



**Buy** (old: Buy)

**Price target: EUR 90.00** (old: EUR 90.00)

<b>Price:</b>	EUR 49.00	<b>Next result:</b>	H1 2018 31.08.18
<b>Bloomberg:</b>	NC5A@GR	<b>Market cap:</b>	EUR 104.2 m
<b>Reuters:</b>	NC5Ak.DE	<b>Enterprise Value:</b>	EUR 98.7 m

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## 2017 results in-line, 2018 seen to be the game changer

NorCom released sound results for 2017, which were in-line with expectations. The main reason for the lower sales versus 2016 is the significant lower sales with its main client 'Bundesagentur fuer Arbeit', which started to dual source for its IT services (ie Norcom non core business).

Norcom IT	2017	2017 est	2016	yoy
Sales	13.7	13.5	17.8	-23.4%
EBITDA	1.2	1.4	1.7	-28.5%
EBITDA margin	8.7%	10.4%	9.3%	-0.6 pp
EBIT	1.1	1.3	1.6	-29.7%
EBIT margin	8.3%	9.6%	9.0%	-0.7 pp
Net Profit	2.0	1.3	1.6	22.2%
Net margin	14.3%	9.6%	9.0%	+5.3 pp
EPS	0.98	0.65	0.75	30.1%

Source: Company data; Hauck & Aufhäuser

**2018 the year of big data:** While we expect the traditional IT service / consulting revenues to remain stable at € 8.5m this year, we see big data revenues rise significantly on the back of the successful ramp up of the two new big customer wins (Daimler and Audi). More importantly, the high scalability of the big data software is seen to drive margins; we expect EBIT margins in this segment to exceed 30% going forward.

**Lighthouse deals with Daimler and Audi a first step:** Norcom's DaSense big data analytics platform was already successfully rolled-out at Daimler in Q1, where we expect a strong contribution to sales this year of up to € 3m. Additionally, EAGLE is now being used by Audi for its R&D department and we see more automotive OEMs show interest for both solutions.

**2018 outlook looks conservative:** Management's outlook for moderately increasing revenues looks conservative as it is yet unclear how much data Audi/Daimler will analyse with NorCom's solutions (Note: pay per data amount). Still, given the strong demand for big data solutions in the autonomous driving department of Daimler and Norcom being the only real big data supplier for the car industry at the moment, we expect strong revenue contribution this year already.

Against the backdrop of the highly scalable big data software platform ramp-up, a massive potential demand for these solutions by the car industry (outdated IT) and first successful lighthouse deals with major car companies in place, we **reiterate our BUY recommendation with a PT of € 90 based on DCF.**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	19.0	24.5	28.7
Sales growth	-19 %	10 %	10 %	-26 %	43 %	29 %	17 %
EBITDA	0.5	1.2	1.7	1.2	3.4	5.9	7.8
EBIT	0.4	1.1	1.6	1.1	3.3	5.8	7.5
Net income	0.4	1.1	1.6	2.0	3.4	5.3	5.8
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 %	-62.7 %	-67.8 %	-70.8 %
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	1.58	2.48	2.75
CPS	-0.87	-0.04	0.57	0.41	1.59	2.05	2.42
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 %	62.6 %	65.6 %	67.6 %
EBITDA margin	3.4 %	7.2 %	9.3 %	9.0 %	18.1 %	24.1 %	27.2 %
EBIT margin	3.0 %	6.8 %	9.0 %	8.5 %	17.6 %	23.5 %	26.3 %
ROCE	9.8 %	23.4 %	26.5 %	14.9 %	33.0 %	39.9 %	43.5 %
EV/sales	6.6	6.0	5.7	7.7	5.2	3.9	3.1
EV/EBITDA	191.3	84.1	61.3	85.7	28.7	16.0	11.5
EV/EBIT	222.3	88.7	63.3	90.0	29.6	16.5	11.9
PER	228.3	89.8	65.0	53.2	30.9	19.8	17.8
Adjusted FCF yield	0.5 %	1.1 %	1.6 %	1.9 %	3.4 %	5.5 %	6.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 02.05.2018



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 69.00 / 23.44

**Price/Book Ratio:** 12.4

**Relative performance (TecDAX):**

3 months -5.7 %

6 months 41.5 %

12 months 92.1 %

### Changes in estimates

		Sales	EBIT	EPS
2018	old:	19.0	3.3	1.59
	Δ	-	-	-0.4%
2019	old:	24.5	5.8	2.48
	Δ	-	-	-0.2%
2020	old:	28.7	7.5	2.75
	Δ	-	-	-0.2%

### Key share data:

Number of shares: (in m pcs)	2.0
Authorised capital: (in € m)	1.1
Book value per share: (in €)	4.1
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
<b>Net sales</b>	<b>14.7</b>	<b>16.2</b>	<b>17.8</b>	<b>13.3</b>	<b>19.0</b>	<b>24.5</b>	<b>28.7</b>
<i>Sales growth</i>	-18.9 %	10.1 %	9.9 %	-25.5 %	43.0 %	28.9 %	17.1 %
Increase/decrease in finished goods and work-in-process	0.7	0.3	0.3	0.4	0.3	0.4	0.5
<b>Total sales</b>	<b>15.5</b>	<b>16.5</b>	<b>18.1</b>	<b>13.7</b>	<b>19.3</b>	<b>24.9</b>	<b>29.2</b>
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	7.2	8.6	9.5
Personnel expenses	5.7	5.8	6.0	6.1	7.6	9.1	10.3
Other operating expenses	1.7	1.5	1.2	1.3	1.1	1.4	1.6
Total operating expenses	14.9	15.4	16.5	12.5	15.9	19.0	21.4
<b>EBITDA</b>	<b>0.5</b>	<b>1.2</b>	<b>1.7</b>	<b>1.2</b>	<b>3.4</b>	<b>5.9</b>	<b>7.8</b>
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>0.5</b>	<b>1.2</b>	<b>1.7</b>	<b>1.2</b>	<b>3.4</b>	<b>5.9</b>	<b>7.8</b>
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
<b>EBIT</b>	<b>0.4</b>	<b>1.1</b>	<b>1.6</b>	<b>1.1</b>	<b>3.3</b>	<b>5.8</b>	<b>7.5</b>
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
<b>Recurring pretax income from continuing operations</b>	<b>0.4</b>	<b>1.1</b>	<b>1.6</b>	<b>1.1</b>	<b>3.4</b>	<b>5.9</b>	<b>7.7</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>0.4</b>	<b>1.1</b>	<b>1.6</b>	<b>1.1</b>	<b>3.4</b>	<b>5.9</b>	<b>7.7</b>
Taxes	0.0	0.0	0.0	-0.8	0.0	0.6	1.8
<b>Net income from continuing operations</b>	<b>0.4</b>	<b>1.1</b>	<b>1.6</b>	<b>2.0</b>	<b>3.4</b>	<b>5.3</b>	<b>5.8</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>0.4</b>	<b>1.1</b>	<b>1.6</b>	<b>2.0</b>	<b>3.4</b>	<b>5.3</b>	<b>5.8</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income (net of minority interest)</b>	<b>0.4</b>	<b>1.1</b>	<b>1.6</b>	<b>2.0</b>	<b>3.4</b>	<b>5.3</b>	<b>5.8</b>
Average number of shares	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>EPS reported</b>	<b>0.21</b>	<b>0.55</b>	<b>0.80</b>	<b>0.98</b>	<b>1.69</b>	<b>2.64</b>	<b>2.93</b>

Profit and loss (common size)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	4.9 %	1.8 %	1.7 %	2.9 %	1.7 %	1.7 %	1.7 %
<b>Total sales</b>	<b>104.9 %</b>	<b>101.8 %</b>	<b>101.7 %</b>	<b>102.9 %</b>	<b>101.7 %</b>	<b>101.7 %</b>	<b>101.7 %</b>
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 %	38.0 %	35.0 %	33.0 %
Personnel expenses	38.4 %	36.0 %	33.8 %	46.1 %	40.0 %	37.0 %	35.9 %
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 %	83.6 %	77.6 %	74.5 %
<b>EBITDA</b>	<b>3.4 %</b>	<b>7.2 %</b>	<b>9.3 %</b>	<b>9.0 %</b>	<b>18.1 %</b>	<b>24.1 %</b>	<b>27.2 %</b>
Depreciation	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBITA</b>	<b>3.4 %</b>	<b>7.2 %</b>	<b>9.3 %</b>	<b>9.0 %</b>	<b>18.1 %</b>	<b>24.1 %</b>	<b>27.2 %</b>
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 %
<b>EBIT</b>	<b>3.0 %</b>	<b>6.8 %</b>	<b>9.0 %</b>	<b>8.5 %</b>	<b>17.6 %</b>	<b>23.5 %</b>	<b>26.3 %</b>
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 %
<b>Recurring pretax income from continuing operations</b>	<b>2.9 %</b>	<b>6.8 %</b>	<b>9.0 %</b>	<b>8.5 %</b>	<b>17.8 %</b>	<b>23.9 %</b>	<b>26.8 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>2.9 %</b>	<b>6.8 %</b>	<b>9.0 %</b>	<b>8.5 %</b>	<b>17.8 %</b>	<b>23.9 %</b>	<b>26.8 %</b>
Tax rate	0.0 %	0.1 %	0.2 %	-73.9 %	0.7 %	10.0 %	24.0 %
<b>Net income from continuing operations</b>	<b>2.9 %</b>	<b>6.8 %</b>	<b>9.0 %</b>	<b>14.8 %</b>	<b>17.7 %</b>	<b>21.5 %</b>	<b>20.4 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>2.9 %</b>	<b>6.8 %</b>	<b>9.0 %</b>	<b>14.8 %</b>	<b>17.7 %</b>	<b>21.5 %</b>	<b>20.4 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>2.9 %</b>	<b>6.8 %</b>	<b>9.0 %</b>	<b>14.8 %</b>	<b>17.7 %</b>	<b>21.5 %</b>	<b>20.4 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Intangible assets</b>	<b>1.3</b>	<b>1.3</b>	<b>1.3</b>	<b>2.1</b>	<b>2.3</b>	<b>2.7</b>	<b>3.3</b>
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
<b>FIXED ASSETS</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>2.2</b>	<b>2.4</b>	<b>2.8</b>	<b>3.4</b>
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	4.2	5.4	6.3
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
<b>CURRENT ASSETS</b>	<b>3.8</b>	<b>5.2</b>	<b>7.8</b>	<b>7.3</b>	<b>10.7</b>	<b>15.9</b>	<b>21.4</b>
<b>TOTAL ASSETS</b>	<b>5.2</b>	<b>6.5</b>	<b>9.2</b>	<b>9.5</b>	<b>13.1</b>	<b>18.7</b>	<b>24.7</b>
SHAREHOLDERS EQUITY	0.6	1.7	3.3	5.3	8.7	14.0	19.8
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
<b>Non-current liabilities</b>	<b>3.5</b>	<b>3.7</b>	<b>3.5</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>
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	1.0	1.3	1.6
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
<b>Current liabilities</b>	<b>1.1</b>	<b>1.2</b>	<b>2.4</b>	<b>1.1</b>	<b>1.3</b>	<b>1.6</b>	<b>1.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>5.2</b>	<b>6.5</b>	<b>9.2</b>	<b>9.5</b>	<b>13.1</b>	<b>18.7</b>	<b>24.7</b>

Balance sheet (common size)	2014	2015	2016	2017	2018E	2019E	2020E
<b>Intangible assets</b>	<b>24.9 %</b>	<b>19.6 %</b>	<b>14.0 %</b>	<b>22.3 %</b>	<b>17.6 %</b>	<b>14.2 %</b>	<b>13.2 %</b>
Property, plant and equipment	1.6 %	1.1 %	1.5 %	1.2 %	0.9 %	0.6 %	0.5 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>FIXED ASSETS</b>	<b>26.5 %</b>	<b>20.7 %</b>	<b>15.5 %</b>	<b>23.5 %</b>	<b>18.5 %</b>	<b>14.8 %</b>	<b>13.6 %</b>
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 %	31.8 %	28.8 %	25.4 %
Other current assets	1.6 %	2.9 %	1.2 %	2.4 %	1.7 %	1.2 %	0.9 %
Liquid assets	21.6 %	15.8 %	23.9 %	23.5 %	41.6 %	50.7 %	56.7 %
Deferred taxes	0.0 %	0.0 %	0.0 %	8.7 %	6.3 %	4.4 %	3.4 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>73.5 %</b>	<b>79.3 %</b>	<b>85.0 %</b>	<b>76.5 %</b>	<b>81.5 %</b>	<b>85.2 %</b>	<b>86.4 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.5 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	11.1 %	25.7 %	35.9 %	55.8 %	66.4 %	74.8 %	80.1 %
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 %	23.6 %	16.6 %	12.5 %
<b>Non-current liabilities</b>	<b>67.3 %</b>	<b>56.5 %</b>	<b>38.4 %</b>	<b>32.4 %</b>	<b>23.6 %</b>	<b>16.6 %</b>	<b>12.5 %</b>
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 %	7.9 %	7.2 %	6.4 %
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 %	2.1 %	1.4 %	1.1 %
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 %
<b>Current liabilities</b>	<b>21.4 %</b>	<b>17.7 %</b>	<b>25.8 %</b>	<b>11.7 %</b>	<b>10.0 %</b>	<b>8.6 %</b>	<b>7.4 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

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	3.4	5.3	5.8
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	3.5	5.4	6.1
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	-0.2	-1.2	-0.9
Increase/decrease in accounts payable	-1.9	0.1	1.2	-1.2	0.2	0.3	0.2
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	0.0	-0.9	-0.7
<b>Cash flow from operating activities</b>	<b>-1.7</b>	<b>0.0</b>	<b>1.3</b>	<b>0.9</b>	<b>3.5</b>	<b>4.5</b>	<b>5.4</b>
CAPEX	0.1	0.1	0.1	0.9	0.3	0.5	0.9
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
<b>Cash flow from investing activities</b>	<b>1.1</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.9</b>	<b>-0.3</b>	<b>-0.5</b>	<b>-0.9</b>
Cash flow before financing	-0.6	-0.1	1.2	0.1	3.2	4.0	4.6
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
<b>Cash flow from financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Increase/decrease in liquid assets	-0.6	-0.1	1.2	0.1	3.2	4.0	4.6
<b>Liquid assets at end of period</b>	<b>1.1</b>	<b>1.0</b>	<b>2.2</b>	<b>2.2</b>	<b>5.5</b>	<b>9.5</b>	<b>14.0</b>

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
<b>TTL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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
<b>P&amp;L growth analysis</b>							
Sales growth	-18.9 %	10.1 %	9.9 %	-25.5 %	43.0 %	28.9 %	17.1 %
EBITDA growth	-114.6 %	130.1 %	42.9 %	-28.5 %	189.1 %	71.7 %	127.0 %
EBIT growth	-111.4 %	153.3 %	46.2 %	-29.7 %	194.4 %	72.6 %	126.2 %
EPS growth	-110.9 %	156.8 %	45.5 %	22.3 %	71.9 %	56.4 %	73.5 %
<b>Efficiency</b>							
Total operating costs / sales	101.4 %	94.7 %	92.3 %	93.9 %	83.6 %	77.6 %	74.5 %
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
<b>Balance sheet analysis</b>							
Avg. working capital / sales	8.9 %	15.2 %	18.2 %	24.7 %	16.5 %	14.6 %	13.7 %
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
<b>Cash flow analysis</b>							
Free cash flow	-1.7	-0.1	1.2	0.1	3.2	4.0	4.6
Free cash flow/sales	-11.7 %	-0.4 %	6.5 %	0.4 %	16.9 %	16.4 %	15.9 %
FCF / net profit	-401.1 %	-6.0 %	72.1 %	2.7 %	95.2 %	76.3 %	77.9 %
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
<b>Security</b>							
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	-0.6	-0.7	-0.7
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 %
<b>Asset utilisation</b>							
Capital employed turnover	3.6	3.0	2.6	1.6	1.6	1.4	1.3
Operating assets turnover	7.6	5.1	5.0	4.1	5.9	5.9	5.9
Plant turnover	183.5	228.9	130.0	114.2	163.3	210.6	246.7
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Returns</b>							
ROCE	9.8 %	23.4 %	26.5 %	14.9 %	33.0 %	39.9 %	43.5 %
ROE	75.1 %	65.5 %	48.8 %	36.8 %	38.7 %	37.7 %	29.5 %
<b>Other</b>							
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	1.69	2.64	2.93
<b>Valuation ratios</b>							
P/BV	171.6	58.8	31.7	19.6	12.0	7.5	5.3
EV/sales	6.6	6.0	5.7	7.7	5.2	3.9	3.1
EV/EBITDA	191.3	84.1	61.3	85.7	28.7	16.0	11.5
EV/EBITA	191.3	84.1	61.3	85.7	28.7	16.0	11.5
EV/EBIT	222.3	88.7	63.3	90.0	29.6	16.5	11.9
EV/FCF	-56.3	-1482.6	88.3	1922.9	30.8	23.6	19.8
Adjusted FCF yield	0.5 %	1.1 %	1.6 %	1.9 %	3.4 %	5.5 %	6.3 %
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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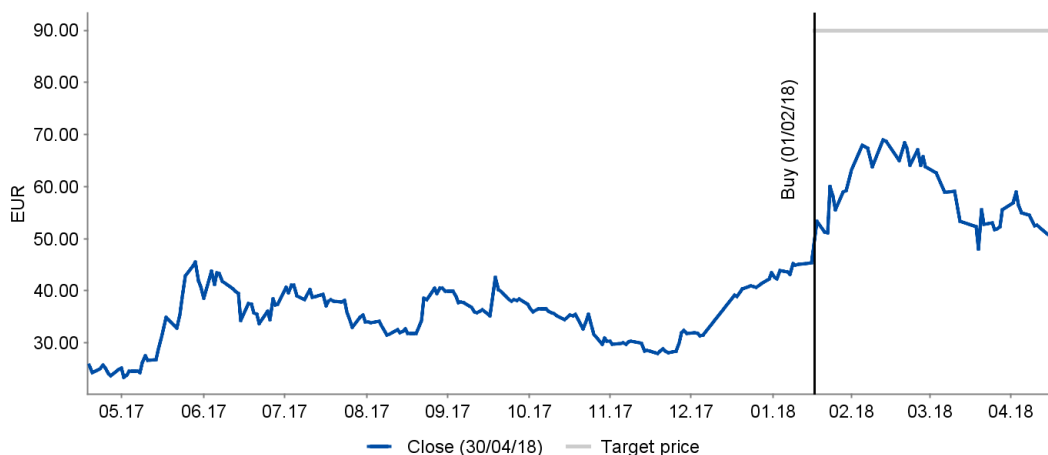
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Company	Disclosure
NorCom Information Technology AG	2, 8

**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 03/05/18**

**Initiation coverage**  
01-February-18



Company	Date	Analyst	Rating	Target price	Close
NorCom AG	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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