

Buy (old: Buy)

Price target: EUR 80.00 (old: EUR 90.00)

| | | | |
|-------------------|-----------|--------------------------|------------------|
| Price: | EUR 36.75 | Next result: | H1 2018 31.08.18 |
| Bloomberg: | NC5A@GR | Market cap: | EUR 78.1 m |
| Reuters: | NC5Ak.DE | Enterprise Value: | EUR 72.7 m |

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Global roll-out in sight but short term delays, chg est & PT

After our roadshow with NorCom IT, we remain fully convinced in the dynamic earnings growth case but see some short term delays due to customer specific reasons:

- **Daimler revenues to kick in later:** While the state-of-the art BigData analytics platform DaSense was rolled-out in time after the recent lighthouse deal with Daimler, the car manufacturer is seen to use the tool later than expected. We see the reasons in Daimler making some changes to its IT infrastructure, general bureaucracy and possibly other present issues like new Diesel call-backs. Given that Daimler is paying for the amount of data used, we decrease our revenue estimate to € 1m this year from € 3m for this individual customer.
- **Global partner expected:** NorCom is currently in negotiations to take a global partner on board with a strong sales channel to all car manufacturers in order to be able to roll-out its unique BigData solutions to car OEMs around the globe. While NorCom has strong ties with BMW, Daimler and Audi who all use its solutions already, this move should put NorCom on the map of US and Asian manufacturers. We also expect large car suppliers such as Bosch or AVL to show interest. This could easily add € 4-5m revenues per additional car OEM.
- **Change in corporate legal structure:** During the AGM in August NorCom plans to change the legal structure from AG to KGaA. The intention is to keep control of the company and avoid a hostile participation (ie ousting the CEO). Especially the possible global partners were asking for this change in order to have the visibility and assurance that NorCom's solutions remain in place and will be further developed. This is important given that the development of the products is done in strong conjunction with the companies who also often participate in the R&D costs.

Action: We decrease our 2018 and 2019 estimates given the expected later start by Daimler to use the software, which should however have only limited effect on 2020E.

Overall, we remain positive on the appealing investment case given that NorCom's car industry specific BigData solutions are currently unmatched in the industry and the race for autonomous driving is increasing the need for powerful solutions like DaSense.

Given the high scalability of the software platforms, we see profitability increasing strongly vs. IT consulting (still c. € 8.5m revenues). **Remains a BUY with a new PT of € 80** (Old: € 90) based on DCF.

| Y/E 31.12 (EUR m) | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|---------------------|----------|---------|---------|---------|---------|---------|---------|
| Sales | 14.7 | 16.2 | 17.8 | 13.3 | 17.0 | 23.0 | 28.0 |
| Sales growth | -19 % | 10 % | 10 % | -26 % | 28 % | 35 % | 22 % |
| EBITDA | 0.5 | 1.2 | 1.7 | 1.2 | 2.4 | 5.3 | 7.6 |
| EBIT | 0.4 | 1.1 | 1.6 | 1.1 | 2.3 | 5.2 | 7.3 |
| Net income | 0.4 | 1.1 | 1.6 | 2.0 | 2.3 | 4.7 | 5.7 |
| Net debt | -1.1 | -1.0 | -2.2 | -2.2 | -5.5 | -9.5 | -14.0 |
| Net gearing | -195.2 % | -61.6 % | -66.8 % | -42.1 % | -71.0 % | -76.3 % | -77.5 % |
| Net Debt/EBITDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EPS pro forma | 0.21 | 0.55 | 0.75 | 0.92 | 1.10 | 2.23 | 2.67 |
| CPS | -0.87 | -0.04 | 0.57 | 0.41 | 1.27 | 1.77 | 2.29 |
| DPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Dividend yield | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Gross profit margin | 50.7 % | 51.7 % | 49.3 % | 63.4 % | 58.7 % | 64.6 % | 66.6 % |
| EBITDA margin | 3.4 % | 7.2 % | 9.3 % | 9.0 % | 14.1 % | 23.1 % | 27.1 % |
| EBIT margin | 3.0 % | 6.8 % | 9.0 % | 8.5 % | 13.6 % | 22.5 % | 26.2 % |
| ROCE | 9.8 % | 23.4 % | 26.5 % | 14.9 % | 24.0 % | 39.4 % | 45.9 % |
| EV/sales | 4.9 | 4.5 | 4.3 | 5.7 | 4.3 | 3.0 | 2.3 |
| EV/EBITDA | 142.9 | 62.8 | 45.7 | 63.8 | 30.3 | 12.9 | 8.4 |
| EV/EBIT | 166.1 | 66.3 | 47.1 | 67.0 | 31.5 | 13.3 | 8.7 |
| PER | 171.2 | 67.4 | 48.8 | 39.9 | 33.3 | 16.5 | 13.8 |
| Adjusted FCF yield | 0.6 % | 1.5 % | 2.1 % | 2.6 % | 3.1 % | 6.8 % | 8.6 % |

Source: Company data, Hauck & Aufhäuser Close price as of: 07.06.2018



Source: Company data, Hauck & Aufhäuser

| | |
|---------------------------------------|---------------|
| High/low 52 weeks: | 69.00 / 27.94 |
| Price/Book Ratio: | 11.2 |
| Relative performance (TecDAX): | |
| 3 months | -50.0 % |
| 6 months | 27.7 % |
| 12 months | -9.1 % |

Changes in estimates

| | | Sales | EBIT | EPS |
|------|------|--------|--------|--------|
| 2018 | old: | 19.0 | 3.3 | 1.58 |
| | Δ | -10.5% | -30.9% | -30.4% |
| 2019 | old: | 24.5 | 5.8 | 2.48 |
| | Δ | -6.1% | -10.1% | -10.0% |
| 2020 | old: | 28.7 | 7.5 | 2.75 |
| | Δ | -2.4% | -2.8% | -2.8% |

Key share data:

| | |
|-------------------------------|--------|
| Number of shares: (in m pcs) | 2.0 |
| Authorised capital: (in € m) | 1.1 |
| Book value per share: (in €) | 3.6 |
| Ø trading volume: (12 months) | 12,000 |

Major shareholders:

| | |
|------------------|--------|
| Free Float | 63.8 % |
| Nordbakk Invest | 25.3 % |
| Norcom IT AG | 5.7 % |
| Liliana Nordbakk | 5.2 % |

Company description:

BigData software provider focused on German automotives

Financials

| Profit and loss (EUR m) | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net sales | 14.7 | 16.2 | 17.8 | 13.3 | 17.0 | 23.0 | 28.0 |
| <i>Sales growth</i> | -18.9 % | 10.1 % | 9.9 % | -25.5 % | 28.0 % | 35.3 % | 21.7 % |
| Increase/decrease in finished goods and work-in-process | 0.7 | 0.3 | 0.3 | 0.4 | 0.3 | 0.4 | 0.5 |
| Total sales | 15.5 | 16.5 | 18.1 | 13.7 | 17.3 | 23.4 | 28.5 |
| Other operating income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Material expenses | 7.6 | 8.0 | 9.2 | 5.0 | 7.1 | 8.3 | 9.5 |
| Personnel expenses | 5.7 | 5.8 | 6.0 | 6.1 | 6.8 | 8.5 | 9.8 |
| Other operating expenses | 1.7 | 1.5 | 1.2 | 1.3 | 1.0 | 1.3 | 1.6 |
| Total operating expenses | 14.9 | 15.4 | 16.5 | 12.5 | 14.9 | 18.1 | 20.9 |
| EBITDA | 0.5 | 1.2 | 1.7 | 1.2 | 2.4 | 5.3 | 7.6 |
| Depreciation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBITA | 0.5 | 1.2 | 1.7 | 1.2 | 2.4 | 5.3 | 7.6 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 |
| Impairment charges | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT (inc revaluation net) | 0.4 | 1.1 | 1.6 | 1.1 | 2.3 | 5.2 | 7.3 |
| Interest income | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| Interest expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other financial result | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial result | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| Recurring pretax income from continuing operations | 0.4 | 1.1 | 1.6 | 1.1 | 2.4 | 5.3 | 7.5 |
| Extraordinary income/loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings before taxes | 0.4 | 1.1 | 1.6 | 1.1 | 2.4 | 5.3 | 7.5 |
| Taxes | 0.0 | 0.0 | 0.0 | -0.8 | 0.0 | 0.5 | 1.8 |
| Net income from continuing operations | 0.4 | 1.1 | 1.6 | 2.0 | 2.3 | 4.7 | 5.7 |
| Result from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | 0.4 | 1.1 | 1.6 | 2.0 | 2.3 | 4.7 | 5.7 |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit (reported) | 0.4 | 1.1 | 1.6 | 2.0 | 2.3 | 4.7 | 5.7 |
| Average number of shares | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| EPS reported | 0.21 | 0.55 | 0.80 | 0.98 | 1.17 | 2.37 | 2.85 |

| Profit and loss (common size) | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Net sales | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |
| Increase/decrease in finished goods and work-in-process | 4.9 % | 1.8 % | 1.7 % | 2.9 % | 1.7 % | 1.7 % | 1.7 % |
| Total sales | 104.9 % | 101.8 % | 101.7 % | 102.9 % | 101.7 % | 101.7 % | 101.7 % |
| Other operating income | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Material expenses | 51.7 % | 49.2 % | 51.6 % | 37.7 % | 42.0 % | 36.0 % | 34.0 % |
| Personnel expenses | 38.4 % | 36.0 % | 33.8 % | 46.1 % | 40.0 % | 37.0 % | 35.0 % |
| Other operating expenses | 11.3 % | 9.5 % | 7.0 % | 10.1 % | 5.6 % | 5.6 % | 5.6 % |
| Total operating expenses | 101.4 % | 94.7 % | 92.3 % | 93.9 % | 87.6 % | 78.6 % | 74.6 % |
| EBITDA | 3.4 % | 7.2 % | 9.3 % | 9.0 % | 14.1 % | 23.1 % | 27.1 % |
| Depreciation | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| EBITA | 3.4 % | 7.2 % | 9.3 % | 9.0 % | 14.1 % | 23.1 % | 27.1 % |
| Amortisation of goodwill | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Amortisation of intangible assets | 0.5 % | 0.4 % | 0.3 % | 0.4 % | 0.5 % | 0.6 % | 0.9 % |
| Impairment charges | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| EBIT (inc revaluation net) | 3.0 % | 6.8 % | 9.0 % | 8.5 % | 13.6 % | 22.5 % | 26.2 % |
| Interest income | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.3 % | 0.4 % | 0.5 % |
| Interest expenses | 0.1 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Other financial result | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Financial result | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.3 % | 0.4 % | 0.5 % |
| Recurring pretax income from continuing operations | 2.9 % | 6.8 % | 9.0 % | 8.5 % | 13.9 % | 22.9 % | 26.7 % |
| Extraordinary income/loss | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Earnings before taxes | 2.9 % | 6.8 % | 9.0 % | 8.5 % | 13.9 % | 22.9 % | 26.7 % |
| Tax rate | 0.0 % | 0.1 % | 0.2 % | -73.9 % | 0.7 % | 10.0 % | 24.0 % |
| Net income from continuing operations | 2.9 % | 6.8 % | 9.0 % | 14.8 % | 13.8 % | 20.6 % | 20.3 % |
| Income from discontinued operations (net of tax) | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Net income | 2.9 % | 6.8 % | 9.0 % | 14.8 % | 13.8 % | 20.6 % | 20.3 % |
| Minority interest | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Net profit (reported) | 2.9 % | 6.8 % | 9.0 % | 14.8 % | 13.8 % | 20.6 % | 20.3 % |

Source: Company data, Hauck & Aufhäuser

| Balance sheet (EUR m) | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|---|------------|------------|------------|------------|-------------|-------------|-------------|
| Intangible assets | 1.3 | 1.3 | 1.3 | 2.1 | 2.3 | 2.6 | 3.2 |
| Property, plant and equipment | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Financial assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| FIXED ASSETS | 1.4 | 1.4 | 1.4 | 2.2 | 2.4 | 2.7 | 3.3 |
| Inventories | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounts receivable | 2.6 | 4.0 | 5.5 | 4.0 | 3.7 | 5.0 | 6.1 |
| Other current assets | 0.1 | 0.2 | 0.1 | 0.2 | 0.2 | 0.2 | 0.2 |
| Liquid assets | 1.1 | 1.0 | 2.2 | 2.2 | 5.5 | 9.5 | 14.0 |
| Deferred taxes | 0.0 | 0.0 | 0.0 | 0.8 | 0.8 | 0.8 | 0.8 |
| Deferred charges and prepaid expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CURRENT ASSETS | 3.8 | 5.2 | 7.8 | 7.3 | 10.2 | 15.6 | 21.2 |
| TOTAL ASSETS | 5.2 | 6.5 | 9.2 | 9.5 | 12.6 | 18.3 | 24.5 |
| SHAREHOLDERS EQUITY | 0.6 | 1.7 | 3.3 | 5.3 | 7.7 | 12.4 | 18.1 |
| MINORITY INTEREST | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Long-term debt | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Provisions for pensions and similar obligations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other provisions | 3.5 | 3.7 | 3.5 | 3.1 | 3.1 | 3.1 | 3.1 |
| Non-current liabilities | 3.5 | 3.7 | 3.5 | 3.1 | 3.1 | 3.1 | 3.1 |
| short-term liabilities to banks | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Accounts payable | 0.7 | 0.9 | 2.1 | 0.9 | 0.9 | 1.3 | 1.5 |
| Advance payments received on orders | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other liabilities (incl. from lease and rental contracts) | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Deferred taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Current liabilities | 1.1 | 1.2 | 2.4 | 1.1 | 1.2 | 1.5 | 1.8 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 5.2 | 6.5 | 9.2 | 9.5 | 12.0 | 17.0 | 23.0 |

| Balance sheet (common size) | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Intangible assets | 24.9 % | 19.6 % | 14.0 % | 22.3 % | 19.1 % | 15.3 % | 13.9 % |
| Property, plant and equipment | 1.6 % | 1.1 % | 1.5 % | 1.2 % | 1.0 % | 0.7 % | 0.5 % |
| Financial assets | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| FIXED ASSETS | 26.5 % | 20.7 % | 15.5 % | 23.5 % | 20.1 % | 16.0 % | 14.4 % |
| Inventories | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Accounts receivable | 50.4 % | 60.5 % | 59.9 % | 41.9 % | 31.1 % | 29.6 % | 26.7 % |
| Other current assets | 1.6 % | 2.9 % | 1.2 % | 2.4 % | 1.9 % | 1.3 % | 1.0 % |
| Liquid assets | 21.6 % | 15.8 % | 23.9 % | 23.5 % | 45.5 % | 55.6 % | 61.0 % |
| Deferred taxes | 0.0 % | 0.0 % | 0.0 % | 8.7 % | 6.9 % | 4.9 % | 3.6 % |
| Deferred charges and prepaid expenses | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| CURRENT ASSETS | 73.5 % | 79.3 % | 85.0 % | 76.5 % | 85.5 % | 91.4 % | 92.3 % |
| TOTAL ASSETS | 100.0 % | 100.0 % | 100.5 % | 100.0 % | 105.7 % | 107.4 % | 106.7 % |
| SHAREHOLDERS EQUITY | 11.1 % | 25.7 % | 35.9 % | 55.8 % | 64.1 % | 72.9 % | 78.7 % |
| MINORITY INTEREST | 0.2 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Long-term debt | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Provisions for pensions and similar obligations | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Other provisions | 67.3 % | 56.5 % | 38.4 % | 32.4 % | 25.8 % | 18.2 % | 13.5 % |
| Non-current liabilities | 67.3 % | 56.5 % | 38.4 % | 32.4 % | 25.8 % | 18.2 % | 13.5 % |
| short-term liabilities to banks | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Accounts payable | 14.4 % | 13.4 % | 22.5 % | 8.9 % | 7.8 % | 7.4 % | 6.7 % |
| Advance payments received on orders | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Other liabilities (incl. from lease and rental contracts) | 7.0 % | 4.4 % | 3.2 % | 2.8 % | 2.3 % | 1.6 % | 1.2 % |
| Deferred taxes | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Deferred income | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Current liabilities | 21.4 % | 17.7 % | 25.8 % | 11.7 % | 10.0 % | 9.0 % | 7.8 % |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % | 100.0 % |

Source: Company data, Hauck & Aufhäuser

| Cash flow statement (EUR m) | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Net profit/loss | 0.4 | 1.1 | 1.6 | 2.0 | 2.3 | 4.7 | 5.7 |
| Depreciation of fixed assets (incl. leases) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.3 |
| Others | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from operations before changes in w/c | 0.5 | 1.2 | 1.7 | 2.0 | 2.4 | 4.9 | 5.9 |
| Increase/decrease in inventory | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in accounts receivable | -0.7 | -1.4 | -1.5 | 0.0 | 0.3 | -1.3 | -1.1 |
| Increase/decrease in accounts payable | -1.9 | 0.1 | 1.2 | -1.2 | 0.1 | 0.3 | 0.3 |
| Increase/decrease in other working capital positions | 0.4 | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in working capital | -2.2 | -1.2 | -0.4 | -1.1 | 0.3 | -1.0 | -0.8 |
| Cash flow from operating activities | -1.7 | 0.0 | 1.3 | 0.9 | 2.8 | 3.9 | 5.1 |
| CAPEX | 0.1 | 0.1 | 0.1 | 0.9 | 0.3 | 0.5 | 0.8 |
| Payments for acquisitions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial investments | -1.1 | 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 | 1.1 | -0.1 | -0.1 | -0.9 | -0.3 | -0.5 | -0.8 |
| Cash flow before financing | -0.6 | -0.1 | 1.2 | 0.1 | 2.5 | 3.4 | 4.3 |
| Increase/decrease in debt position | 0.0 | 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 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Dividends paid | 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 |
| Effects of exchange rate changes on cash | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from financing activities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Increase/decrease in liquid assets | -0.6 | -0.1 | 1.2 | 0.1 | 2.5 | 3.4 | 4.3 |
| Liquid assets at end of period | 1.1 | 1.0 | 2.2 | 2.2 | 4.8 | 8.2 | 12.5 |

Source: Company data, Hauck & Aufhäuser

| Regional split (EUR m) | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|------------------------|------------|------------|------------|------------|------------|------------|------------|
| Domestic | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Rest of Europe | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| NAFTA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Asia Pacific | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Rest of world | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| TTL | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| yoy change | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

Source: Company data, Hauck & Aufhäuser

| Key ratios (EUR m) | 2014 | 2015 | 2016 | 2017 | 2018E | 2019E | 2020E |
|--------------------------------------|----------|---------|---------|----------|---------|---------|---------|
| P&L growth analysis | | | | | | | |
| Sales growth | -18.9 % | 10.1 % | 9.9 % | -25.5 % | 28.0 % | 35.3 % | 21.7 % |
| EBITDA growth | -114.6 % | 130.1 % | 42.9 % | -28.5 % | 101.5 % | 121.7 % | 216.6 % |
| EBIT growth | -111.4 % | 153.3 % | 46.2 % | -29.7 % | 103.4 % | 124.5 % | 218.2 % |
| EPS growth | -110.9 % | 156.8 % | 45.5 % | 22.3 % | 19.6 % | 102.3 % | 142.4 % |
| Efficiency | | | | | | | |
| Total operating costs / sales | 101.4 % | 94.7 % | 92.3 % | 93.9 % | 87.6 % | 78.6 % | 74.6 % |
| Sales per employee | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| EBITDA per employee | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Balance sheet analysis | | | | | | | |
| Avg. working capital / sales | 8.9 % | 15.2 % | 18.2 % | 24.7 % | 17.5 % | 14.3 % | 13.2 % |
| Inventory turnover (sales/inventory) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Trade debtors in days of sales | 64.4 | 88.9 | 112.2 | 109.8 | 80.0 | 80.0 | 80.0 |
| A/P turnover [(A/P*365)/sales] | 18.4 | 19.6 | 42.2 | 23.4 | 20.0 | 20.0 | 20.0 |
| Cash conversion cycle (days) | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Cash flow analysis | | | | | | | |
| Free cash flow | -1.7 | -0.1 | 1.2 | 0.1 | 2.5 | 3.4 | 4.3 |
| Free cash flow/sales | -11.7 % | -0.4 % | 6.5 % | 0.4 % | 14.9 % | 14.9 % | 15.3 % |
| FCF / net profit | -401.1 % | -6.0 % | 72.1 % | 2.7 % | 107.9 % | 72.4 % | 75.2 % |
| Capex / depre | -1494.1 | 99.9 % | 226.3 % | 1561.2 % | 277.8 % | 333.3 % | 333.3 % |
| Capex / maintenance capex | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Capex / sales | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Security | | | | | | | |
| Net debt | -1.1 | -1.0 | -2.2 | -2.2 | -5.5 | -9.5 | -14.0 |
| Net Debt/EBITDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net debt / equity | -2.0 | -0.6 | -0.7 | -0.4 | -0.7 | -0.8 | -0.8 |
| Interest cover | 59.0 | 548.8 | 256.6 | 173.9 | 999.0 | 999.0 | 999.0 |
| Dividend payout ratio | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Asset utilisation | | | | | | | |
| Capital employed turnover | 3.6 | 3.0 | 2.6 | 1.6 | 1.6 | 1.5 | 1.3 |
| Operating assets turnover | 7.6 | 5.1 | 5.0 | 4.1 | 5.8 | 5.9 | 5.9 |
| Plant turnover | 183.5 | 228.9 | 130.0 | 114.2 | 146.1 | 197.7 | 240.7 |
| Inventory turnover (sales/inventory) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Returns | | | | | | | |
| ROCE | 9.8 % | 23.4 % | 26.5 % | 14.9 % | 24.0 % | 39.4 % | 45.9 % |
| ROE | 75.1 % | 65.5 % | 48.8 % | 36.8 % | 30.5 % | 38.2 % | 31.4 % |
| Other | | | | | | | |
| Interest paid / avg. debt | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| No. employees (average) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Number of shares | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| DPS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EPS reported | 0.21 | 0.55 | 0.80 | 0.98 | 1.17 | 2.37 | 2.85 |
| Valuation ratios | | | | | | | |
| P/BV | 128.7 | 44.1 | 23.8 | 14.7 | 10.2 | 6.3 | 4.3 |
| EV/sales | 4.9 | 4.5 | 4.3 | 5.7 | 4.3 | 3.0 | 2.3 |
| EV/EBITDA | 142.9 | 62.8 | 45.7 | 63.8 | 30.3 | 12.9 | 8.4 |
| EV/EBITA | 142.9 | 62.8 | 45.7 | 63.8 | 30.3 | 12.9 | 8.4 |
| EV/EBIT | 166.1 | 66.3 | 47.1 | 67.0 | 31.5 | 13.3 | 8.7 |
| EV/FCF | -42.0 | -1108.0 | 65.8 | 1431.6 | 28.7 | 20.0 | 15.0 |
| Adjusted FCF yield | 0.6 % | 1.5 % | 2.1 % | 2.6 % | 3.1 % | 6.8 % | 8.6 % |
| Dividend yield | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |

Source: Company data, Hauck & Aufhäuser

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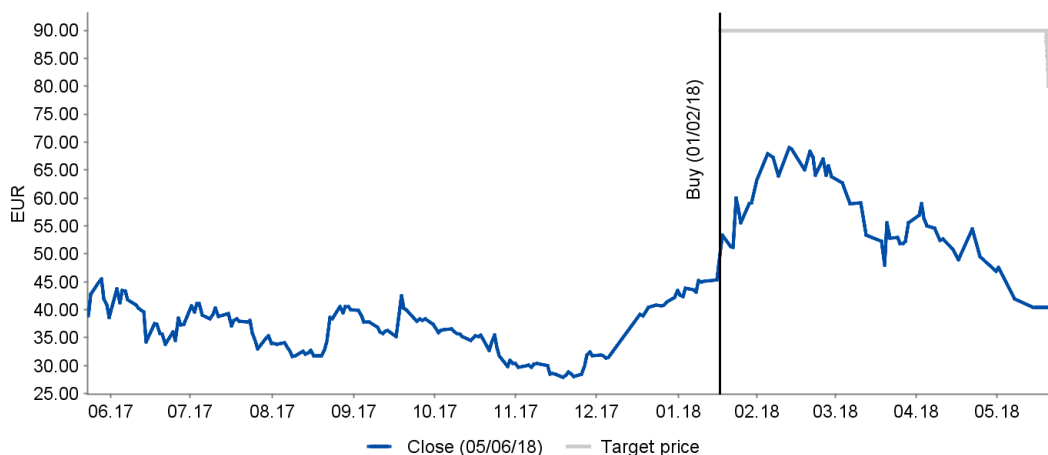
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| Company | Disclosure |
|----------------------------------|------------|
| NorCom Information Technology AG | 2, 8 |

Historical target price and rating changes for NorCom Information Technology AG in the last 12 months

**Price and Rating History
NorCom Information Technology AG as of 07/06/18**

Initiation coverage
01-February-18



| Company | Date | Analyst | Rating | Target price | Close |
|-----------|------------|-------------------|--------|--------------|-----------|
| NorCom AG | 03.05.2018 | Brass, CFA, Robin | Buy | EUR 90,00 | EUR 49,00 |
| | 19.03.2018 | Brass, CFA, Robin | Buy | EUR 90,00 | EUR 62,70 |
| | 02.02.2018 | Brass, CFA, Robin | Buy | EUR 90,00 | EUR 53,30 |
| | 01.02.2018 | Brass, CFA, Robin | Buy | EUR 90,00 | EUR 45,40 |

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| | | |
|-------------|---------|----------|
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