

Company Alert

Schaltbau

Company Update: Additional profit of EUR 0.8m due to disposal



RATING
BUY (UNCHANGED)

TARGET PRICE
43 EUR (UNCHANGED)

WHAT'S CHANGED

- Disposal of Beijing Bode, China
- Earnings contribution of EUR 0.8m in 2009
- Future strategy in China is currently under consideration

Disposal of Beijing Bode in China. Schaltbau did not reach a consensus with the Chinese partner either in terms of strategic questions nor in operational business. Therefore, Schaltbau sold its share of 49% and will get a low single digit million amount. Due to the fact that the purchase price is above the book value the company realises an additional profit of EUR 0.8m, which equates to 0.40 EUR per share.

Own strategy in China. Schaltbau is currently considering its strategic steps in the Chinese growth market. It would be very interesting to hear more about this issue soon.

No influence on our rating and target price. We maintain our current rating buy and our target price of 43.00 EUR.

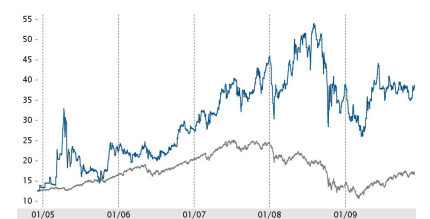
Investment case. Schaltbau is well positioned as a supplier for infrastructure projects in railway and bus transportation. Both the Stationary Transportation Technology and Mobile Transportation Technology segments contribute to this. The company benefits from the railway industry through projects in the field of rail infrastructure. The economic stimulus packages in the course of the economic crisis could provide additional impulse. The weakness of industrial customers has, in part, been offset by the stable order situation of the railway industry, meaning that the profit decline in 2009 should be limited. We expect stronger signs of slowing in 2010.

+++ Reuters: SLTG +++ Bloomberg: SLT GR +++

Current Price (XETRA (Germany); 2009-12-02; 05:36 pm) ...	38.64 EUR
CLOSING PRICE (2009-12-02):	38.64 EUR
EXPECTED PERFORMANCE:	11.3%
MARKET CAPITALIZATION:	72.33 EUR m
ENTERPRISE VALUE:	141.86 EUR m
NUMBER OF SHARES:	1.87 m
FREE FLOAT:	73.0 %
INDEX (WEIGHT):	CDAX (n.a.)
AVG. DAILY TRADEVOL.:	2,653
ISIN:	DE0007170300
SECTOR:	Capital Goods

KEY DATA (DEC)	2008	2009E	2010E
Sales (EUR m)	280.2	270.1	267.0
EBITDA (EUR m)	27.8	26.0	24.3
EBIT (EUR m)	21.9	20.1	17.7
Net profit (EUR m)	11.8	11.6	10.2
FCF (EUR m)	6.7	4.2	7.8
FCF yield	9.3 %	5.8 %	10.7 %
EPS (EUR)	6.35	6.19	5.43
DPS (EUR)	0.50	0.50	0.50
EV / Sales (x)	0.5	0.5	0.5
EV / EBITDA (x)	5.1	5.5	5.9
EV / EBIT (x)	6.5	7.1	8.0
P / E (x)	6.1	6.2	7.1
P / BV (x)	11.65	4.28	2.77
Dividend yield (in %)	1.3 %	1.3 %	1.3 %

PRICE PERFORMANCE



Source: Schaltbau, LBBW Research, Thomson Reuters

UPCOMING EVENTS

April 21-10 Annual report

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Appendix-1

1/2

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Appendix-1

2/2

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LBBW Research Rating-Systematics (absolute share rating system)

Rating definitions:

Buy:	Based on a time horizon of up to 12 months, we recommend that investors buy the stock.
Sell:	Based on a time horizon of up to 12 months, we recommend that investors sell the stock.
Hold:	We take a neutral view on the stock and, based on a time horizon of up to 12 months, do not recommend either a Buy or Sell.
Under review:	The rating is currently updated.
Suspended:	The evaluation of the company is currently not feasible.

Percentage of companies within this rating category

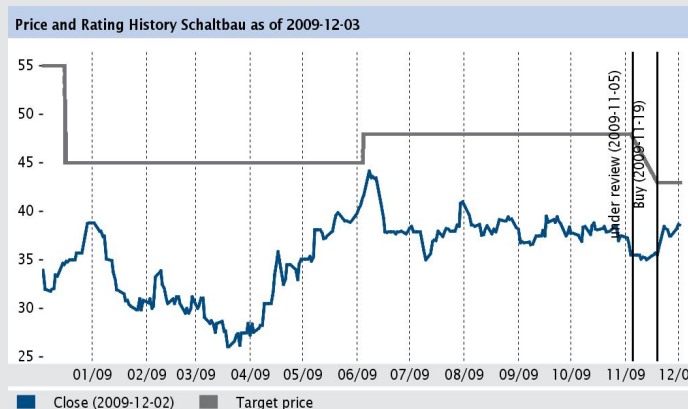
Buy:	41,1%
Sell:	19,1%
Hold:	38,1%
Under review:	0,4%
Suspended:	1,3%

Notes: Rating definitions prior to 6th April, 2009 were:

Buy: The price potential of the share is at least 10%. Hold: The price potential of the share is between 0% and 10%. Sell: A negative price performance of the share is expected.

Ratings relate to a time horizon of up to 6 months.

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