

Buy (old: Buy)

PT EUR 12.50 (old: 12.50)

Price EUR 9.77
Bloomberg V33 GR
Reuters V33G
Sector Telecommunications Provider

Vtion develops and markets wireless data card solutions for PCs and laptops for all established interface standards as well as for all wireless standards which are in operation in China.



Share data: 09.08.2010 / Closing price

Market cap: EUR 155 m
Enterprise Value (EV): EUR 81.8 m
Book value: EUR 111 m
No. of shares: 15.9 m
Trading volume Ø: EUR 135 th

Shareholders:
 Awill HoldingsLtd. 46.8 %
 Freefloat 28.2 %
 SCGC Capital Holding Company 10.6 %
 Hong Kong Vtion Wireless Tech Comp. Ltd. 6.3 %
 Besto Holdings Ltd. 3.1 %
 Sunshine Century Investment Ltd. 3.1 %

Calendar:
 Figures Q2 08/19/10
 Figures 2010 11/18/10

Change	2010E		2011E		2012E	
	old	Δ%	old	Δ%	old	Δ%
Sales	79.8	0	85.6	0	92.3	0
EBIT	23.0	0	24.6	0	24.7	0
EPS	1.19	0	1.25	0	1.26	0

Analysis: SES Research
 Date of publication: 10.08.2010
 Analyst:
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Strong Q2 2010 results expected; EV/EBIT 2010e of 3.6

Vtion will release Q2 2010 figures on Thursday, 12 August. As in Q1 2010 (sales: +263%, EBITDA +198%) Vtion is expected to develop in Q2 2010 dynamically based on the 3G rollouts of the three Chinese mobile network operators China Unicom, China Mobile and China Telecom:

Vtion - Q2 2010e
 Figures in EUR m

	Q2/10e	Q2/09	yoy	6M/10e	6M/09	yoy
Sales	28.5	14.9	91.5%	54.8	22.1	147.6%
EBIT	8.2	3.4	141.0%	15.8	6.0	165.7%
<i>margin</i>	28.9%	23.0%		28.9%	26.9%	
EPS in EUR	0.55	0.19	189.5%	0.83	0.34	144.1%

Source: Vtion (historical data), SES Research (estimate s)

Vtion will change its communication after the Q2 2010 report. The company has released the important KPI such as average price per data card as well as sold data card volume up to and including Q1 2010. As a result of the restrictions of the main customers (China Unicom, China Telecom, China Mobile) and the competitive situation Vtion will not publish the important KPI beginning from Q2/2010.

Despite the expected dynamic sales growth Vtion is expected to generate a positive operating cash flow again. This supports the fact that Vtion has the working capital management under control despite the oligopolistic demand structure. An EBIT of EUR 15.8 m is expected for H1 2010. The full-year estimate currently is EUR 23 m. Even under consideration of a seasonally weak Q4 2010 the estimates are expected to be raised after the release of the six months' report.

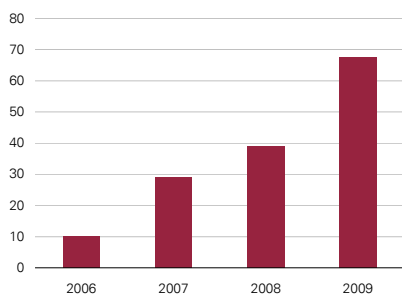
Valuation: based on the current estimates the share is valued with an EV/EBIT of 3.6 for 2010e and of 2.8 for 2011e. The cash-adjusted PER for 2010e currently is 4.0. The Q2 results as well as the provided visibility for the full year could be an important catalyst for 2010. The Buy recommendation is reiterated with a DCF-based PT of EUR 12.50.

Fiscal year ending: 31.12.
 in EUR m

	2006	2007	2008	2009	2010E	2011E	2012E
Sales	10.0	29.0	39.2	67.6	79.8	85.6	92.3
<i>Change Sales yoy</i>	n.a.	189.9 %	35.1 %	72.7 %	18.0 %	7.3 %	7.8 %
Gross balance	3.5	11.7	16.1	22.6	27.2	29.3	30.9
<i>Gross margin</i>	34.9 %	40.3 %	41.1 %	33.4 %	34.1 %	34.2 %	33.5 %
EBITDA	2.6	9.3	12.8	19.0	23.5	25.2	25.4
<i>EBITDA-margin</i>	25.7 %	32.2 %	32.6 %	28.3 %	29.5 %	29.4 %	27.5 %
EBIT	2.5	9.2	12.6	18.8	23.0	24.6	24.7
<i>EBIT-margin</i>	25.3 %	31.9 %	32.2 %	28.0 %	28.8 %	28.7 %	26.8 %
Net income	2.1	9.2	12.4	16.4	19.0	19.9	20.0
EPS	0.18	0.80	1.13	1.31	1.19	1.25	1.26
Free Cash Flow per share	0.01	0.69	1.13	-0.84	0.76	0.81	0.90
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend Yield</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/Sales	9.4	3.2	2.4	1.4	1.0	0.8	0.6
EV/EBITDA	36.5	10.1	7.4	4.9	3.5	2.7	2.1
EV/EBIT	37.1	10.2	7.4	5.0	3.6	2.8	2.2
PER	54.3	12.2	8.6	7.5	8.2	7.8	7.8
ROCE	43.4 %	75.7 %	43.5 %	27.8 %	22.0 %	20.1 %	17.4 %
Adj. Free Cash Flow Yield	1.7 %	8.9 %	12.5 %	19.3 %	27.6 %	35.1 %	44.7 %

Sales development

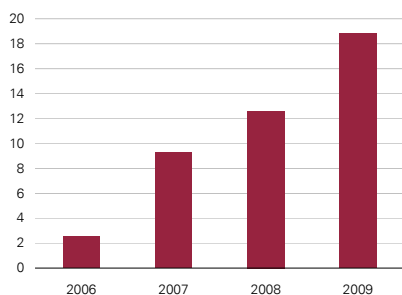
in EUR m



Source: Vtion

EBIT development

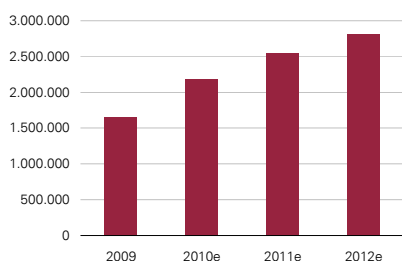
in EUR m



Source: Vtion

Sold units

Quantity



Source: Vtion

Company background

Vtion develops and markets wireless data card solutions for PCs and laptops for all established interface standards as well as for all wireless standards which are in operation in China. Vtion is one of the top three suppliers in China with a market share of ~25%. Wireless data cards are connected to a PC or a laptop via interfaces such as USB or PCI to establish a mobile internet access.

The market for data cards currently has oligopolistic structures. The three main mobile operators (China Mobile, China Unicom and China Telecom) procure 80% of the quantity of the three main suppliers (ZTE, Huawei and Vtion). This starting situation, which is excellent for Vtion, should remain stable until 2011e due to the required high quality standards, certification processes, the comprehensive contractual relationships and collaborations.

Competitive quality

- **Outsourced production:** Vtion has no own production capacities and focuses on product design, marketing and customer care. Thus, the company is highly flexible and can rapidly adapt itself to a change in demand.
- **Licencings with all three network operators:** Vtion is qualified as top-tier supplier among the three network operators and thus stands out compared to the majority of competitors. The network operators currently procure 80% of the required wireless data cards from 3 suppliers.

Consolidated Profit & Loss Vtion

in EUR m

	2006	2007	2008	2009	2010E	2011E	2012E
Sales	10.0	29.0	39.2	67.6	79.8	85.6	92.3
Cost of sales	6.5	17.3	23.1	45.1	52.6	56.3	61.4
Gross balance	3.5	11.7	16.1	22.6	27.2	29.3	30.9
Research and development	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sales and marketing	0.5	0.9	1.4	2.0	2.1	2.4	3.7
General and administration	0.5	1.3	2.6	2.0	3.2	3.4	3.7
Other operating income/expenses	0.0	-0.2	0.5	0.3	1.0	1.1	1.2
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	2.6	9.3	12.8	19.0	23.5	25.2	25.4
Depreciation of fixed assets	0.0	0.0	0.1	0.1	0.2	0.3	0.3
EBITA	2.5	9.3	12.7	18.9	23.3	24.9	25.1
Amortisation of intangible fixed assets	0.0	0.1	0.1	0.1	0.3	0.3	0.4
Impairment charges and amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	2.5	9.2	12.6	18.8	23.0	24.6	24.7
Interest income	0.0	0.2	0.3	0.2	1.0	1.3	1.3
Interest expenses	0.1	0.3	0.5	0.2	0.0	0.0	0.0
Financial result	-0.1	-0.1	-0.2	0.0	1.0	1.3	1.3
Recurring pretax income from cont. operations	2.5	9.1	12.4	18.8	24.0	25.9	26.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	2.5	9.1	12.4	18.8	24.0	25.9	26.0
Taxes total	0.4	0.0	0.0	2.3	5.0	6.0	6.0
Net income from continuing operations	2.1	9.2	12.4	16.4	19.0	19.9	20.0
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	2.1	9.2	12.4	16.4	19.0	19.9	20.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.1	9.2	12.4	16.4	19.0	19.9	20.0

Sources: Vtion (historical data), SES Research (forecasts)

Consolidated Profit & Loss Vtion

in % of Sales

	2006	2007	2008	2009	2010E	2011E	2012E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	65.1 %	59.7 %	58.9 %	66.6 %	65.9 %	65.8 %	66.5 %
Gross balance	34.9 %	40.3 %	41.1 %	33.4 %	34.1 %	34.2 %	33.5 %
Research and development	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales and marketing	4.7 %	3.3 %	3.5 %	2.9 %	2.6 %	2.8 %	4.0 %
General and administration	4.9 %	4.5 %	6.6 %	2.9 %	4.0 %	4.0 %	4.0 %
Other operating income/expenses	0.0 %	-0.7 %	1.2 %	0.5 %	1.3 %	1.3 %	1.3 %
Unfrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	25.7 %	32.2 %	32.6 %	28.1 %	29.5 %	29.4 %	27.5 %
Depreciation of fixed assets	0.3 %	0.1 %	0.2 %	0.2 %	0.3 %	0.3 %	0.3 %
EBITA	25.4 %	32.1 %	32.4 %	28.0 %	29.2 %	29.1 %	27.2 %
Amortisation of intangible fixed assets	0.1 %	0.2 %	0.2 %	0.2 %	0.4 %	0.4 %	0.4 %
Impairment charges and amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	25.3 %	31.9 %	32.2 %	27.8 %	28.8 %	28.7 %	26.8 %
Interest income	0.3 %	0.8 %	0.7 %	0.3 %	1.3 %	1.5 %	1.4 %
Interest expenses	1.0 %	1.1 %	1.2 %	0.3 %	0.0 %	0.0 %	0.0 %
Financial result	-0.7 %	-0.3 %	-0.5 %	-0.1 %	1.3 %	1.5 %	1.4 %
Recurring pretax income from cont. operations	24.6 %	31.5 %	31.6 %	27.8 %	30.1 %	30.2 %	28.2 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	24.6 %	31.5 %	31.6 %	27.8 %	30.1 %	30.2 %	28.2 %
Taxes total	4.0 %	-0.1 %	0.0 %	3.5 %	6.3 %	7.0 %	6.5 %
Net income from continuing operations	20.6 %	31.6 %	31.6 %	24.3 %	23.8 %	23.2 %	21.7 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income before minorities	20.6 %	31.6 %	31.6 %	24.3 %	23.8 %	23.2 %	21.7 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	20.6 %	31.6 %	31.6 %	24.3 %	23.8 %	23.2 %	21.7 %

Sources: Vtion (historical data), SES Research (forecasts)

Balance sheet Vtion

in EUR m

	2006	2007	2008	2009	2010E	2011E	2012E
Assets							
Intangible assets	0.1	0.6	0.8	1.3	2.0	3.1	4.5
thereof other intangible assets	0.1	0.6	0.8	1.3	2.0	3.1	4.5
thereof Goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.1	0.2	0.5	0.6	1.0	1.7	2.9
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	0.2	0.8	1.2	1.9	3.0	4.9	7.3
Inventories	1.6	2.3	4.9	3.8	4.4	4.8	5.1
Accounts receivable	2.6	10.1	6.4	34.8	41.5	46.9	50.6
Other Assets	1.2	1.1	8.2	7.9	13.6	14.1	14.1
Liquid assets	1.6	12.2	30.3	61.5	73.6	86.4	101
Current assets	7.1	25.8	49.8	108	133	152	171
Total assets	7.2	26.6	51.0	110	136	157	178
Liabilities and shareholders' equity							
Subscribed capital	2.9	10.0	11.5	16.0	16.0	16.0	16.0
Additional paid-in capital	0.3	0.0	7.6	48.2	48.2	48.2	48.2
Surplus capital	0.7	0.8	13.2	29.7	48.7	68.6	88.6
Other equity components	0.0	-0.4	3.3	2.1	-1.5	-1.0	-1.0
Book value	3.9	10.4	35.6	96.0	111	132	152
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	3.9	10.4	35.6	96.0	111	132	152
Provision for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.2	3.0	3.8	0.7	0.7	0.7	0.7
Financial liabilities	1.8	5.2	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.5	4.7	8.3	8.2	9.7	10.4	11.2
Other liabilities	0.9	3.3	3.3	5.0	14.3	14.3	14.3
Liabilities	3.3	16.2	15.4	13.9	24.6	25.3	26.1
Total liabilities and shareholders equity	7.2	26.6	51.0	110	136	157	178

Sources: Vtion (historical data), SES Research (forecasts)

Balance sheet Vtion

in % of Balance Sheet Total

	2006	2007	2008	2009	2010E	2011E	2012E
Assets							
Intangible assets	0.7 %	2.2 %	1.5 %	1.2 %	1.5 %	2.0 %	2.5 %
thereof other intangible assets	0.7 %	2.2 %	1.5 %	1.2 %	1.5 %	2.0 %	2.5 %
thereof Goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Property, plant and equipment	1.5 %	0.7 %	1.0 %	0.6 %	0.7 %	1.1 %	1.6 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fixed assets	2.2 %	2.9 %	2.4 %	1.8 %	2.2 %	3.1 %	4.1 %
Inventories	22.5 %	8.7 %	9.6 %	3.4 %	3.2 %	3.1 %	2.9 %
Accounts receivable	36.8 %	38.1 %	12.5 %	31.7 %	30.5 %	29.9 %	28.4 %
Other Assets	16.9 %	4.3 %	16.0 %	7.2 %	10.0 %	9.0 %	7.9 %
Liquid assets	21.9 %	46.0 %	59.5 %	55.9 %	54.1 %	55.0 %	56.7 %
Current assets	98.0 %	97.1 %	97.6 %	98.2 %	97.8 %	96.9 %	95.9 %
Total assets	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Liabilities and shareholders' equity							
Subscribed capital	40.8 %	37.6 %	22.5 %	14.5 %	11.8 %	10.2 %	9.0 %
Additional paid-in capital	3.5 %	0.0 %	14.9 %	43.8 %	35.4 %	30.7 %	27.1 %
Surplus capital	10.3 %	2.9 %	25.8 %	27.0 %	35.8 %	43.7 %	49.8 %
Other equity components	0.0 %	-1.4 %	6.6 %	2.0 %	-1.1 %	-0.6 %	-0.5 %
Book value	54.6 %	39.1 %	69.8 %	87.4 %	81.9 %	83.9 %	85.3 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total equity	54.6 %	39.1 %	69.8 %	87.4 %	81.9 %	83.9 %	85.3 %
Provision for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions	2.2 %	11.3 %	7.5 %	0.6 %	0.5 %	0.4 %	0.4 %
Financial liabilities	24.3 %	19.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	7.1 %	17.8 %	16.2 %	7.5 %	7.1 %	6.6 %	6.3 %
Other liabilities	12.1 %	12.3 %	6.5 %	4.5 %	10.5 %	9.1 %	8.0 %
Liabilities	45.7 %	60.8 %	30.2 %	12.6 %	18.1 %	16.1 %	14.7 %
Total liabilities and shareholders equity	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Sources: Vtion (historical data), SES Research (forecasts)

Statement of Cash Flows Vtion

in EUR m

	2006	2007	2008	2009	2010E	2011E	2012E
Net income	2.1	9.2	12.4	17.2	19.0	19.9	20.0
Depreciation of fixed assets	0.0	0.0	0.1	0.1	0.2	0.3	0.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.1	0.1	0.1	0.3	0.3	0.4
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	-0.1	-0.2	0.5	0.3	0.0	0.0	0.0
Cash Flow	2.0	9.0	13.0	17.7	19.5	20.5	20.7
Increase / decrease in inventory	-0.5	-0.7	-2.6	1.1	-0.6	-0.4	-0.3
Increase / decrease in accounts receivable	-1.3	-7.5	3.8	-28.4	-6.7	-5.4	-3.7
Increase / decrease in accounts payable	-0.3	4.2	3.4	0.0	1.5	0.7	0.8
Increase / decrease in other working capital positions	0.2	2.9	-5.2	0.0	0.0	0.0	0.0
Increase / decrease in working capital	-2.0	-1.1	-0.6	-27.4	-5.9	-5.1	-3.2
Cash flow from operating activities	0.1	7.9	12.4	-9.6	13.7	15.4	17.5
CAPEX	0.0	0.0	0.0	-1.0	-1.6	-2.5	-3.1
Payments for acquisitions	-0.1	-0.7	-0.5	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.1	-0.7	-0.5	-1.0	-1.6	-2.5	-3.1
Change in financial liabilities	1.2	3.4	-5.2	0.0	0.0	0.0	0.0
Dividends paid	-1.5	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	9.1	43.9	0.0	0.0	0.0
Others	0.1	0.1	-0.3	0.0	0.0	0.0	0.0
Cash flow from financing activities	-0.2	3.5	3.6	43.9	0.0	0.0	0.0
Change in liquid funds	-0.2	10.7	15.5	33.2	12.1	12.9	14.4
Effects of exchange rate changes on cash	-0.1	0.0	2.7	-2.1	0.0	0.0	0.0
Liquid assets at end of period	1.6	12.2	30.3	61.5	73.6	86.4	101

Sources: Vtion (historical data), SES Research (forecasts)

Financial Ratios Vtion

	2006	2007	2008	2009	2010E	2011E	2012E
Operational Efficiency							
Total Operating Costs / Sales	9.6 %	8.4 %	8.9 %	5.4 %	5.3 %	5.5 %	6.7 %
Sales per Employee	77,543	150,254	174,116	433,583	n.a.	n.a.	n.a.
EBITDA per Employee	19,915	48,358	56,711	122,782	n.a.	n.a.	n.a.
EBIT-margin	25.3 %	31.9 %	32.2 %	28.0 %	28.8 %	28.7 %	26.8 %
EBITDA / Operating Assets	66.5 %	118.4 %	419.3 %	62.1 %	63.5 %	58.6 %	53.7 %
ROA	1278.3 %	1197.3 %	995.4 %	852.6 %	636.3 %	406.8 %	273.1 %
Efficiency of Capital Employment							
Plant Turnover	90.1	161	79.5	107	80.2	49.2	32.3
Operating Assets Turnover	2.6	3.7	12.9	2.2	2.2	2.0	2.0
Capital Employed Turnover	1.7	1.6	1.0	0.7	0.7	0.6	0.6
Return on Capital							
ROCE	43.4 %	75.7 %	43.5 %	27.8 %	22.0 %	20.1 %	17.4 %
EBITDA / Avg. Capital Employed	44.0 %	76.4 %	44.0 %	28.1 %	22.6 %	20.6 %	17.8 %
ROE	52.4 %	88.1 %	34.8 %	17.2 %	17.0 %	15.1 %	13.2 %
Net Profit / Avg. Equity	104.8 %	127.9 %	53.9 %	25.2 %	18.3 %	16.3 %	14.1 %
Recurring Net Profit / Avg. Equity	104.8 %	127.9 %	53.9 %	25.2 %	18.3 %	16.3 %	14.1 %
ROIC	35.4 %	49.2 %	30.5 %	16.9 %	16.8 %	14.9 %	13.0 %
Solvency							
Net Debt	0.2	-7.0	-30.3	-61.5	-73.6	-86.4	-101
Net Gearing	4.5 %	-67.7 %	-85.2 %	-64.0 %	-66.0 %	-65.6 %	-66.4 %
Book Value of Equity / Book Value of Debt	224.4 %	200.7 %	n.a.	n.a.	n.a.	n.a.	n.a.
Current ratio	2.3	2.0	4.3	8.2	5.6	6.2	6.7
Acid Test Ratio	1.7	1.5	2.9	7.5	5.2	5.8	6.3
EBITDA / Interest Paid	24.9	29.9	26.5	92.1	n.a.	n.a.	n.a.
Interest Cover	36.2	97.3	60.3	591.4	n.a.	n.a.	n.a.
Cash Flow							
Free Cash Flow	0.1	7.9	12.4	-10.6	12.1	12.9	14.4
Free Cash Flow / Sales	0.6 %	27.3 %	31.6 %	-15.7 %	15.1 %	15.0 %	15.6 %
Adj. Free Cash Flow	1.6	8.3	11.8	18.2	22.5	24.2	24.4
Adj. Free Cash Flow / Sales	10.6 %	27.7 %	28.8 %	23.1 %	22.0 %	21.2 %	19.9 %
Free Cash Flow / Net Profit	3.2 %	86.5 %	100.0 %	-64.2 %	63.6 %	64.8 %	71.8 %
Interest Received / Avg. Cash	2.1 %	3.1 %	1.3 %	0.4 %	1.5 %	1.6 %	1.4 %
Interest Paid / Avg. Debt	5.9 %	9.0 %	18.6 %	n.a.	n.a.	n.a.	n.a.
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fund Management							
Investment ratio	0.0 %	0.0 %	0.0 %	1.5 %	2.0 %	2.9 %	3.4 %
Maint. Capex / Sales	10.0 %	3.4 %	2.6 %	1.5 %	1.3 %	1.2 %	1.1 %
Capex / Dep	0.0 %	0.0 %	0.0 %	431.0 %	286.4 %	417.2 %	479.7 %
Avg. Working Capital / Sales	39.9 %	20.2 %	15.0 %	26.3 %	43.3 %	46.8 %	47.9 %
Trade Creditors / Trade Debtors	517.0 %	214.0 %	77.0 %	423.0 %	427.8 %	451.0 %	451.8 %
Inventory turnover (days)	59.0	29.0	45.5	20.3	20.3	20.3	20.3
Receivables collection period (DSOs)	96.6	128	59.3	188	190	200	200
Payables collection period (days)	18.7	59.6	77.1	44.4	44.4	44.4	44.4
Cash conversion cycle (days)	137	97.0	23.8	163	165	175	176
Valuation							
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/B	39.5	14.9	4.4	1.6	1.4	1.2	1.0
EV/sales	9.4	3.2	2.4	1.4	1.0	0.8	0.6
EV/EBITDA	36.5	10.1	7.4	4.9	3.5	2.7	2.1
EV/EBIT	37.1	10.2	7.4	5.0	3.6	2.8	2.2
EV/FCF	n.m.	11.8	7.6	n.m.	6.8	5.4	3.8
P/E	54.3	12.2	8.6	7.5	8.2	7.8	7.8
P/CF	76.7	17.2	11.9	8.8	7.9	7.6	7.5
Adj. Free Cash Flow Yield	2.2 %	9.6 %	13.9 %	18.9 %	23.9 %	29.7 %	37.9 %

Sources: Vtion (historical data), SES Research (forecasts)

Free Cash Flow Yield - Vtion

Figures in EUR m	2006	2007	2008	2009	2010e	2011e	2012e	
Net Income	2.1	9.2	12.4	16.6	19.0	19.9	20.0	
+ Depreciation + Amortisation	0.0	0.1	0.2	0.2	0.6	0.6	0.6	
- Net Interest Income	-0.1	-0.1	-0.2	0.0	1.0	1.3	1.3	
+ Taxes	0.4	0.0	0.0	2.3	5.0	6.0	6.0	
- Maintenance Capex	1.0	1.0	1.0	1.0	1.0	1.0	1.0	
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Adjusted Free Cash Flow	1.6	8.3	11.8	18.2	22.5	24.2	24.4	
Adjusted Free Cash Flow Yield	1.7%	8.9%	12.5%	19.3%	27.6%	35.1%	44.7%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
= Enterprise Value	93.9	93.9	93.9	93.9	81.8	68.9	54.5	
= Fair Enterprise Value	15.7	83.3	117.6	181.5	225.4	241.7	243.9	
- Net Debt (Cash)	-61.5	-61.5	-61.5	-61.5	-73.6	-86.4	-100.8	
- Pension Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	77.2	144.8	179.1	243.0	299.0	328.1	344.7	
No. of shares (m)	15.9	15.9	15.9	15.9	15.9	15.9	15.9	
= Fair value per share (EUR)	4.85	9.11	11.26	15.28	18.80	20.63	21.68	
premium (-) / discount (+) in %	-50.3%	-6.8%	15.3%	56.4%	92.5%	111.2%	121.9%	
Sensitivity Fair value per Share (EUR)								
	13.0%	4.63	7.90	9.56	12.65	15.53	17.13	18.14
	12.0%	4.69	8.23	10.03	13.38	16.44	18.10	19.12
	11.0%	4.76	8.63	10.59	14.25	17.51	19.25	20.28
Hurdle rate	10.0%	4.85	9.11	11.26	15.28	18.80	20.63	21.68
	9.0%	4.96	9.69	12.08	16.55	20.38	22.32	23.38
	8.0%	5.10	10.42	13.11	18.14	22.35	24.43	25.51
	7.0%	5.28	11.35	14.43	20.18	24.88	27.15	28.25

Sources: Vtion (historical data), SES Research (estimates)

DCF Model - Vtion

Figures in EUR m

	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e
Sales	79.8	85.6	92.3	97.9	102.7	107.9	113.3	118.9	124.9	131.1	137.7	140.4	143.2	146.1
Change	18.0%	7.3%	7.8%	6.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	2.0%	2.0%	2.0%
EBIT	23.0	24.6	24.7	27.4	26.7	27.0	22.7	21.4	21.2	21.0	20.7	14.0	14.3	14.6
EBIT-Margin	28.8%	28.7%	26.8%	28.0%	26.0%	25.0%	20.0%	18.0%	17.0%	16.0%	15.0%	10.0%	10.0%	10.0%
Tax rate	20.8%	23.2%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%	23.0%
NOPAT	18.2	18.9	19.0	21.1	20.6	20.8	17.4	16.5	16.3	16.2	15.9	10.8	11.0	11.3
Depreciation	0.6	0.6	0.6	1.0	1.0	1.1	1.7	1.8	1.9	2.0	2.1	2.1	2.1	2.2
in % of Sales	0.7%	0.7%	0.7%	1.0%	1.0%	1.0%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Change in Liquidity from														
- Working Capital	-5.9	-5.1	-3.2	10.6	-0.7	-0.7	-2.4	-1.4	-1.4	-1.4	-2.2	0.5	-0.9	-0.9
- Capex	-1.6	-2.5	-3.1	-1.5	-1.5	-1.6	-1.7	-1.8	-1.9	-2.0	-2.1	-2.1	-2.1	-2.2
Capex in % of Sales	2.0%	2.9%	3.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow (WACC-Model)	11.3	11.9	13.4	31.2	19.3	19.5	15.0	15.1	14.9	14.7	13.7	11.3	10.1	10.3

Model parameter

Debt ratio	0.00%	Beta	1.45
Costs of Debt	n.a.	WACC	11.14%
Market return	9.00%		
Risk free rate	4.25%	Terminal Growth	2.00%

Valuation (mln)

Present values 2023e	113.6		
Terminal Value	26.9		
Liabilities	0.0		
Liquidity	60.0	No. of shares (mln)	15.90
Equity Value	200.5	Value per share (EUR)	12.61

Sensitivity Value per Share (EUR)

Terminal Growth

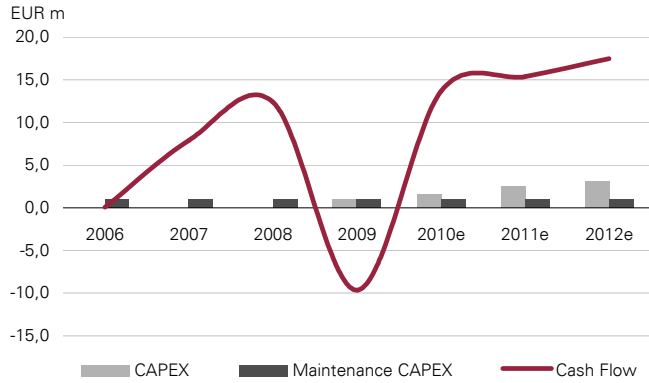
WACC	1.25%	1.50%	1.75%	2.00%	2.25%	2.50%	2.75%
12.14%	11.85	11.88	11.91	11.94	11.98	12.01	12.05
11.64%	12.15	12.19	12.22	12.26	12.30	12.34	12.39
11.39%	12.31	12.35	12.39	12.43	12.48	12.52	12.57
11.14%	12.48	12.52	12.57	12.61	12.66	12.71	12.76
10.89%	12.66	12.70	12.75	12.80	12.85	12.90	12.96
10.64%	12.84	12.89	12.94	12.99	13.05	13.11	13.18
10.14%	13.24	13.29	13.35	13.42	13.49	13.56	13.64

Delta EBIT margin

WACC	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp	+1.0 pp	+1.5 pp
12.14%	11.19	11.44	11.69	11.94	12.19	12.45	12.70
11.64%	11.47	11.73	12.00	12.26	12.53	12.79	13.06
11.39%	11.61	11.89	12.16	12.43	12.70	12.98	13.25
11.14%	11.77	12.05	12.33	12.61	12.89	13.17	13.45
10.89%	11.93	12.22	12.51	12.80	13.09	13.37	13.66
10.64%	12.10	12.40	12.70	12.99	13.29	13.59	13.89
10.14%	12.47	12.79	13.10	13.42	13.73	14.05	14.37

Source: SES Research

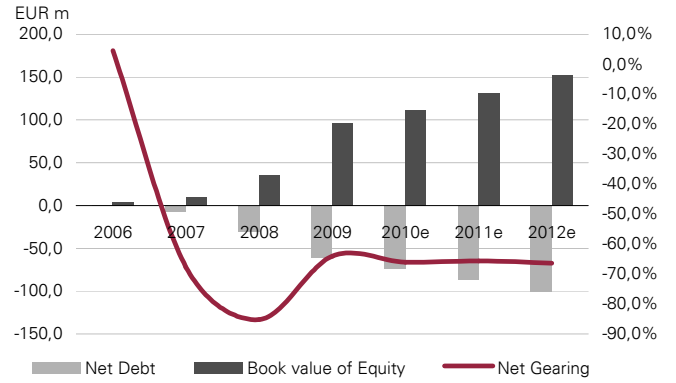
CAPEX and Cash Flow - Vtion



Sources: Vtion (historical data), SES Research (forecasts)

- Low Capex ratio as there are no own production capacities
- Cash Flow impacted in 2009e by expansion of working capital

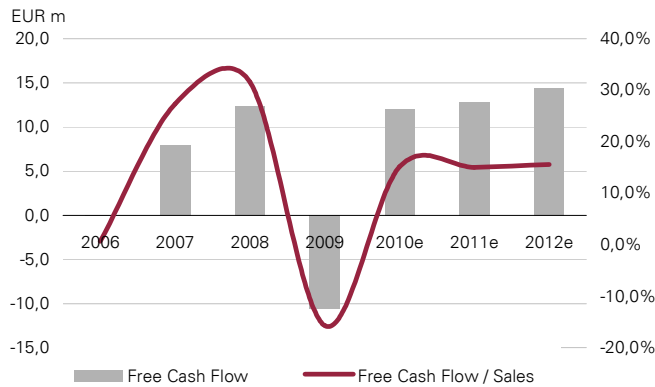
Balance Sheet Quality - Vtion



Sources: Vtion (historical data), SES Research (forecasts)

- Short balance sheet with high share of cash

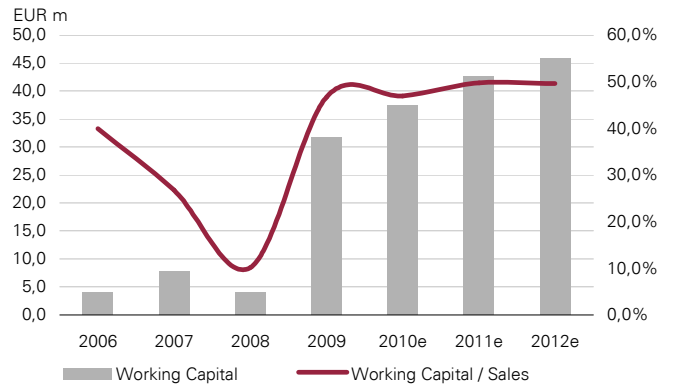
Free Cash Flow Generation - Vtion



Sources: Vtion (historical data), SES Research (forecasts)

- Negative free cash flow in 2009e due to working capital expansion
- Normalisation of working capital development from 2010e on
- High free cash flow generation from 2010e on

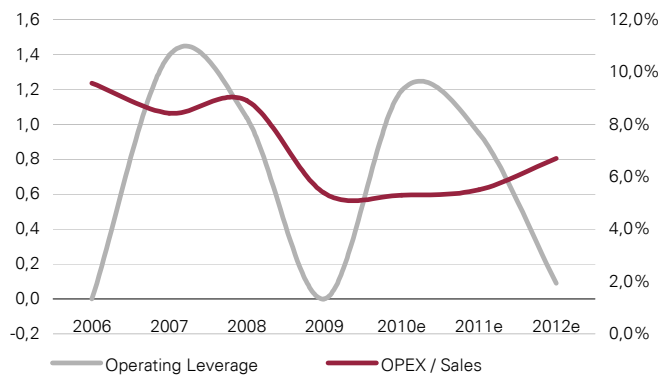
Working Capital - Vtion



Sources: Vtion (historical data), SES Research (forecasts)

- Normalisation of working capital development in 2010e

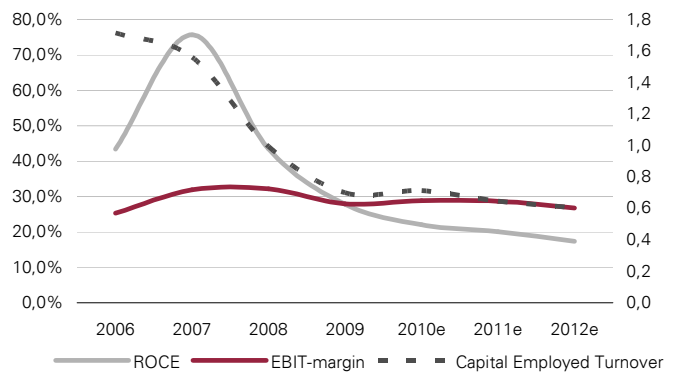
Operating Leverage - Vtion



Sources: Vtion (historical data), SES Research (forecasts)

- Operating leverage limited

ROCE Development - Vtion



Sources: Vtion (historical data), SES Research (forecasts)

- Constant EBIT margin between 2009e and 2011e
- Declining ROCE due to equity retention

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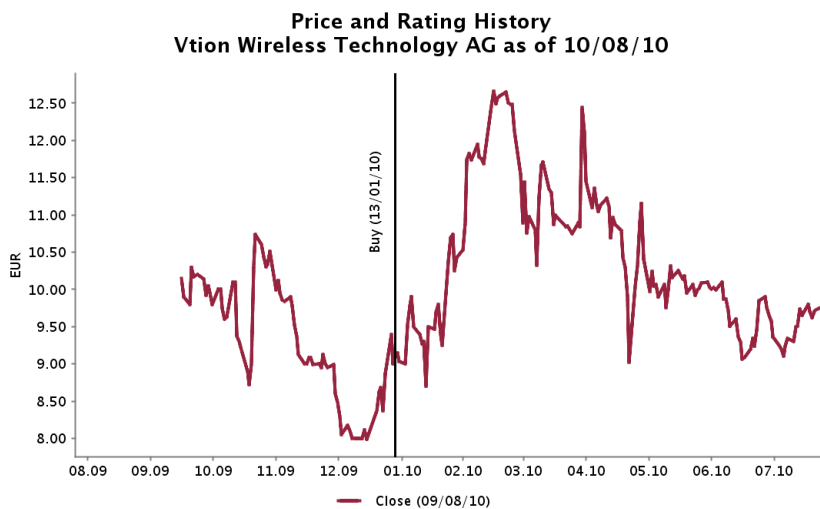
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Buy	121	62%
Hold	51	26%
Sell	6	3%
Rating suspended	16	8%
Total	194	

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Hold	32	24%
Sell	1	1%
Rating suspended	7	5%
Total	134	



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