>WACC</b>            | <b>9.25%</b> |
| Tax shield (Phase 3) | 30.0% | <b>Terminal growth</b> | <b>1.50%</b> |

| Sensitivity analysis      |       |       |              |       |       |
|---------------------------|-------|-------|--------------|-------|-------|
| Terminal growth (Phase 3) |       |       |              |       |       |
|                           | 0.5%  | 1.0%  | 1.5%         | 2.0%  | 2.5%  |
| <b>8.25%</b>              | 27.95 | 29.19 | 30.62        | 32.27 | 34.22 |
| <b>8.75%</b>              | 25.84 | 26.89 | 28.07        | 29.44 | 31.02 |
| <b>WACC 9.25%</b>         | 23.97 | 24.86 | <b>25.86</b> | 27.00 | 28.31 |
| <b>9.75%</b>              | 22.31 | 23.07 | 23.92        | 24.87 | 25.96 |
| <b>10.25%</b>             | 20.82 | 21.47 | 22.20        | 23.01 | 23.93 |

\*Other non-cash income and expenses comprise mainly expenses from additions to provisions

\*\*Financial debt including pension provisions

Source: CBS Research AG

**Multiple-based valuation**

| Company name  | P / E        |              |              | EV / EBIT    |              |              | EV / EBITDA   |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|
|   | 2014E        | 2015E        | 2016E        | 2014E        | 2015E        | 2016E        | 2014E         | 2015E        | 2016E        |
| <b>European IT service/consulting companies (market cap below EUR 1bn):</b> |              |              |              |              |              |              |               |              |              |
| ASSYSTEM  | 12.0         | 12.0         | 12.1         | 6.7          | 6.3          | n.m.         | 5.7           | 5.5          | 5.3          |
| CENIT AG  | 16.5         | 14.9         | 13.0         | 8.5          | 7.6          | 6.7          | 6.7           | 6.2          | 5.7          |
| COR&FJA AG  | n.m.         | 8.4          | 12.8         | n.m.         | 8.5          | 12.2         | n.m.          | 7.9          | 8.1          |
| DATAGROUP AG  | 19.6         | 11.9         | 9.5          | 15.9         | 9.9          | 8.3          | 9.2           | 6.4          | 5.9          |
| DEVOTEAM SA   | 18.8         | 14.3         | 11.9         | 6.3          | 5.5          | 5.0          | 5.1           | 4.3          | 3.9          |
| ECONOCOM GROUP  | 14.2         | 12.3         | 11.9         | 9.0          | 7.9          | 7.0          | 7.9           | 7.0          | 6.7          |
| GFI INFORMATIQUE  | 14.5         | 13.1         | 12.8         | 7.5          | 7.0          | 6.4          | 6.6           | 6.1          | 5.4          |
| GFT TECHNOLOGIES AG   | 14.2         | 13.0         | 10.9         | 7.4          | 6.8          | 5.7          | 6.5           | 5.6          | 5.2          |
| GROUPE STERIA SCA   | 11.0         | 9.1          | 8.6          | 8.1          | 7.2          | 6.4          | 5.7           | 5.3          | 5.0          |
| ORDINA NV   | 16.2         | 15.6         | 8.0          | 12.6         | 8.6          | 6.1          | 8.7           | 6.6          | 5.1          |
| PHOENIX IT GROUP LTD  | 10.6         | 8.7          | n.m.         | 10.5         | 9.6          | n.m.         | 5.5           | 5.1          | n.m.         |
| SOLUCOM   | 15.0         | 13.8         | n.m.         | 8.9          | 8.2          | n.m.         | 8.4           | 7.8          | n.m.         |
| SOPRA GROUP   | 12.4         | 11.0         | 10.1         | 9.9          | 8.8          | 8.2          | 8.6           | 7.7          | 7.1          |
| TIETO OYJ   | 13.1         | 12.1         | 11.9         | 10.2         | 9.2          | 9.2          | 6.8           | 6.3          | 6.3          |
| ADESSO AG   | 19.1         | 16.2         | n.m.         | 10.5         | 8.9          | n.m.         | 8.0           | 6.9          | n.m.         |
| REALTECH AG   | n.m.         | 18.5         | 16.9         | n.m.         | 11.0         | 10.0         | n.m.          | 6.2          | 4.7          |
| S&T AG  | 8.8          | 6.9          | 6.2          | 7.8          | 6.8          | 6.1          | 5.4           | 4.8          | 4.5          |
| <b>Average</b>  | <b>14.4</b>  | <b>12.5</b>  | <b>11.2</b>  | <b>9.3</b>   | <b>8.1</b>   | <b>7.5</b>   | <b>7.0</b>    | <b>6.2</b>   | <b>5.6</b>   |
| <b>Median</b> <b>Weight: 50.0%</b>  | <b>14.2</b>  | <b>12.3</b>  | <b>11.9</b>  | <b>8.9</b>   | <b>8.2</b>   | <b>6.7</b>   | <b>6.7</b>    | <b>6.2</b>   | <b>5.4</b>   |
| <b>Major players with market cap above EUR 1bn:</b>                         |              |              |              |              |              |              |               |              |              |
| ATOS  | 13.7         | 12.6         | 11.5         | 8.0          | 7.2          | 6.9          | 5.3           | 4.9          | 4.6          |
| CAP GEMINI  | 14.6         | 13.0         | 12.0         | 8.6          | 7.8          | 7.1          | 6.9           | 6.3          | 5.8          |
| INDRA SISTEMAS SA   | 16.8         | 14.4         | 12.5         | 12.2         | 11.0         | 10.0         | 9.9           | 9.0          | 8.3          |
| <b>Average</b>  | <b>15.0</b>  | <b>13.3</b>  | <b>12.0</b>  | <b>9.6</b>   | <b>8.7</b>   | <b>8.0</b>   | <b>7.4</b>    | <b>6.7</b>   | <b>6.3</b>   |
| <b>Median</b> <b>Weight: 25.0%</b>  | <b>14.6</b>  | <b>13.0</b>  | <b>12.0</b>  | <b>8.6</b>   | <b>7.8</b>   | <b>7.1</b>   | <b>6.9</b>    | <b>6.3</b>   | <b>5.8</b>   |
| <b>Indian IT service companies:</b>   |              |              |              |              |              |              |               |              |              |
| INFOSYS LTD   | 14.9         | 13.1         | 11.5         | 11.1         | 9.7          | 8.9          | 10.0          | 8.8          | 7.9          |
| TATA CONSULTANCY SVCS LTD   | 19.3         | 16.8         | 14.5         | 15.1         | 13.2         | 11.8         | 14.3          | 12.4         | 11.0         |
| WIPRO LTD   | 14.2         | 12.6         | 10.9         | 11.9         | 10.7         | 9.2          | 10.8          | 9.7          | 8.4          |
| <b>Average</b> <b>Weight: 25.0%</b>   | <b>16.1</b>  | <b>14.2</b>  | <b>12.3</b>  | <b>12.7</b>  | <b>11.2</b>  | <b>10.0</b>  | <b>11.7</b>   | <b>10.3</b>  | <b>9.1</b>   |
| <b>Median</b>   | <b>14.9</b>  | <b>13.1</b>  | <b>11.5</b>  | <b>11.9</b>  | <b>10.7</b>  | <b>9.2</b>   | <b>10.8</b>   | <b>9.7</b>   | <b>8.4</b>   |
| <b>Weighted average of peer groups</b>                                      | <b>14.8</b>  | <b>12.9</b>  | <b>12.0</b>  | <b>9.7</b>   | <b>8.8</b>   | <b>7.6</b>   | <b>8.0</b>    | <b>7.3</b>   | <b>6.4</b>   |
| <b>EURm, except EPS (EUR)</b>   |              |              |              |              |              |              |               |              |              |
|   | <b>EPS</b>   |              |              | <b>EBIT</b>  |              |              | <b>EBITDA</b> |              |              |
|   | <b>2014E</b> | <b>2015E</b> | <b>2016E</b> | <b>2014E</b> | <b>2015E</b> | <b>2016E</b> | <b>2014E</b>  | <b>2015E</b> | <b>2016E</b> |
| Allgeier SE (estimates by CBSR)   | 1.17         | 1.62         | 1.99         | 20.1         | 25.5         | 29.7         | 32.3          | 35.4         | 38.9         |
| Applied multiples (peer group - weighted average)                           | 14.8         | 12.9         | 12.0         | 9.7          | 8.8          | 7.6          | 8.0           | 7.3          | 6.4          |
| <b>Fair Enterprise Value</b>  | -            | -            | -            | <b>196.2</b> | <b>224.8</b> | <b>226.7</b> | <b>257.8</b>  | <b>257.4</b> | <b>249.9</b> |
| + Liquid funds  | 46.7         |              |              |              |              |              |               |              |              |
| + Securities  | 12.2         |              |              |              |              |              |               |              |              |
| - Financial debt incl. pension provisions                                   | -76.8        |              |              |              |              |              |               |              |              |
| - Minority interests  | -0.7         |              |              |              |              |              |               |              |              |
| <b>Fair value of equity from each multiple</b>                              | <b>152.3</b> | <b>184.5</b> | <b>210.5</b> | <b>177.6</b> | <b>206.1</b> | <b>208.0</b> | <b>239.1</b>  | <b>238.7</b> | <b>231.2</b> |
| <b>Average of derived fair values</b>                                       | <b>205.3</b> |              |              |              |              |              |               |              |              |
| Premium (discount) vs. peer group companies                                 | 0%           |              |              |              |              |              |               |              |              |
| <b>Fair value of equity</b>   | <b>205.3</b> |              |              |              |              |              |               |              |              |
| Number of shares outstanding (m)  | 8.8          |              |              |              |              |              |               |              |              |
| <b>Fair value per share (EUR)</b>   | <b>23.27</b> |              |              |              |              |              |               |              |              |

Source: CBS Research AG



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| Date             | Recommendation | Price at change date | Price target |
|------------------|----------------|----------------------|--------------|
| 13 May 2014      | BUY            | EUR 17.40            | EUR 23.00    |
| 19 March 2014    | BUY            | EUR 17.895           | EUR 23.00    |
| 28 January 2014  | BUY            | EUR 15.74            | EUR 23.00    |
| 15 November 2013 | BUY            | EUR 16.55            | EUR 20.00    |

|                |     |            |           |
|----------------|-----|------------|-----------|
| 15 August 2013 | BUY | EUR 14.75  | EUR 17.00 |
| 21 May 2013    | BUY | EUR 12.225 | EUR 17.00 |

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