



Schaltbau Holding AG

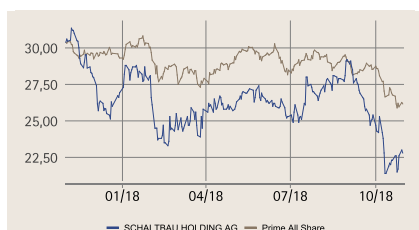
Not yet risk-free

31/10/2018**Hold**
28.50 EUR

Close (30/10/2018)	22.80 EUR
Bloomberg: SLT	WKN: A2NBTL
Sector	Transport & Logistics

Share price performance

52 week high	31.35
52 week low	21.40
Compared to	Prime All Share
YTD	-4.6%
1 month	-1.9%
12 months	-12.2%



Share data

Market Cap (m EUR)	194.6
No. of shares (m)	8.5
Free float	71.0%
Trading vol. Ø (m EUR)	0.15

Next event

08/11/2018	Quarterly Results
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Analyst

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See end of document for disclaimer.

The current newsflows underpins our view that the group's balance sheet still contains risks. Schaltbau stated yesterday afternoon that it has to book an impairment of € 12.3 m as the businesses of Schaltbau Alte and Schaltbau Bode UK have not performed as expected. It is also important for us to note the management's statement that further non-operating special items cannot be ruled out due to write-downs in connection with restructuring measures and possibly further book value adjustments at subsidiaries. We maintain our HOLD recommendation for the stock.

KEY POINTS

- Based on the weak earnings performance and the resulting lower earnings forecast, Schaltbau had to book an impairment of € 12.3 m for its subsidiaries Schaltbau Alte, Spain, and Schaltbau Bode, UK. If we include this figure in our model, it will affect our P&L forecasts and lead to a negative EPS for 2018.
- Nevertheless, it is positive that Schaltbau has confirmed its operating guidance for 2018 at group level, which indicates that some subsidiaries are obviously performing better than expected. Schaltbau forecasts sales in a range of € 480 m to € 500 m (BHL: € 498.6 m) and group order intake of € 500 m to € 520 m, both excluding the contributions of Sepsa, which has been put up for sale. The same applies to the expected EBIT margin (before exceptional items) for 2018, which is still expected to come in at 3% of sales (BHL: 3.2%).
- Even though the impairment reduced the group's remaining balance sheet risks, management could not rule out the possibility that further non-operating special items (write-downs in connection with restructuring measures and/or possible book value adjustments at subsidiaries) might occur in the future.

in m EUR	2016	2017	2018e	2019e	2020e
Sales	509.1	516.5	498.6	513.8	529.1
EBIT	-14.5	-23.0	16.0	22.1	24.7
EBIT margin	-2.8%	-4.4%	3.2%	4.3%	4.7%
Net financial debt	148.0	158.4	102.8	86.8	75.1
Free cash flow	7.6	-23.8	20.5	16.0	11.7
EPS (in EUR)	-2.61	-8.04	0.18	1.01	1.21
DPS (in EUR)	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/sales	0.8	0.8	0.7	0.7	0.6
EV/EBIT	-28.2	-17.4	22.7	16.0	13.9
P/E	-11.8	-3.4	129.4	22.5	18.8

Source: Company information, Bankhaus Lampe Research estimates

Disclaimer

The creation of this recommendation was finalised on 31/10/2018 08:28 AM (CET) and first published on 31/10/2018 08:36 AM (CET).

Analyst declaration

The relevant research analysts, as named on the front cover of this research report, certify that (a) all of the views expressed in this research report accurately reflect their personal views about the securities and companies mentioned in this research report; and (b) that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views expressed by them in this research report.

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Shares are rated based upon analyst forecasts with regard to the performance of the share during a period of twelve months. The rating "Buy" within this general concept means that the share's forecast performance is at least 10%. "Hold" means a price movement in a bandwidth of -10% to 10%. "Sell" means that the share's forecast performance is less than -10%.

Explanation of valuation

Unless shown otherwise, the stated upside targets are based upon either a discounted cash-flow pricing or upon a comparison of the performance ratios of companies that the respective analyst considers to be comparable, or upon a combination of these two analyses. Analysts modify the result of this fundamental assessment to incorporate the potential trend in market sentiment.

Details on the concepts and methods as well as the valuation models employed are available on our [website](#).

Overview of changes in our recommendations/price targets in the previous twelve months for: Schaltbau Holding AG (SLT GR), Close (30/10/2018): 22.80 EUR, Analyst: Christoph Schlienkamp (Investmentanalyst DVFA).

Date of publication	Price at recommendation	Rating	Price target
16/08/2018	27.10 EUR	Hold	28.50 EUR
18/04/2018	26.60 EUR	Hold	25.50 EUR
05/12/2017	27.42 EUR	Hold	32.00 EUR

The distribution of recommendations in our investments universe is currently as follows (date: 01/10/2018)

Rating	Basis: all analysed companies	Basis: companies with investment banking relationships
Buy	58.3%	60.0%
Hold	38.1%	40.0%
Sell	3.1%	0.0%
Under Review	0.0%	0.0%

Frequency of updates

The Bank intends to publish at least one research report per year for the aforementioned stock/stocks.

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Company	Disclosure
Schaltbau Holding AG	---

Responsible regulatory authority:

Federal Financial Supervisory Authority – Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), Marie-Curie-Str. 24-28, D-60439 Frankfurt

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31 October 2018

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