

Recommendation:
BUY Prel. results Q1'09

Risk:
Medium

Fair Value:
EUR 60 (EUR 60)

6 May 2009

Excellent start in 2009

Strong performance in Q1

Revenues increased 11.5% to €72.6m

Management reported preliminary first quarter results ending March. Revenues increased 11.5% to €72.6m. Order intake declined marginally from a very high level of €82.5m in 2008 to €79.3m. Especially the door systems of Bode showed a comparable performance as in 2008. EBIT increased 11.8% to €6.1m and EBIT margin remained stable at around 8.4%. Net profit increased 18.8% to €3.7m compared to €3.1m in the first quarter 2008. Diluted earnings per share also improved from €1.68 to €1.96.

In the first quarter 2009 management improved the reporting structure and increased the number of divisions from two to three. Revenues of stationary traffic technology increased 8.1% to €26.6m with an EBIT margin of 11% (11.8% in 2008). Revenues of mobile traffic technology increased 18% to €28.2m. EBIT margin improved from 2.6% to 5.6%. The new separate division components reported a revenue increase of 7.2% to €17.8m. EBIT margin declined from 16.6% to 14.9% in the first quarter 2009.

Outlook for 2009 remained unchanged

For 2009 management is expecting revenues and earnings to remain flat. Revenues are expected to reach €280m and EPS should be in the region of €6.20 per share (undiluted). Diluted earnings per share are expected to reach €5.66.

We leave our "BUY" recommendation and target price of €60 per share unchanged. According to our estimates the company should profit from the upcoming worldwide infrastructure investment programs.

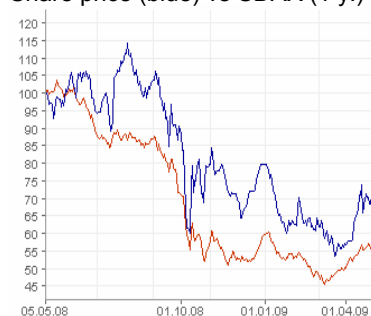
Key data

Y/E 31.12., in €m	2007	2008	2009E	2010E	2011E
Revenues	232.1	280.2	285.3	293.3	301.1
EBITDA	19.4	27.8	27.7	24.3	25.5
Net profit	7.2	11.8	10.8	8.4	9.3
EPS	3.85	5.94	5.78	4.20	4.69
EBITDA margin	8.3%	9.9%	9.7%	8.3%	8.5%
EBIT margin	6.1%	7.8%	7.6%	6.2%	6.4%
EV/EBITDA	6.2	4.6	3.9	4.2	3.8
EV/EBIT	8.6	5.9	5.0	5.6	5.0
P/E	9.3	6.9	6.0	8.3	7.4

Source: [fairesearch](#), CBS Research AG, company data

Information sourced from [fairesearch](#), Analyst Heinz Steffen

Share price (blue) vs SDAX (1 y.)



Source: CBS Research AG, [fairesearch](#)

change	2009E		2010E		2011E	
	new	old	new	old	new	old
Revenues	285.3	284.8	293.3	292.8	301.1	297.9
EBITDA	27.7	27.6	24.3	25.2	25.5	25.9
EPS	5.78	6.30	4.20	5.36	4.69	5.65

Internet: www.schaltbau.de Sector: Mechanical
WKN: 717030 Engineering
Reuters: SLTG.DE ISIN: DE0007170300
Bloomberg: SLT:GR

Share data:

Share Price:	EUR 34.75
Shares outstanding (mill.):	1.87
Market capitalisation:	EUR 64.9m
Enterprise Value (EV):	EUR 113m
Ø daily trading volume:	4,461

Performance data:

High 52 weeks:	EUR 55.68
Low 52 weeks:	EUR 25.01
Absolute performance: (12 months)	-24.5%
Relative performance (SDax):	
1 month	20.0%
3 months	6.9%
6 months	-8.2%
12 months	19.0%

Shareholders:

Dr. Cammann family:	11.81%
Zimmermann family:	10.09%
Golden Peaks Capital:	9.51%
IFOS International Fonds Service:	3.52%
Free float:	65.07%

Financial calendar:

Next event: Q1'09 – 15th, May 09
www.schaltbau.de

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Key ratios

Key ratios 2003-2011E

	2003	2004	2005	2006	2007	2008	2009E	2010E	2011E
Revenues (€m)	227.4	215.0	203.9	212.7	232.1	280.2	285.3	293.3	301.1
EBITDA (€m)	6.0	14.1	17.1	16.8	19.4	27.8	27.7	24.3	25.5
EBITA (€m)	-2.5	9.1	12.1	11.8	14.1	21.9	21.6	18.2	19.1
EBIT (€m)	-2.5	9.1	12.1	11.8	14.1	21.9	21.6	18.2	19.1
Net Profit (€m)	-14.4	2.0	3.9	5.0	7.2	11.8	10.8	8.4	9.3
Margins									
EBITDA margin	2.6%	6.5%	8.4%	7.9%	8.3%	9.9%	9.7%	8.3%	8.5%
EBITA margin	-1.1%	4.2%	5.9%	5.5%	6.1%	7.8%	7.6%	6.2%	6.4%
EBIT margin	-1.1%	4.2%	5.9%	5.5%	6.1%	7.8%	7.6%	6.2%	6.4%
Return on equity	16.3%	-6.9%	-23.6%	-40.6%	-171.8%	190.6%	57.3%	29.8%	24.3%
ROCE (incl. goodwill)	0.4%	19.6%	23.6%	18.5%	22.7%	22.2%	30.5%	19.7%	18.7%
Balance Sheet									
Enterprise Value (EV)	66.7	78.5	91.6	97.8	120.9	128.0	109.7	101.6	96.5
Net Debt/(cash) (€m)	69.5	70.1	58.5	55.2	60.5	56.6	48.1	38.9	32.7
Capital Employed (avg.)	81.8	67.4	69.7	71.8	76.0	82.5	90.6	100.2	107.7
Net working capital(€m)	39.43	30.16	32.76	35.67	38.77	45.54	52.76	60.12	63.42
Shareholders equity(€m)	-30.5	-27.3	-15.3	-10.1	-2.1	8.6	23.3	33.8	45.3
Equity/Total assets (%)	-25.6%	-19.1%	-11.2%	-7.2%	-1.3%	5.1%	12.6%	18.6%	24.2%
Net debt/Equity (%)	91.8%	86.1%	62.4%	54.4%	47.6%	42.4%	42.4%	37.3%	33.4%
Capital Efficiency/Solvability									
Sales/CE (incl. goodwill) (x)	2.6	3.0	2.7	2.7	2.8	3.2	3.0	2.8	2.7
Sales/Fixed assets (x)	8.5	5.6	5.4	5.7	5.8	7.0	6.7	6.5	6.4
Sales/Net working capital (x)	5.8	7.1	6.2	6.0	6.0	6.2	5.4	4.9	4.7
Inventories/Sales (days)	39.8	67.2	70.5	71.6	72.0	68.5	70.7	75.6	77.3
Trade receivables/Sales (days)	49.5	45.1	49.2	47.9	52.4	42.7	44.9	46.3	48.2
Trade creditors/Sales (days)	27.4	27.9	29.7	29.3	33.7	25.5	25.8	25.6	27.4
CAPEX/Depreciation (%)	0.9	0.9	0.7	0.7	0.8	0.7	0.7	0.8	0.9
Interest cover (x)	-0.5	1.9	2.7	2.7	2.5	3.3	3.5	3.2	3.5
Dividend payout (%)	0.0%	0.0%	2.4%	5.6%	7.8%	7.9%	8.6%	11.1%	12.0%
Tax ratio	16.1%	36.2%	36.0%	29.9%	18.6%	17.3%	25.0%	25.0%	25.0%
Valuation									
EPS (€)	(10.51)	1.42	2.34	2.67	3.85	5.94	5.78	4.20	4.69
CFPS (€)	2.66	5.41	5.55	5.36	6.66	9.54	9.03	7.80	8.40
DPS (€)	0.00	0.00	0.06	0.15	0.30	0.50	0.50	0.50	0.60
Book Value (€)	(24.12)	(22.05)	(10.32)	(6.58)	(2.24)	3.33	10.08	15.07	20.58
Adjusted Book Value (€)	(27.75)	(25.87)	(13.92)	(9.86)	(5.02)	0.62	7.26	12.14	17.53
P/E	-0.5	6.6	9.8	9.3	9.3	6.9	6.0	8.3	7.4
P/CF	-1.1	1.7	4.1	4.6	5.4	4.3	3.8	4.5	4.1
P/Book	-0.2	-0.4	-2.2	-3.8	-15.9	12.4	3.4	2.3	1.7
Dividend yield (%)	0.0%	0.0%	0.3%	0.6%	0.8%	1.2%	1.4%	1.4%	1.7%
EV/Sales (x)	0.3	0.4	0.4	0.5	0.5	0.5	0.4	0.3	0.3
EV/EBITDA (x)	11.2	5.6	5.4	5.8	6.2	4.6	3.9	4.2	3.8
EV/EBIT (x)	-26.4	8.7	7.6	8.3	8.6	5.9	5.0	5.6	5.0
EV/Capital Employed (x)	0.8	1.2	1.3	1.4	1.6	1.6	1.2	1.0	0.9
EV/CE (incl. goodwill) (x)	0.8	1.1	1.2	1.3	1.5	1.5	1.1	1.0	0.8

Source: [fairesearch](#)

First quarter preliminary figures

First quarter results 2006-2009 (preliminary)

PROFIT & LOSS (EURm)	Q1'06	Q1'07	Q1'08	Q1'09P	% +/-
Revenues	52.1	55.6	65.1	72.6	11.5%
Stationary traffic technology	15.9	16.7	24.6	26.6	8.1%
Mobile traffic technology	36.2	38.9	23.9	28.2	18.0%
Components			16.6	17.8	7.2%
Changes in stocks of goods	0.7	-0.5	1.4	1.0	-28.7%
Other capitalized work	-0.1	0.1	0.2	0.2	
Total operating performance	52.7	55.2	66.7	73.8	10.6%
Material expenses	26.6	28.1	34.4	39.0	13.5%
Personnel expenses	17.8	18.0	19.5	21.0	7.9%
Depreciation	1.2	1.3	1.4	1.5	6.8%
Other income	0.2	0.4	0.3	0.3	32.8%
Other expenses	4.8	4.2	6.2	6.5	4.4%
Total Expenses	50.2	51.2	61.2	67.7	10.5%
EBITDA	3.7	5.3	6.9	7.6	10.8%
<i>EBITDA margin</i>	7.2%	9.5%	10.5%	10.5%	
EBITA	2.5	4.0	5.5	6.1	11.8%
<i>EBITA margin</i>	4.8%	7.2%	8.4%	8.4%	
Amortisation	0.0	0.0	0.0	0.0	
EBIT	2.5	4.0	5.5	6.1	11.8%
<i>EBIT-Marge</i>	4.8%	7.2%	8.4%	8.4%	
Income/losses from at equity	0.0	0.2	0.2	0.3	
Income/losses from participations	0.0	0.0	0.0	0.0	
Other financial results	0.0	0.0	0.0	0.0	
Total financials	0.0	0.2	0.15	0.30	
Interest income	0.0	0.1	0.1	0.1	
Interest expense	-0.9	-1.3	-1.6	-1.2	-22.5%
Interest results	-0.9	-1.3	-1.5	-1.2	-23.3%
PBT	1.6	2.9	4.102	5.246	27.9%
Taxes	0.5	0.5	0.61	0.94	56.1%
Tax rate	33.0%	17.1%	14.7%	18.0%	
Profit after tax	1.06	2.37	3.50	4.30	23.0%
Minorities	-0.6	-0.6	-0.38	-0.60	57.1%
Net reported profit	0.50	1.75	3.12	3.70	18.8%
EPS reported profit	0.26	0.94	1.68	1.96	16.7%

Source: fairesearch, P=preliminary

New reporting structure in the first quarter 2009

in €m	mobile traffic technology			stationary traffic technology			components		
	2008	2009	y-o-y	2008	2009	y-o-y	2008	2009	y-o-y
Order intake	32.6	39.6	21.5%	26.9	20.8	-22.7%	23.0	18.9	-17.8%
Order backlog	99.6	107.7	8.1%	64.7	49.2	-24.0%	34.0	31.7	-6.8%
Revenues	23.9	28.2	18.0%	24.6	26.6	8.1%	16.6	17.8	7.2%
EBITDA	1.0	2.0	100.0%	3.2	3.3	3.1%	3.4	3.4	0.0%
EBITDA margin	4.2%	7.1%		13.0%	12.4%		20.5%	19.1%	
EBIT	0.6	1.6	160.7%	2.9	2.9	0.7%	2.8	2.7	-3.6%
EBIT margin	2.6%	5.6%		11.8%	11.0%		16.6%	14.9%	

Source: fairesearch

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

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Recommendation history for the company analysed in this report:

Date	Recommendation	Price at change date	Target Price
26 th April 2008	Buy	44.15 EUR	70.30 EUR
29 th May 2008	Buy	(Initiating Coverage) 49.49 EUR (Q1 results)	77.27 EUR
27 th August 2008	Buy	48.11 EUR (Q2 results)	77.27 EUR
24 th October 2008	Buy	34.75 EUR (Q3 prel.)	70.00 EUR
23 rd , February 2009	Buy	29.50 EUR (Prel. 2008e)	60.00 EUR
11 th , March 2009	Buy	29.90 EUR (Prel. 2008)	60.00 EUR
6 th , May 2009	Buy	34.75 EUR (Prel. Q1’09)	60.00 EUR

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