AUGUSTA Technologie

SES RESEARCH
A Member of the Warburg Group

Buy	(old: Buy)
PT EUR 12.00	(old: 12.00)

Price	EUR 8.08
Bloomberg	ABE1 GR
Reuters	ABEGk
Sector	Technology

Technology company focussing on sensorics and automation

Share data: 12.08.2009 / Closing price

Market cap:	EUR 68.2 m
Enterprise Value (EV):	EUR 91.5 m
Book value:	EUR 98.8 m
No. of shares:	7.6 m
Trading volume Ø:	EUR 0.3 m

Shareholders:

Freefloat	90.0 %
Own shares	10.0 %

Calendar:

Figures Q3	11/12/2009

Change	**2009E**		**2010E**		**2011E**	
	old	**Δ**	**old**	**Δ**	**old**	**Δ**
Sales	107	0	113	0	118	0
EBIT	12.1	0	13.9	0	15.2	0
EPS	1.03	0	1.20	0	1.31	0

Analysis: SES Research

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Q2 figures in line / Reduced guidance confirms estimates / Order entry recovering

AUGUSTA has released Q2/09 figures. A CC took place at 11 am.

AUGUSTA - Q2 2009

Figures in EUR m	Q2/09	Q2/09e	Q2/08	yoy	6M/09	6M/08	yoy
Sales	24.7	24.5	31.0	-20.4%	52.3	63.1	-17.1%
EBIT	2.7	2.6	4.5	-38.5%	5.9	9.5	-38.6%
margin	*11.1%*	*10.6%*	*14.4%*		*11.2%*	*15.1 %*	
EPS in EUR	0.24	0.20	0.40	-40.0%	0.49	0.82	-40.2%

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

Sales which decreased by 20.4% yoy reflect the economic situation as well as order entries which were lower in the last months. The consolidation of the Canadian company Prosilica (digital cameras for the industry based on the gigabit Ethernet standard) contributed approx. EUR 3 m to the top line in H1/09.

The company was able to maintain profitability on an attractive level with an EBIT margin of 11% despite the declining sales basis. This was due to the **consequent implemenation of cost-cutting measures by the management**. The measures include short-time work beginning from May in all parts of the group (effect approx. TEUR 300) as well as the positive effects from the reduction of long hours and accrued overtime (one-off effect of approx. TEUR 600).

Lowered guidance in line with the estimates: The SES estimates were confirmed with the new sales guidance of EUR 104-110 m and an EBIT of EUR 10-13 expected by the management (previously: sales EUR 117-127 m, EBIT: EUR 16-19 m).

The discontinuation of the factor which was burdening in the last weeks (consensus estimates were considerably below the guidance) should be a positive impulse for the rising share price. Additionally, the following factors are expected to contribute to the positive newsflow.

- Recovering order entries (Q2: EUR 25.5 m: 24.4% qoq) which should achieve a similarly high level also in Q3 and lay the basis for ...
- ...a performance which is again increasing in the second half of the year and which is expected to be stronger than H1.

Valuation: The AUGUSTA share trades at approx. 30% below the book value and a ROCE of 9.5%, which is expected for the recession year, and a simultaneously high earnings quality. Additionally, AUGUSTA has a low net debt of below EUR 0.90 per share despite the recent dividend payment. The share price is still on a low level not least due to the cash-related sale of shares by important investors.

BUY. PT based on the DCF model: EUR 12.00.

Fiscal year ending: 31.12.	**2005**	**2006**	**2007**	**2008**	**2009E**	**2010E**	**2011E**
Sales	99.2	111	119	127	107	113	118
Change Sales yoy	n.a.	12.3 %	7.2 %	6.6 %	-15.8 %	5.6 %	4.2 %
Gross balance	38.0	41.7	45.2	51.1	41.8	43.8	45.9
Gross margin	*38.3 %*	*37.4 %*	*37.9 %*	*40.2 %*	*39.1 %*	*38.8 %*	*39.0 %*
EBITDA	19.0	17.3	19.8	21.8	15.9	18.0	19.6
EBITDA-margin	19.2 %	15.5 %	16.6 %	17.1 %	14.8 %	16.0 %	16.7 %
EBIT	15.2	14.2	17.5	18.8	12.1	13.9	15.2
EBIT-margin	15.3 %	12.7 %	14.6 %	14.8 %	11.3 %	12.3 %	12.9 %
Net income	-1.2	25.8	14.8	12.7	7.8	9.1	10.0
EPS	-0.14	3.06	1.77	1.62	1.03	1.20	1.31
Free Cash Flow per share	0.43	-0.54	1.17	1.19	0.45	1.33	1.26
Dividend	0.00	0.00	0.00	1.20	0.40	0.40	0.40
Dividend Yield	*n.a.*	*n.a.*	*n.a.*	*14.9 %*	*5.0 %*	*5.0 %*	*5.0 %*
EV/Sales	0.7	0.7	0.6	0.6	0.9	0.7	0.6
EV/EBITDA	3.8	4.2	3.7	3.3	5.8	4.2	3.5
EV/EBIT	4.8	5.1	4.2	3.9	7.6	5.4	4.6
PER	-57.7	2.6	4.6	5.0	7.8	6.7	6.2
ROCE	9.0 %	10.0 %	15.5 %	15.7 %	9.5 %	11.0 %	11.6 %
Adj. Free Cash Flow Yield	11.4 %	13.8 %	28.4 %	26.7 %	14.7 %	20.6 %	24.6 %

Per Share figures in EUR, other figures in EUR m., price: EUR 8.08

Consolidated Profit & Loss AUGUSTA Technologie

in EUR m	2005	2006	2007	2008	2009E	2010E	2011E
Sales	**99.2**	**111**	**119**	**127**	**107**	**113**	**118**
Cost of sales	61.1	69.7	74.1	76.0	65.2	69.2	71.9
Gross balance	**38.0**	**41.7**	**45.2**	**51.1**	**41.8**	**43.8**	**45.9**
Research and development	3.0	5.4	5.1	6.6	5.0	5.1	5.3
Sales and marketing	12.5	13.0	13.8	16.2	15.1	15.1	15.4
General and administration	8.5	8.8	9.1	10.2	9.7	9.7	10.0
Other operating income/expenses	0.6	-0.2	0.3	0.7	0.0	0.0	0.0
Unfrequent items	**0.6**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
EBITDA	**19.0**	**17.3**	**19.8**	**21.8**	**15.9**	**18.0**	**19.6**
Depreciation of fixed assets	2.3	1.4	1.6	1.9	2.8	3.1	3.3
EBITA	**16.7**	**15.8**	**18.2**	**19.9**	**13.1**	**14.9**	**16.3**
Amortisation of intangible fixed assets	1.6	1.7	0.7	1.1	1.0	1.0	1.1
Impairment charges and amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**15.2**	**14.2**	**17.5**	**18.8**	**12.1**	**13.9**	**15.2**
Interest income	0.2	0.6	0.4	0.0	0.0	0.0	0.0
Interest expenses	3.6	3.3	0.6	0.5	0.8	0.7	0.6
Financial result	-3.2	-2.7	-0.2	-0.7	-0.8	-0.7	-0.6
Recurring pretax income from cont. operations	**12.0**	**11.5**	**17.3**	**18.2**	**11.3**	**13.3**	**14.6**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**12.0**	**11.5**	**17.3**	**18.2**	**11.3**	**13.3**	**14.6**
Taxes total	3.7	1.3	5.0	5.4	3.5	4.2	4.7
Net income from continuing operations	**8.2**	**10.2**	**12.2**	**12.8**	**7.8**	**9.1**	**10.0**
Income from discontinued operations (net of tax)	-9.7	14.4	2.6	0.0	0.0	0.0	0.0
Net income before minorities	**-1.4**	**24.6**	**14.9**	**12.8**	**7.8**	**9.1**	**10.0**
Minority interest	-0.2	-1.1	0.0	0.1	0.0	0.0	0.0
Net income	**-1.2**	**25.8**	**14.8**	**12.7**	**7.8**	**9.1**	**10.0**

Sources: AUGUSTA Technologie (historical data), SES Research (forecasts)

Consolidated Profit & Loss AUGUSTA Technologie

in % of Sales	2005	2006	2007	2008	2009E	2010E	2011E
Sales	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Cost of sales	61.7 %	62.6 %	62.1 %	59.8 %	60.9 %	61.2 %	61.0 %
Gross balance	**38.3 %**	**37.4 %**	**37.9 %**	**40.2 %**	**39.1 %**	**38.8 %**	**39.0 %**
Research and development	3.0 %	4.9 %	4.3 %	5.2 %	4.7 %	4.5 %	4.5 %
Sales and marketing	12.6 %	11.7 %	11.6 %	12.7 %	14.1 %	13.4 %	13.1 %
General and administration	8.6 %	7.9 %	7.6 %	8.1 %	9.0 %	8.6 %	8.5 %
Other operating income/expenses	0.6 %	-0.2 %	0.2 %	0.6 %	0.0 %	0.0 %	0.0 %
Unfrequent items	**0.6 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**	**0.0 %**
EBITDA	**19.2 %**	**15.5 %**	**16.6 %**	**17.1 %**	**14.9 %**	**16.0 %**	**16.7 %**
Depreciation of fixed assets	2.3 %	1.3 %	1.4 %	1.5 %	2.6 %	2.7 %	2.8 %
EBITA	**16.9 %**	**14.2 %**	**15.2 %**	**15.7 %**	**12.2 %**	**13.2 %**	**13.9 %**
Amortisation of intangible fixed assets	1.6 %	1.5 %	0.6 %	0.8 %	0.9 %	0.9 %	0.9 %
Impairment charges and amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	**15.3 %**	**12.7 %**	**14.7 %**	**14.8 %**	**11.3 %**	**12.3 %**	**12.9 %**
Interest income	0.2 %	0.6 %	0.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	3.6 %	3.0 %	0.5 %	0.4 %	0.8 %	0.6 %	0.5 %
Financial result	-3.2 %	-2.4 %	-0.2 %	-0.5 %	-0.8 %	-0.6 %	-0.5 %
Recurring pretax income from cont. operations	**12.1 %**	**10.3 %**	**14.5 %**	**14.3 %**	**10.6 %**	**11.8 %**	**12.4 %**
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	**12.1 %**	**10.3 %**	**14.5 %**	**14.3 %**	**10.6 %**	**11.8 %**	**12.4 %**
Taxes total	3.8 %	1.1 %	4.2 %	4.3 %	3.3 %	3.7 %	4.0 %
Net income from continuing operations	**8.3 %**	**9.2 %**	**10.3 %**	**10.0 %**	**7.3 %**	**8.1 %**	**8.5 %**
Income from discontinued operations (net of tax)	-9.7 %	13.0 %	2.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income before minorities	**-1.4 %**	**22.1 %**	**12.5 %**	**10.1 %**	**7.3 %**	**8.1 %**	**8.5 %**
Minority interest	-0.2 %	-1.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %
Net income	**-1.2 %**	**23.2 %**	**12.4 %**	**10.0 %**	**7.3 %**	**8.1 %**	**8.5 %**

Sources: AUGUSTA Technologie (historical data), SES Research (forecasts)

Balance sheet AUGUSTA Technologie

in EUR m	2005	2006	2007	2008	2009E	2010E	2011E
Assets							
Intangible assets	73.5	55.4	52.7	72.7	75.3	75.3	75.2
thereof other intangible assets	12.6	1.9	2.1	7.3	7.3	7.3	7.2
thereof Goodwill	60.9	53.5	50.5	65.4	68.0	68.0	68.0
Property, plant and equipment	10.6	8.1	11.2	12.3	13.8	15.7	15.6
Financial assets	2.1	1.1	3.9	4.3	4.8	5.2	5.7
Fixed assets	**86.2**	**64.6**	**67.8**	**89.4**	**93.9**	**96.2**	**96.5**
Inventories	31.5	16.2	18.1	22.0	21.4	18.8	18.1
Accounts receivable	49.3	11.6	13.8	14.0	13.2	13.9	14.5
Other Assets	29.1	21.6	10.2	6.1	5.2	5.2	5.2
Liquid assets	14.4	17.4	17.5	18.5	6.4	10.8	15.1
Current assets	**124**	**66.7**	**59.6**	**60.7**	**46.3**	**48.7**	**53.0**
Total assets	**210**	**131**	**127**	**150**	**140**	**145**	**149**
Liabilities and shareholders' equity							
Subscribed capital	8.4	8.4	8.4	8.4	8.4	8.4	8.4
Additional paid-in capital	55.7	55.7	55.7	55.7	55.7	55.7	55.7
Surplus capital	5.0	17.0	23.0	30.0	28.4	34.4	41.3
Other equity components	-10.6	3.5	7.2	5.3	6.3	5.7	5.1
Book value	58.6	84.6	94.4	99.4	98.8	104	111
Minority Interest	5.7	0.3	0.3	0.3	0.3	0.3	0.3
Total equity	**64.2**	**84.9**	**94.6**	**99.8**	**99.1**	**105**	**111**
Provision for pensions and similar obligations	10.4	0.9	1.0	0.8	1.1	1.2	1.3
Provisions	27.5	5.6	6.8	7.2	7.5	7.6	7.7
Financial liabilities	76.0	23.7	9.3	22.0	18.9	16.6	14.9
Accounts payable	21.2	4.0	6.0	4.7	4.1	5.0	4.2
Other liabilities	21.5	13.1	10.6	16.4	10.6	11.1	11.6
Liabilities	**146**	**46.4**	**32.7**	**50.3**	**41.1**	**40.3**	**38.5**
Total liabilities and shareholders equity	**210**	**131**	**127**	**150**	**140**	**145**	**149**

Sources: AUGUSTA Technologie (historical data), SES Research (forecasts)

Balance sheet AUGUSTA Technologie

in % of Balance Sheet Total	2005	2006	2007	2008	2009E	2010E	2011E
Assets							
Intangible assets	34.9 %	42.2 %	41.4 %	48.4 %	53.7 %	52.0 %	50.3 %
thereof other intangible assets	6.0 %	1.5 %	1.7 %	4.9 %	5.2 %	5.0 %	4.8 %
thereof Goodwill	28.9 %	40.7 %	39.7 %	43.6 %	48.5 %	46.9 %	45.5 %
Property, plant and equipment	5.0 %	6.2 %	8.8 %	8.2 %	9.9 %	10.9 %	10.5 %
Financial assets	1.0 %	0.8 %	3.1 %	2.9 %	3.4 %	3.6 %	3.8 %
Fixed assets	**41.0 %**	**49.2 %**	**53.2 %**	**59.5 %**	**67.0 %**	**66.4 %**	**64.6 %**
Inventories	15.0 %	12.3 %	14.2 %	14.7 %	15.3 %	13.0 %	12.1 %
Accounts receivable	23.4 %	8.9 %	10.8 %	9.4 %	9.4 %	9.6 %	9.7 %
Other Assets	13.8 %	16.4 %	8.0 %	4.1 %	3.7 %	3.6 %	3.5 %
Liquid assets	6.9 %	13.2 %	13.8 %	12.4 %	4.6 %	7.4 %	10.1 %
Current assets	**59.1 %**	**50.8 %**	**46.8 %**	**40.4 %**	**33.0 %**	**33.6 %**	**35.5 %**
Total assets	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
Liabilities and shareholders' equity							
Subscribed capital	4.0 %	6.4 %	6.6 %	5.6 %	6.0 %	5.8 %	5.7 %
Additional paid-in capital	26.5 %	42.4 %	43.8 %	37.1 %	39.7 %	38.5 %	37.3 %
Surplus capital	2.4 %	12.9 %	18.1 %	20.0 %	20.2 %	23.8 %	27.7 %
Other equity components	-5.0 %	2.6 %	5.7 %	3.5 %	4.5 %	3.9 %	3.4 %
Book value	27.9 %	64.4 %	74.1 %	66.2 %	70.5 %	72.0 %	74.0 %
Minority Interest	2.7 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Total equity	**30.5 %**	**64.6 %**	**74.3 %**	**66.5 %**	**70.7 %**	**72.2 %**	**74.2 %**
Provision for pensions and similar obligations	4.9 %	0.7 %	0.8 %	0.6 %	0.8 %	0.8 %	0.9 %
Provisions	13.1 %	4.3 %	5.4 %	4.8 %	5.3 %	5.2 %	5.2 %
Financial liabilities	36.1 %	18.1 %	7.3 %	14.7 %	13.5 %	11.5 %	10.0 %
Accounts payable	10.1 %	3.0 %	4.7 %	3.1 %	2.9 %	3.5 %	2.8 %
Other liabilities	10.2 %	10.0 %	8.3 %	11.0 %	7.6 %	7.7 %	7.8 %
Liabilities	**69.5 %**	**35.4 %**	**25.7 %**	**33.5 %**	**29.3 %**	**27.8 %**	**25.7 %**
Total liabilities and shareholders equity	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**

Sources: AUGUSTA Technologie (historical data), SES Research (forecasts)

Statement of Cash Flows AUGUSTA Technologie in EUR m	**2005**	**2006**	**2007**	**2008**	**2009E**	**2010E**	**2011E**
Net income	-1.4	24.6	14.9	12.8	7.8	9.1	10.0
Depreciation of fixed assets	2.3	1.4	1.6	1.9	2.8	3.1	3.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.6	1.7	0.7	1.1	1.0	1.0	1.1
Increase/decrease in long-term provisions	4.5	2.5	0.6	0.4	0.3	0.1	0.1
Other costs affecting income / expenses	7.5	-21.4	-2.2	-0.2	0.0	0.0	0.0
Cash Flow	**14.5**	**8.8**	**15.5**	**15.9**	**11.9**	**13.3**	**14.5**
Increase / decrease in inventory	-10.1	-3.8	-1.9	-2.5	0.6	2.6	0.7
Increase / decrease in accounts receivable	5.9	-3.8	-2.1	1.5	0.8	-0.7	-0.6
Increase / decrease in accounts payable	-4.3	3.8	2.0	-2.5	-0.6	0.9	-0.8
Increase / decrease in other working capital positions	5.9	-6.8	2.0	1.5	-4.0	0.0	0.0
Increase / decrease in working capital	-2.6	-10.5	0.0	-2.0	-3.2	2.8	-0.7
Cash flow from operating activities	**11.9**	**-1.7**	**15.5**	**13.9**	**8.7**	**16.1**	**13.8**
CAPEX	-8.2	-2.8	-5.7	-4.5	-5.3	-6.0	-4.2
Payments for acquisitions	-5.6	-0.9	0.0	-12.7	-2.6	0.0	0.0
Financial investments	-0.6	-0.4	-0.3	-8.5	-0.4	-0.4	-0.5
Income from asset disposals	0.5	41.3	13.1	0.4	0.0	0.0	0.0
Cash flow from investing activities	**-13.9**	**37.1**	**7.1**	**-25.3**	**-8.3**	**-6.4**	**-4.7**
Change in financial liabilities	-5.2	-32.0	-14.1	11.8	-3.1	-2.3	-1.7
Dividends paid	0.0	0.0	0.0	0.0	-9.4	-3.0	-3.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.1	0.0	-5.2	-7.1	0.0	0.0	0.0
Cash flow from financing activities	**-5.2**	**-32.0**	**-19.3**	**4.6**	**-12.5**	**-5.3**	**-4.8**
Change in liquid funds	-7.2	3.4	3.3	-6.8	-12.1	4.3	4.4
Effects of exchange rate changes on cash	**0.0**	**0.0**	**-0.1**	**0.0**	**0.0**	**0.0**	**0.0**
Liquid assets at end of period	**15.6**	**17.9**	**20.6**	**18.5**	**6.4**	**10.8**	**15.1**

Sources: AUGUSTA Technologie (historical data), SES Research (forecasts)

Financial Ratios AUGUSTA Technologie

	2005	2006	2007	2008	2009E	2010E	2011E
Operational Efficiency							
Total Operating Costs / Sales	23.6 %	24.7 %	23.2 %	25.4 %	27.8 %	26.5 %	26.1 %
Sales per Employee	226,379	237,861	235,337	205,385	178,333	188,333	196,333
EBITDA per Employee	43,473	36,878	38,988	35,183	26,478	30,073	32,737
EBIT-margin	15.3 %	12.7 %	14.6 %	14.8 %	11.3 %	12.3 %	12.9 %
EBITDA / Operating Assets	27.1 %	54.0 %	53.3 %	49.9 %	35.8 %	41.6 %	44.6 %
ROA	-1.4 %	39.9 %	21.9 %	14.2 %	8.3 %	9.4 %	10.3 %
Efficiency of Capital Employment							
Plant Turnover	9.4	13.7	10.7	10.3	7.7	7.2	7.5
Operating Assets Turnover	1.4	3.5	3.2	2.9	2.4	2.6	2.7
Capital Employed Turnover	0.6	1.0	1.1	1.0	0.9	0.9	0.9
Return on Capital							
ROCE	9.0 %	10.0 %	15.5 %	15.7 %	9.5 %	11.0 %	11.6 %
EBITDA / Avg. Capital Employed	11.4 %	12.2 %	17.6 %	18.2 %	12.5 %	14.2 %	15.0 %
ROE	-1.9 %	30.4 %	15.7 %	12.7 %	7.9 %	8.7 %	9.0 %
Net Profit / Avg. Equity	-3.8 %	34.6 %	16.5 %	13.1 %	7.8 %	8.9 %	9.2 %
Recurring Net Profit / Avg. Equity	25.7 %	13.7 %	13.6 %	13.1 %	7.8 %	8.9 %	9.2 %
ROIC	4.6 %	8.7 %	10.8 %	9.6 %	6.0 %	6.9 %	7.3 %
Solvency							
Net Debt	61.5	6.4	-8.2	3.5	12.5	5.9	-0.2
Net Gearing	95.7 %	7.5 %	-8.7 %	3.5 %	12.6 %	5.6 %	-0.2 %
Book Value of Equity / Book Value of Debt	84.6 %	357.9 %	1015.9 %	453.7 %	523.7 %	628.6 %	743.2 %
Current ratio	2.0	1.8	2.7	2.0	1.9	1.9	2.1
Acid Test Ratio	1.0	1.2	1.4	1.0	0.8	0.9	1.0
EBITDA / Interest Paid	5.3	5.2	35.6	43.0	19.9	25.8	32.7
Interest Cover	4.4	5.2	106.6	37.2	15.1	20.8	25.4
Cash Flow							
Free Cash Flow	3.6	-4.6	9.8	9.4	3.4	10.1	9.6
Free Cash Flow / Sales	3.7 %	-4.1 %	8.2 %	7.4 %	3.2 %	8.9 %	8.1 %
Adj. Free Cash Flow	8.3	10.0	20.7	19.4	13.5	15.5	17.1
Adj. Free Cash Flow / Sales	11.9 %	11.7 %	11.8 %	10.6 %	8.6 %	9.4 %	10.1 %
Free Cash Flow / Net Profit	-299.1 %	-17.7 %	66.2 %	73.7 %	43.9 %	111.0 %	96.0 %
Interest Received / Avg. Cash	1.2 %	3.9 %	2.2 %	0.0 %	0.0 %	0.3 %	0.0 %
Interest Paid / Avg. Debt	4.8 %	6.7 %	3.4 %	3.2 %	3.9 %	3.9 %	3.8 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	73.8 %	39.0 %	33.4 %	30.5 %
Fund Management							
Investment ratio	8.9 %	2.9 %	5.0 %	10.2 %	5.3 %	5.7 %	3.9 %
Maint. Capex / Sales	1.3 %	1.3 %	1.4 %	1.8 %	2.2 %	2.2 %	2.1 %
Capex / Dep	227.2 %	102.7 %	261.5 %	442.9 %	150.4 %	157.1 %	105.7 %
Avg. Working Capital / Sales	60.7 %	38.2 %	21.9 %	23.1 %	28.9 %	25.8 %	23.8 %
Trade Creditors / Trade Debtors	232.8 %	294.3 %	230.9 %	297.8 %	322.0 %	278.0 %	345.2 %
Inventory turnover (days)	116	53.0	55.4	63.2	73.0	60.8	56.2
Receivables collection period (DSOs)	181	38.2	42.2	40.3	45.0	45.0	45.0
Payables collection period (days)	77.9	13.0	18.3	13.5	14.0	16.0	13.0
Cash conversion cycle (days)	219	78.2	79.3	90.0	104	89.8	88.2
Valuation							
P/B	1.1	0.8	0.7	0.7	0.7	0.7	0.6
EV/sales	0.7	0.7	0.6	0.6	0.9	0.7	0.6
EV/EBITDA	3.8	4.2	3.7	3.3	5.8	4.2	3.5
EV/EBIT	4.8	5.1	4.2	3.9	7.6	5.4	4.6
EV/FCF	20.1	-16.0	7.4	7.8	26.8	7.5	7.3
P/E	-57.7	2.6	4.6	5.0	7.8	6.7	6.2
P/CF	4.7	7.7	4.4	4.3	5.7	5.1	4.7

Sources: AUGUSTA Technologie (historical data), SES Research (forecasts)

Free Cash Flow Yield - AUGUSTA

Figures in EUR m	2005	2006	2007	2008	2009e	2010e	2011e
Net Income	-1.2	25.8	14.8	12.7	7.8	9.1	10.0
+ Depreciation + Amortisation	3.9	3.1	2.3	2.9	3.8	4.1	4.4
- Net Interest Income	-3.2	-2.7	-0.2	-0.7	-0.8	-0.7	-0.6
+ Taxes	3.7	1.3	5.0	5.4	3.5	4.2	4.7
- Maintenance Capex	1.3	1.4	1.7	2.3	2.4	2.5	2.5
+ Others	0.0	-21.4	0.0	0.0	0.0	0.0	0.0
= Adjusted Free Cash Flow	**8.3**	**10.0**	**20.7**	**19.4**	**13.5**	**15.5**	**17.1**
Adjusted Free Cash Flow Yield	11.4%	13.8%	28.4%	26.7%	14.7%	20.6%	24.6%
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
= Enterprise Value	**72.8**	**72.8**	**72.8**	**72.8**	**91.5**	**75.6**	**69.6**
= Fair Enterprise Value	**82.8**	**100.4**	**206.7**	**194.2**	**134.9**	**155.4**	**171.4**
- Net Debt (Cash)	3.5	3.5	3.5	3.5	12.5	5.9	-0.2
- Pension Liabilities	0.8	0.8	0.8	0.8	1.1	1.2	1.3
- Others	0.3	0.3	0.3	0.3	9.7	0.3	0.3
= Fair Market Capitalisation	**78.2**	**95.8**	**202.1**	**189.6**	**111.6**	**148.0**	**170.0**
No. of shares (m)	8.4	8.4	8.4	8.4	8.4	8.4	8.4
= Fair value per share (EUR)	**9.27**	**11.36**	**23.96**	**22.48**	**13.22**	**17.55**	**20.15**
premium (-) / discount (+) in %	14.7%	40.6%	196.5%	178.2%	63.7%	117.2%	149.4%

Sensitivity Fair value per Share (EUR)

		2005	2006	2007	2008	2009e	2010e	2011e
	13.0%	7.00	8.61	18.30	17.17	9.53	13.30	15.46
	12.0%	7.63	9.37	19.87	18.64	10.56	14.48	16.76
	11.0%	8.38	10.28	21.73	20.39	11.77	15.87	18.30
Hurdle rate	**10.0%**	**9.27**	**11.36**	**23.96**	**22.48**	**13.22**	**17.55**	**20.15**
	9.0%	10.36	12.68	26.68	25.04	15.00	19.60	22.41
	8.0%	11.72	14.33	30.08	28.24	17.22	22.16	25.23
	7.0%	13.48	16.46	34.46	32.35	20.08	25.45	28.86

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

DCF Model - AUGUSTA

Figures in EUR m	2009e	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e
Sales	107.0	113.0	117.8	122.5	127.4	132.1	136.4	140.5	144.4	148.0	151.4	154.5	157.6	160.7
Change	*-15.8%*	*5.6%*	*4.2%*	*4.0%*	*4.0%*	*3.6%*	*3.3%*	*3.0%*	*2.7%*	*2.5%*	*2.3%*	*2.1%*	*2.0%*	*2.0%*
EBIT	12.1	13.9	15.2	14.7	15.1	15.4	15.7	15.9	16.1	16.3	16.5	16.6	16.7	16.8
EBIT-Margin	*11.3%*	*12.3%*	*12.9%*	*12.0%*	*11.8%*	*11.7%*	*11.5%*	*11.3%*	*11.2%*	*11.0%*	*10.9%*	*10.7%*	*10.6%*	*10.4%*
Tax rate	*31.0%*	*31.5%*	*32.0%*	*31.5%*	*31.0%*	*31.0%*	*31.0%*	*31.0%*	*31.0%*	*31.0%*	*31.0%*	*31.0%*	*31.0%*	*31.0%*
NOPAT	8.3	9.6	10.4	10.1	10.4	10.6	10.8	11.0	11.1	11.3	11.4	11.4	11.5	11.6
Depreciation	3.8	4.1	4.4	3.1	2.5	2.6	2.7	2.8	2.9	3.0	3.0	3.1	3.2	3.2
in % of Sales	*3.6%*	*3.6%*	*3.7%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Change in Liquidity from														
- Working Capital	0.8	2.8	-0.7	0.2	-1.1	-1.1	-1.0	-0.9	-0.9	-0.8	-0.8	-0.7	-0.7	-0.7
- Capex	-5.3	-6.0	-4.2	-3.1	-2.5	-2.6	-2.7	-2.8	-2.9	-3.0	-3.0	-3.1	-3.2	-3.2
Capex in % of Sales	*4.9%*	*5.3%*	*3.6%*	*2.5%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*	*2.0%*
Other	0.3	0.1	0.1	-0.5	-0.4	-0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow (WACC-Model)	8.0	10.6	10.0	9.8	8.9	9.4	9.7	9.9	10.3	10.4	10.6	10.7	10.8	10.8

Model parameter

Debt ratio	15.00%	Beta	1.3
Costs of Debt	6.5%	WACC	9.9%
Market return	9.25%		
Risk free rate	4.00%	Terminal Growth	2.0%

Valuation (mln)

Present values 2022e	77.3		
Terminal Value	39.2		
Liabilities	-22.8		
Liquidity	9.1	No. of shares (mln)	8.44
Equity Value	**102.8**	**Value per share (EUR)**	**12.18**

Sensitivity Value per Share (EUR)

Terminal Growth

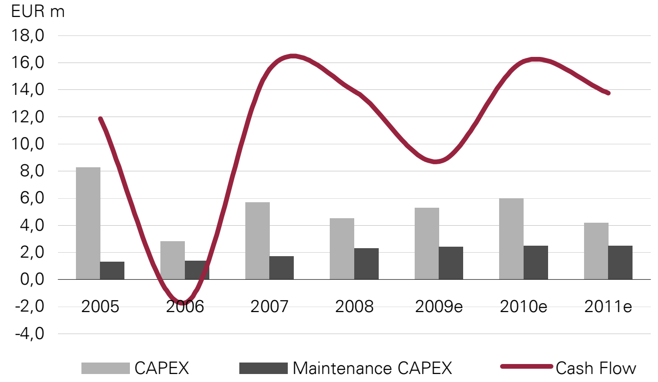
WACC	1.25%	1.50%	1.75%	**2.00%**	2.25%	2.50%	2.75%
10.87%	10.46	10.55	10.65	10.75	10.85	10.96	11.08
10.37%	11.08	11.19	11.30	11.42	11.55	11.68	11.83
10.12%	11.42	11.54	11.66	11.79	11.93	12.08	12.24
9.87%	11.78	11.91	12.04	**12.18**	12.34	12.50	12.67
9.62%	12.16	12.30	12.44	12.60	12.77	12.95	13.14
9.37%	12.56	12.71	12.87	13.05	13.23	13.43	13.64
8.87%	13.44	13.63	13.82	14.03	14.26	14.50	14.77

Delta EBIT-margin

WACC	-1.5 pp	-1.0 pp	-0.5 pp	**0.0**	+0.5 pp	+1.0 pp	+1.5 pp
10.87%	8.99	9.57	10.16	10.75	11.33	11.92	12.50
10.37%	9.56	10.18	10.80	11.42	12.04	12.66	13.28
10.12%	9.88	10.51	11.15	11.79	12.43	13.07	13.71
9.87%	10.21	10.87	11.53	**12.18**	12.84	13.50	14.16
9.62%	10.56	11.24	11.92	12.60	13.28	13.96	14.64
9.37%	10.94	11.64	12.34	13.05	13.75	14.45	15.15
8.87%	11.78	12.53	13.28	14.03	14.78	15.54	16.29

Source: SES Research

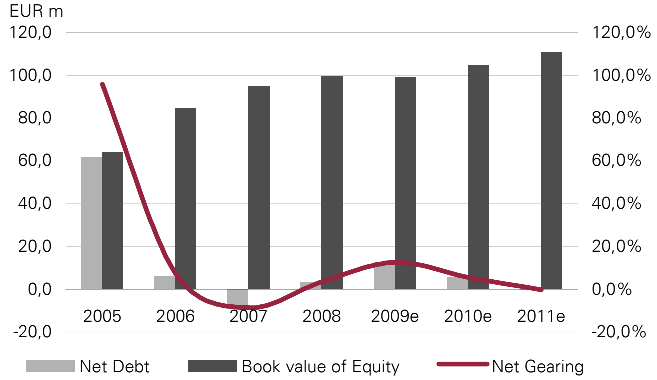
CAPEX and Cash Flow - AUGUSTA



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

- 2007-2010e: The cash flow considerably exceeds CAPEX
- 2009e and 2010e: Increase of CAPEX due to expansion...
- ... of production capacities in the Sensors segment

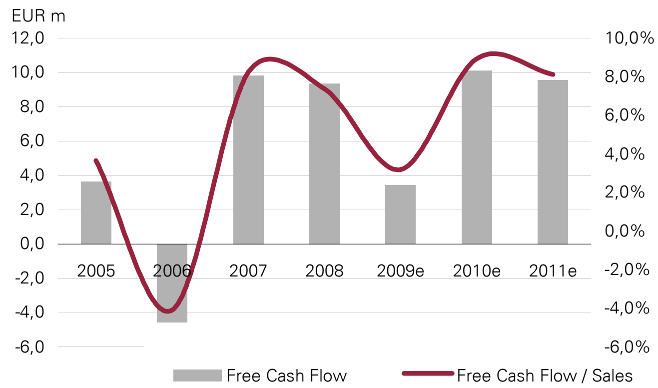
Balance Sheet Quality - AUGUSTA



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

- Low net debt...
- ... Creates room for leveraged acquisitons
- 2008: Slight increase of net gearing due to acquisiton of Prosilica

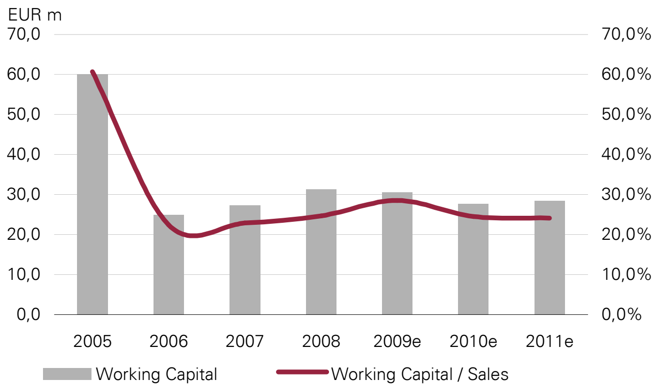
Free Cash Flow Generation - AUGUSTA



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

- 2006: discontinued business operations are burdening FCF
- Working Capital deviations...
- ... contribute to the deviations of FCF

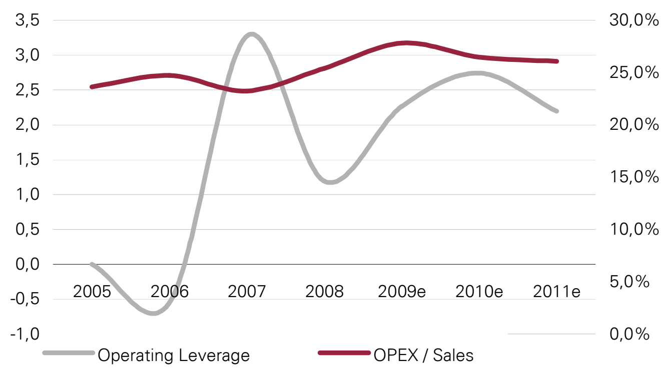
Working Capital - AUGUSTA



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

- With approx. 25% of sales the Working Capital rate ...
- ...and thus the capital lockup is significant

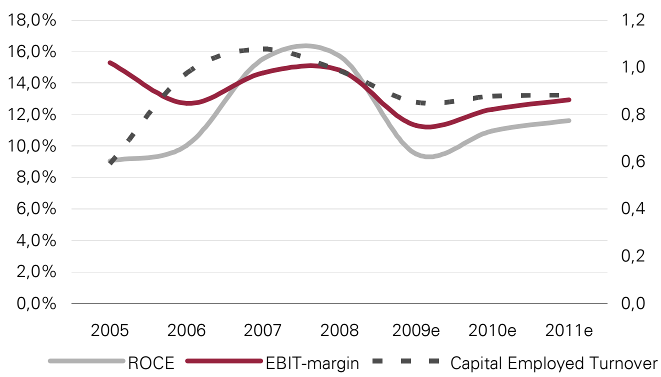
Operating Leverage - AUGUSTA



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

- 2008 ff.: Increase of opex rate due to the recession

ROCE Development - AUGUSTA



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

- EBIT margins of >11% combined with...
- ...a CET of approx. 1...
- ... lead to an attractive ROCE of 10% and above

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Hold	51	25%
Sell	24	12%
Rating suspended	19	9%
Total	**207**	

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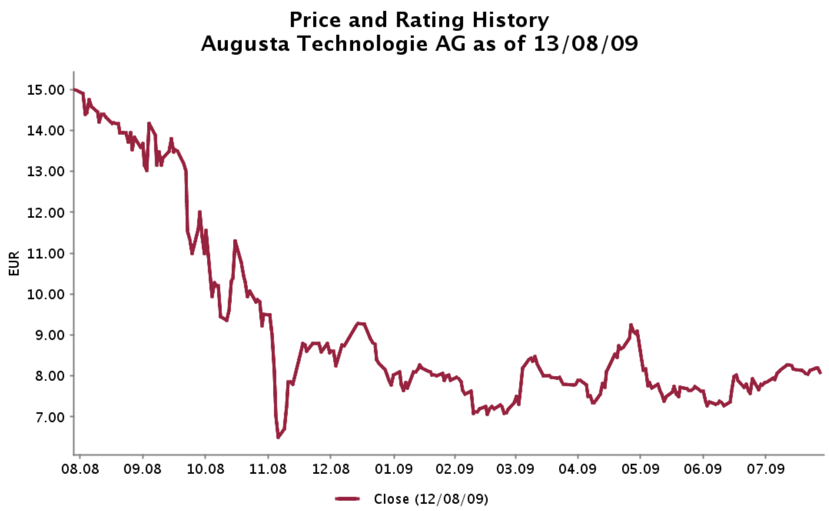
Rating	Number of stocks	% of Universe
Buy	78	61%
Hold	33	26%
Sell	5	4%
Rating suspended	11	9%
Total	**127**	



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