

# Company Alert

## Schaltbau

### Results Initial View: Earnings guidance confirmed



RATING  
**BUY (UNCHANGED)**

TARGET PRICE  
**48 EUR (UNCHANGED)**

WHAT'S CHANGED

- Sales guidance lowered from EUR 280m to EUR 270m
- Earnings guidance confirmed with an EPS of EUR 6.20

**Order situation and sales development.** Schaltbau realised an order entry of EUR 53.0m in Q3 which equates to a drop of 26.8% yoy. At the same time quarterly sales decreased by 12.4% yoy. 9M/2009 sales only declined by 3.0%. In our view, this shows that Schaltbau began to feel a significantly higher squeeze of the recession.

**EBIT has weakened.** Operating result reached only EUR 3.4m. This is below last year's level as well as below Q2/2008 (EUR 5.3m). The EBIT margin came out with 5.4% in comparison to 7.6% in Q2/2009. Earnings deteriorated due to a very weak industrial business. Schaltbau tried to compensate this effect with cost cutting measures.

**Guidance partly confirmed.** The company lowered their sales guidance from EUR 280m down to EUR 270m. However, the earnings guidance was confirmed. Schaltbau still targets an EPS of EUR 6.20. This requires a successful Q4/2009.

**What about 2010?** Schaltbau emphasised that the short term outlook has only slightly changed. As a consequence of the declining order entry we see a growing risk for sales and earnings in 2010. Therefore, we will rework our estimates.

in EUR m	Q3/2009	Q3/2008	delta yoy	9M/2009	9M/2008	delta yoy
Sales	62.4	71.2	-12.4%	205.0	211.3	-3.0%
EBIT	3.4	5.2	-34.6%	14.8	18.1	-18.2%
Net profit	1.3	3.2	-59.4%	8.3	11.6	-28.4%
EPS (in EUR)	0.71	1.69	-58.0%	4.47	6.20	-27.9%

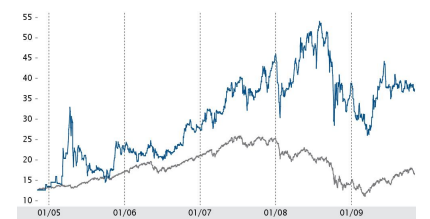
Source: Schaltbau, LBBW Research

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

Current Price (XETRA (Germany); 2009-11-04; 09:02 am) ...36.87 EUR  
**CLOSING PRICE (2009-11-03): 36.80 EUR**  
 EXPECTED PERFORMANCE: 30.4%  
 MARKET CAPITALIZATION: 68.89 EUR m  
 ENTERPRISE VALUE: 138.42 EUR m  
 NUMBER OF SHARES: 1.87 m  
 FREE FLOAT: 68.0%  
 INDEX (WEIGHT): CDAX (n.a.)  
 AVG. DAILY TRADEVOL.: 2,068  
 ISIN: DE0007170300  
 SECTOR: Capital Goods

KEY DATA (DEC)	2008	2009E	2010E
Sales (EUR m)	280.2	280.0	285.5
EBITDA (EUR m)	27.8	25.9	26.1
EBIT (EUR m)	21.9	20.0	20.5
Net profit (EUR m)	11.8	11.6	11.9
FCF (EUR m)	6.7	2.6	7.4
FCF yield	9.3%	3.7%	10.7%
EPS (EUR)	6.35	6.19	6.36
DPS (EUR)	0.50	0.50	0.50
EV / Sales (x)	0.5	0.5	0.5
EV / EBITDA (x)	5.1	5.4	5.3
EV / EBIT (x)	6.5	6.9	6.8
P / E (x)	6.1	5.9	5.8
P / BV (x)	11.65	4.08	2.47
Dividend yield (in %)	1.3%	1.4%	1.4%

PRICE PERFORMANCE



Source: Schaltbau, LBBW Research, Thomson Reuters

UPCOMING EVENTS

November 06-09 Quarterly report (detailed)

**Alexandra Hauser, CPA**  
 Investment Analyst  
 +49 711 127-74669  
 Alexandra.Hauser@LBBW.de

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## EQUITY SALES

### Stuttgart/Mainz

Am Hauptbahnhof 2  
70173 Stuttgart  
Phone +49 711 127-25200  
Fax +49 711 127-25299

### London

London Branch  
201 Bishopsgate  
GB-London EC2M 3UN  
Phone +44 20 7826-8158  
Fax +44 20 7826-8095

### New York

280 Park Avenue  
31st Floor, West Building  
New York 10017 U.S. A.  
Phone +1 212 338-8840  
Fax +1 212 584-1799

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<b>Under review:</b>	The rating is currently updated.
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<b>Buy:</b>	37,0%
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<b>Hold:</b>	37,9%
<b>Under review:</b>	0,4%
<b>Suspended:</b>	0,9%

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