



Under review

vs. 'Hold'

Share price: EUR 3.99

closing price as of 10/10/2014

Target price: EUR Under review

vs. price target of EUR 8.00

Reuters/Bloomberg

SMHNn.DE/SMH GY

Market capitalisation (EURm)	76
Current N° of shares (m)	19
Free float	100%
Daily avg. no. trad. sh. 12 mth	178,544
Daily avg. trad. vol. 12 mth (m)	695
Price high 12 mth (EUR)	9.15
Price low 12 mth (EUR)	3.93
Abs. perf. 1 mth	-25.96%
Abs. perf. 3 mth	-52.98%
Abs. perf. 12 mth	-44.39%

Key financials (EUR)	12/13	12/14e	12/15e
Sales (m)	135	140	150
EBITDA (m)	(13)	6	9
EBITDA margin	nm	4.6%	5.9%
EBIT (m)	(19)	2	4
EBIT margin	nm	1.1%	2.9%
Net Profit (adj.)(m)	(3)	1	3
ROCE	-5.1%	1.6%	3.7%
Net debt/(cash) (m)	(36)	(29)	(35)
Net Debt/Equity	-0.3	-0.3	-0.3
Debt/EBITDA	2.7	-4.5	-4.0
Int. cover(EBITDA/Fin. int)	(100.8)	24.6	53.4
EV/Sales	0.7	0.4	0.3
EV/EBITDA	nm	7.9	5.1
EV/EBITDA (adj.)	nm	7.9	5.1
EV/EBIT	nm	33.9	10.2
P/E (adj.)	nm	nm	27.2
P/BV	1.1	0.7	0.7
OpFCF yield	17.8%	-10.0%	7.5%
Dividend yield	0.0%	0.0%	0.0%
EPS (adj.)	(0.15)	0.04	0.15
BVPS	5.72	5.77	5.91
DPS	0.00	0.00	0.00



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3Q14 sales and order figures released

The facts: SMHN released preliminary sales for 3Q14 of EUR 25.5m which compares to our model assumption of EUR 27.4m while the order intake was said to be EUR 29m. We consider the latter in line with our expectation of guidance mid-point of EUR 30m. Please remember that SMHN gave a – at that time disappointing - outlook of EUR 25-35m for fresh bookings.

The order backlog came to EUR 82.2m and was thus higher compared to our model assumptions of EUR 80.3m due to the lower sales in the quarter and potentially due to fx.

Management kept the guidance unchanged for 4Q14 forecasting new bookings amounting to EUR 30-40m. For FY14e, the revenue should come in at EUR 135-145m while the EBIT should achieve a slightly positive figure.

Our analysis: Since SMHN has not provided earnings figures, we cannot fully assess the quarter, however, as regards operating profits, the company has done well recently due to a low OPEX base. **The problem remains still the lack of growth** and 3Q14 did not appear to help here although bookings were in line with our forecast in principle. Consequently, the need to alter our FY14e forecasts is limited, but we will most likely revise our model assumptions as of FY15e further.

Conclusion & Action: *The preliminary release signals that booking-wise, SMHN is on track to achieve the guidance and also the full year targets should be met – the sales outlook maybe at the lower end. Thus, the release today might not be regarded as a big event.*

Please remember that we downgraded SMHN to 'Hold' from 'Buy' after the disappointing outlook comments for FY15e – or too high analyst expectations - and have set the PT to EUR 8. The 2Q14 conference call added to the disappointment and a further drop of the share price appeared inevitable in our opinion. However, the current levels of around EUR 4 are backed by c. EUR 1.50 net cash (equinet estimate per year end'14) and although significantly delayed – the 3D integration opportunity still exists.

Thus, we put our rating under review at the moment and will come up with a fresh view and revised model assumptions is due course.