

Company Alert

Uzin Utz

Company Update: New target price and EPS estimates after capital increase

COMPANY

Uzin Utz AG

RATING

BUY (UNCHANGED)

TARGET PRICE

30.0 EUR (32,50)

HIGHLIGHTS

- Successful capital increase of 776 000 shares or EUR 15.5 m
- Management plans market entry in USA and/or Brazil
- Dilution of EPS by roughly 10 %
- Adjusted target price of EUR 30

Successful capital increase: Uzin Utz made a successful capital increase of 776 000 shares or 18 % of share capital. The new shares were offered with a price of EUR 20, therefore the company received EUR 15.5m fresh capital.

Planned market entry in USA or Brazil: Management plans to enter the USA and/or Brazil with the new funds. The market entry might happen by an acquisition or a bigger capex in an own production site. However, the timing is unclear.

Dilution of EPS: We haven't changed our sales and EBIT forecast for the time being, as no details about the expected market entry are available. Therefore, only the financial results and the number of shares are affected by the capital increase. The higher number of shares will lead to a dilution of roughly 10 %. Our new EPS estimates for 2011 - 2013 are EUR 2.28, EUR 2.43 and EUR 2.64. The old figures were EUR 2.45, EUR 2.75 and EUR 2.99. However, we expect a higher growth rate in the future, if the market entry in the USA and/or Brazil is successful.

Slightly lower dividend estimate: We expect for 2011 an unchanged dividend of EUR 1.00 EUR despite the capital increase. However, for 2012 we reduce our dividend estimate from EUR 1.10 to EUR 1.00 due to the higher number of shares.

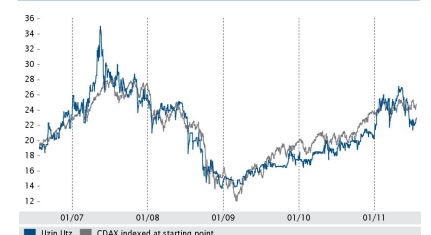
Adjusted target price and confirmed rating BUY: We adjust our target price from EUR 32.50 to EUR 30.0. The major reason for the reduced target price is the lower EPS estimate, which leads to a lower valuation in our multiple model for the time being. After a successful investment in the new markets USA and/or Brazil the target price should rise to at least the old level (ceteris paribus).

+++ Reuters: UZUG +++ Bloomberg: UZU GY +++

Current Price (XETRA (Germany); 2011-07-26; 09:12 am).....22.95 EUR
 CLOSING PRICE (2011-07-25):23.00 EUR
 EXPECTED PERFORMANCE:.....41.3%
 MARKET CAPITALIZATION:..... 116.01 EUR m
 ENTERPRISE VALUE:.....162.08 EUR m
 NUMBER OF SHARES:.....5.04 m
 FREE FLOAT:..... 19.0 %
 INDEX (WEIGHT): CDAX (0 %)
 AVG. DAILY TRADEVOL.:..... 1,287
 ISIN:.....DE0007551509
 SECTOR:..... Construction

KEY DATA (DEC)	2011E	2012E	2013E
Company figures in m EUR, per share data in EUR			
Sales	200.0	210.0	220.0
EBITDA	24.4	26.7	28.3
EBIT	18.4	20.2	21.7
Net profit	10.6	12.3	13.3
Free cash flow	2.8	10.3	11.7
FCF yield	2.5 %	8.9 %	10.1 %
EPS	2.28	2.43	2.64
Dividend	1.00	1.00	1.10
EV / Sales	0.8	0.8	0.7
EV / EBITDA	6.6	6.1	5.7
EV / EBIT	8.8	8.0	7.5
P / E	10.1	9.5	8.0
P / BV	1.09	1.09	0.93
Dividend yield	4.3 %	4.3 %	5.2 %

PRICE PERFORMANCE



UPCOMING EVENTS



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Percentage of companies within this rating category

Buy:	55,2%
Sell:	4,0%
Hold:	38,3%
Under review:	0,5%
Suspended:	2,0%

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