

**Buy** (old: Buy)

**Price target: EUR 11.00** (old: EUR 11.00)

<b>Price:</b>	EUR 6.00	<b>Next result:</b>	Q2 2011: 26.08.11
<b>Bloomberg:</b>	ADN1 GR	<b>Market cap:</b>	EUR 40.0 m
<b>Reuters:</b>	ADNGk.DE	<b>Enterprise Value:</b>	EUR 28.7 m

08-August-11

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## Co-founder Mr Rudolf leaves management board at own request

adesso announced on Friday of last week that member of the management board Rainer Rudolf will leave the company in the course of this year. A co-founder of adesso 14 years ago, he recently was responsible for administration and the legal affairs of the company.

**Mr Rudolf will leave adesso at his own request.** In our view, the departure is a move to **consolidate the management board** which has consisted of four members ever since BOV AG merged with adesso AG in 2007. The duties of Mr Rudolf will be assumed by Mr Junge who has been part of adesso's management board since 2005 responsible for Finance and Human Resources.

Born in 1962, Mr Rudolf has not yet reached the official retirement age and may hence look for a new challenge at another company, in our view. However, **he will remain a major shareholder of adesso with a stake of 19.6%**, which should ensure his election to the supervisory board next year. Hence, **Mr Rudolf's know-how and experience will stay with adesso** even after his departure.

In our view, **the departure is NOT in any way related to adesso's operating performance.** Q2 figures due August 26 should have been under the influence of the same favourable market environment (stable wages / better pricing / high utilisation of IT personnel) which drove the excellent Q2 results (sales +52% y-o-y / EBITDA +208% y-o-y).

**News flow should hence remain very promising:** our FY 2011E estimates lie significantly above the company guidance (€ 92-95m sales / € 6.2-6.5m EBITDA), which is deemed conservative following the very strong Q1 results in May and could hence be upgraded in the course of the year, in our view. **Stock remains a BUY with a PT of € 11.00 based on DCF.**



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 7.87 / 4.64  
**Price/Book Ratio:** 1.0  
**Relative performance (SDAX):**  
3 months 0.1 %  
6 months 4.6 %  
12 months -8.3 %

### Changes in estimates

		Sales	EBIT	EPS
2011	old:	99.4	4.9	0.73
	Δ	-	-	-
2012	old:	106.3	5.9	0.91
	Δ	-	-	-
2013	old:	111.1	7.3	1.06
	Δ	-	-	-

### Key share data:

Number of shares: (in m pcs) 5.7  
Authorised capital: (in € m) 2.9  
Book value per share: (in €) 5.9  
Ø trading volume: (12 months) 2,500

### Major shareholders:

Free Float 38.1 %  
Setanta GmbH 29.9 %  
Rainer Rudolf 19.6 %  
Ludwig Fresenius 7.2 %  
MIH GmbH 5.2 %

### Company description:

IT service provider focused on selected sectors where it offers bespoke solutions for industry-specific challenges.

Y/E 31.12 (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Sales	45.6	66.8	71.3	85.7	99.4	106.3	111.1
Sales growth	66 %	46 %	7 %	20 %	16 %	7 %	5 %
EBITDA	5.3	8.1	5.8	5.6	7.1	8.1	8.8
EBIT	3.2	4.5	3.0	2.7	4.9	5.9	7.3
Net income	2.4	4.2	3.5	2.4	4.2	5.2	6.1
Net debt	-7.6	-15.4	-8.8	-9.4	-11.8	-15.9	-20.3
Net gearing	-36.4 %	-60.7 %	-30.4 %	-30.5 %	-34.7 %	-41.9 %	-47.7 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS fully diluted	0.49	0.99	0.61	0.42	0.73	0.91	1.06
CPS	0.92	1.36	0.28	0.45	0.63	0.96	1.07
DPS	0.00	0.00	0.15	0.15	0.20	0.26	0.32
Dividend yield	0.0 %	0.0 %	2.1 %	2.1 %	2.9 %	3.7 %	4.6 %
Gross profit margin	92.0 %	90.4 %	88.8 %	89.0 %	88.9 %	88.8 %	88.7 %
EBITDA margin	11.6 %	12.1 %	8.1 %	6.5 %	7.1 %	7.6 %	7.9 %
EBIT margin	7.0 %	6.7 %	4.2 %	3.1 %	4.9 %	5.6 %	6.5 %
ROCE	12.9 %	12.3 %	7.8 %	6.5 %	11.7 %	13.6 %	15.5 %
EV/sales	0.7	0.4	0.4	0.4	0.3	0.2	0.2
EV/EBITDA	6.2	3.1	5.5	5.6	4.0	3.0	2.3
EV/EBIT	10.3	5.6	10.6	11.7	5.9	4.2	2.8
PER	16.8	9.5	11.4	16.8	9.6	7.7	6.6
Adjusted FCF yield	11.5 %	25.7 %	15.9 %	15.1 %	19.3 %	25.5 %	31.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 05.08.2011

**Financials**

<b>Profit and loss (EUR m)</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>
<b>Net sales</b>	<b>45.6</b>	<b>66.8</b>	<b>71.3</b>	<b>85.7</b>	<b>99.4</b>	<b>106.3</b>	<b>111.1</b>
<i>Sales growth</i>	66.5 %	46.3 %	6.8 %	20.1 %	16.0 %	6.9 %	4.5 %
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>45.6</b>	<b>66.8</b>	<b>71.3</b>	<b>85.7</b>	<b>99.4</b>	<b>106.3</b>	<b>111.1</b>
Other operating income	2.2	2.3	2.1	3.0	3.3	3.2	3.2
Material expenses	3.7	6.4	8.0	9.4	11.0	11.9	12.5
Personnel expenses	26.7	40.1	45.4	56.2	65.4	69.5	72.3
Other operating expenses	12.2	14.4	14.4	17.4	19.2	20.0	20.7
Total operating expenses	40.3	58.7	65.6	80.1	92.3	98.2	102.3
<b>EBITDA</b>	<b>5.3</b>	<b>8.1</b>	<b>5.8</b>	<b>5.6</b>	<b>7.1</b>	<b>8.1</b>	<b>8.8</b>
Depreciation	0.5	0.6	0.6	0.7	0.8	0.8	0.8
<b>EBITA</b>	<b>4.8</b>	<b>7.5</b>	<b>5.2</b>	<b>4.9</b>	<b>6.3</b>	<b>7.3</b>	<b>8.0</b>
Amortisation of goodwill	0.4	1.4	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.2	1.5	2.2	2.3	1.5	1.4	0.8
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>3.2</b>	<b>4.5</b>	<b>3.0</b>	<b>2.7</b>	<b>4.9</b>	<b>5.9</b>	<b>7.3</b>
Interest income	0.3	0.5	0.3	0.2	0.2	0.2	0.2
Interest expenses	0.2	0.4	0.3	0.4	0.4	0.2	0.2
Other financial result	-0.1	0.0	0.3	0.0	0.0	0.0	0.0
Financial result	0.1	0.1	0.3	-0.2	-0.2	0.0	0.1
<b>Recurring pretax income from continuing operations</b>	<b>3.2</b>	<b>4.6</b>	<b>3.3</b>	<b>2.5</b>	<b>4.7</b>	<b>5.9</b>	<b>7.4</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>3.2</b>	<b>4.6</b>	<b>3.3</b>	<b>2.5</b>	<b>4.7</b>	<b>5.9</b>	<b>7.4</b>
Taxes	0.8	0.4	-0.3	0.0	0.3	0.6	1.1
<b>Net income from continuing operations</b>	<b>2.4</b>	<b>4.3</b>	<b>3.6</b>	<b>2.5</b>	<b>4.4</b>	<b>5.3</b>	<b>6.2</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>2.4</b>	<b>4.3</b>	<b>3.6</b>	<b>2.5</b>	<b>4.4</b>	<b>5.3</b>	<b>6.2</b>
Minority interest	0.0	0.1	0.1	0.1	0.2	0.1	0.2
<b>Net income (net of minority interest)</b>	<b>2.4</b>	<b>4.2</b>	<b>3.5</b>	<b>2.4</b>	<b>4.2</b>	<b>5.2</b>	<b>6.1</b>
Average number of shares	5.7	5.7	5.7	5.7	5.7	5.7	5.7
<b>EPS reported</b>	<b>0.42</b>	<b>0.74</b>	<b>0.61</b>	<b>0.42</b>	<b>0.73</b>	<b>0.91</b>	<b>1.06</b>

<b>Profit and loss (common size)</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011E</b>	<b>2012E</b>	<b>2013E</b>
<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	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Total 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>
Other operating income	4.9 %	3.5 %	3.0 %	3.5 %	3.3 %	3.0 %	2.9 %
Material expenses	8.0 %	9.6 %	11.2 %	11.0 %	11.1 %	11.2 %	11.3 %
Personnel expenses	58.5 %	60.1 %	63.6 %	65.6 %	65.8 %	65.4 %	65.1 %
Other operating expenses	26.8 %	21.6 %	20.1 %	20.3 %	19.3 %	18.8 %	18.6 %
Total operating expenses	88.4 %	87.9 %	91.9 %	93.5 %	92.9 %	92.4 %	92.1 %
<b>EBITDA</b>	<b>11.6 %</b>	<b>12.1 %</b>	<b>8.1 %</b>	<b>6.5 %</b>	<b>7.1 %</b>	<b>7.6 %</b>	<b>7.9 %</b>
Depreciation	1.1 %	0.9 %	0.8 %	0.8 %	0.8 %	0.7 %	0.7 %
<b>EBITA</b>	<b>10.5 %</b>	<b>11.2 %</b>	<b>7.3 %</b>	<b>5.8 %</b>	<b>6.4 %</b>	<b>6.9 %</b>	<b>7.2 %</b>
Amortisation of goodwill	0.9 %	2.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.6 %	2.3 %	3.1 %	2.7 %	1.5 %	1.3 %	0.7 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>7.0 %</b>	<b>6.7 %</b>	<b>4.2 %</b>	<b>3.1 %</b>	<b>4.9 %</b>	<b>5.6 %</b>	<b>6.5 %</b>
Interest income	0.7 %	0.8 %	0.5 %	0.2 %	0.2 %	0.2 %	0.2 %
Interest expenses	0.4 %	0.6 %	0.5 %	0.5 %	0.4 %	0.2 %	0.1 %
Other financial result	-0.1 %	0.0 %	0.4 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	0.1 %	0.2 %	0.4 %	-0.2 %	-0.2 %	0.0 %	0.1 %
<b>Recurring pretax income from continuing operations</b>	<b>7.1 %</b>	<b>6.9 %</b>	<b>4.6 %</b>	<b>2.9 %</b>	<b>4.8 %</b>	<b>5.5 %</b>	<b>6.6 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>7.1 %</b>	<b>6.9 %</b>	<b>4.6 %</b>	<b>2.9 %</b>	<b>4.8 %</b>	<b>5.5 %</b>	<b>6.6 %</b>
Tax rate	25.3 %	7.6 %	-8.9 %	-1.4 %	6.9 %	9.6 %	15.1 %
<b>Net income from continuing operations</b>	<b>5.3 %</b>	<b>6.4 %</b>	<b>5.0 %</b>	<b>2.9 %</b>	<b>4.4 %</b>	<b>5.0 %</b>	<b>5.6 %</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>5.3 %</b>	<b>6.4 %</b>	<b>5.0 %</b>	<b>2.9 %</b>	<b>4.4 %</b>	<b>5.0 %</b>	<b>5.6 %</b>
Minority interest	0.1 %	0.1 %	0.1 %	0.1 %	0.2 %	0.1 %	0.1 %
<b>Net income (net of minority interest)</b>	<b>5.2 %</b>	<b>6.3 %</b>	<b>4.9 %</b>	<b>2.8 %</b>	<b>4.2 %</b>	<b>4.9 %</b>	<b>5.5 %</b>

Source: Company data, Hauck &amp; Aufhäuser

Balance sheet (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>13.6</b>	<b>10.7</b>	<b>16.2</b>	<b>15.6</b>	<b>14.2</b>	<b>12.9</b>	<b>12.3</b>
Property, plant and equipment	1.1	0.9	1.0	1.2	1.1	1.2	1.2
Financial assets	0.1	0.5	0.5	0.6	0.6	0.6	0.6
<b>FIXED ASSETS</b>	<b>14.7</b>	<b>12.2</b>	<b>17.8</b>	<b>17.4</b>	<b>16.0</b>	<b>14.7</b>	<b>14.1</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	11.7	14.3	16.4	20.3	23.4	25.0	26.2
Other current assets	1.3	1.5	1.6	1.7	1.7	1.7	1.7
Liquid assets	15.9	22.8	17.3	17.0	17.6	19.8	24.1
Deferred taxes	4.6	5.1	5.7	5.9	5.9	5.9	5.9
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>33.5</b>	<b>43.7</b>	<b>41.1</b>	<b>44.9</b>	<b>48.6</b>	<b>52.4</b>	<b>57.9</b>
<b>TOTAL ASSETS</b>	<b>48.2</b>	<b>55.8</b>	<b>58.9</b>	<b>62.3</b>	<b>64.6</b>	<b>67.1</b>	<b>72.0</b>
SHAREHOLDERS EQUITY	20.9	25.3	28.8	30.7	34.0	38.0	42.5
MINORITY INTEREST	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Long-term debt	7.4	2.1	5.6	5.5	3.6	1.7	1.7
Provisions for pensions and similar obligations	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Other provisions	7.4	3.0	2.6	2.2	2.2	2.2	2.2
<b>Non-current liabilities</b>	<b>15.2</b>	<b>5.6</b>	<b>8.7</b>	<b>8.2</b>	<b>6.3</b>	<b>4.4</b>	<b>4.4</b>
short-term liabilities to banks	0.9	5.3	3.0	2.2	2.2	2.2	2.2
Accounts payable	5.0	4.4	3.8	3.5	4.1	4.4	4.6
Advance payments received on orders	1.5	2.9	2.1	2.2	2.6	2.8	2.9
Other liabilities (incl. from lease and rental contracts)	2.8	10.5	10.9	14.1	14.1	14.1	14.1
Deferred taxes	1.9	1.7	1.4	1.2	1.2	1.2	1.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>12.0</b>	<b>24.9</b>	<b>21.3</b>	<b>23.2</b>	<b>24.1</b>	<b>24.6</b>	<b>24.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>48.2</b>	<b>55.8</b>	<b>58.9</b>	<b>62.3</b>	<b>64.6</b>	<b>67.1</b>	<b>72.0</b>

Balance sheet (common size)	2007	2008	2009	2010	2011E	2012E	2013E
<b>Intangible assets</b>	<b>28.2 %</b>	<b>19.2 %</b>	<b>27.6 %</b>	<b>25.0 %</b>	<b>22.0 %</b>	<b>19.3 %</b>	<b>17.1 %</b>
Property, plant and equipment	2.2 %	1.7 %	1.7 %	1.9 %	1.8 %	1.7 %	1.6 %
Financial assets	0.2 %	0.9 %	0.9 %	1.0 %	0.9 %	0.9 %	0.9 %
<b>FIXED ASSETS</b>	<b>30.5 %</b>	<b>21.8 %</b>	<b>30.3 %</b>	<b>27.9 %</b>	<b>24.7 %</b>	<b>21.9 %</b>	<b>19.6 %</b>
Inventories	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	24.2 %	25.6 %	27.9 %	32.5 %	36.3 %	37.3 %	36.3 %
Other current assets	2.7 %	2.7 %	2.6 %	2.7 %	2.6 %	2.5 %	2.3 %
Liquid assets	33.0 %	40.8 %	29.4 %	27.3 %	27.2 %	29.4 %	33.5 %
Deferred taxes	9.6 %	9.2 %	9.7 %	9.5 %	9.2 %	8.9 %	8.3 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>69.5 %</b>	<b>78.2 %</b>	<b>69.7 %</b>	<b>72.1 %</b>	<b>75.3 %</b>	<b>78.1 %</b>	<b>80.4 %</b>
<b>TOTAL ASSETS</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>
SHAREHOLDERS EQUITY	43.4 %	45.3 %	48.9 %	49.3 %	52.6 %	56.5 %	59.0 %
MINORITY INTEREST	0.1 %	0.1 %	0.1 %	0.3 %	0.3 %	0.3 %	0.3 %
Long-term debt	15.3 %	3.8 %	9.5 %	8.8 %	5.6 %	2.5 %	2.4 %
Provisions for pensions and similar obligations	1.0 %	0.9 %	0.8 %	0.8 %	0.8 %	0.8 %	0.7 %
Other provisions	15.3 %	5.3 %	4.5 %	3.5 %	3.4 %	3.3 %	3.0 %
<b>Non-current liabilities</b>	<b>31.6 %</b>	<b>10.0 %</b>	<b>14.8 %</b>	<b>13.2 %</b>	<b>9.8 %</b>	<b>6.6 %</b>	<b>6.1 %</b>
short-term liabilities to banks	1.9 %	9.5 %	5.1 %	3.5 %	3.4 %	3.2 %	3.0 %
Accounts payable	10.3 %	7.9 %	6.5 %	5.7 %	6.3 %	6.5 %	6.3 %
Advance payments received on orders	3.1 %	5.2 %	3.6 %	3.6 %	4.0 %	4.1 %	4.0 %
Other liabilities (incl. from lease and rental contracts)	5.8 %	18.9 %	18.6 %	22.6 %	21.9 %	21.0 %	19.6 %
Deferred taxes	3.9 %	3.1 %	2.5 %	1.9 %	1.8 %	1.7 %	1.6 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>24.9 %</b>	<b>44.6 %</b>	<b>36.2 %</b>	<b>37.3 %</b>	<b>37.3 %</b>	<b>36.6 %</b>	<b>34.6 %</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)	2007	2008	2009	2010	2011E	2012E	2013E
Net profit/loss	2.4	4.3	3.6	2.5	4.4	5.3	6.2
Depreciation of fixed assets (incl. leases)	0.5	0.6	0.6	0.7	0.8	0.8	0.8
Amortisation of goodwill	0.4	1.4	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.2	1.5	2.2	2.3	1.5	1.4	0.8
Others	0.3	5.4	-1.3	2.0	0.4	0.2	0.1
Cash flow from operations before changes in w/c	4.8	13.3	5.1	7.4	7.0	7.7	7.9
Increase/decrease in inventory	2.3	-4.9	-0.1	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-2.1	-4.4	-0.3	-3.8	-3.1	-1.6	-1.1
Increase/decrease in accounts payable	0.9	4.4	-2.3	-0.3	0.5	0.3	0.2
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	1.1	-4.9	-2.8	-4.1	-2.6	-1.3	-0.9
<b>Cash flow from operating activities</b>	<b>5.9</b>	<b>8.4</b>	<b>2.3</b>	<b>3.3</b>	<b>4.4</b>	<b>6.3</b>	<b>7.0</b>
CAPEX	0.6	0.6	0.7	0.7	0.8	0.9	0.9
Payments for acquisitions	1.7	0.1	4.3	-0.1	0.0	0.0	0.0
Financial investments	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	0.0	-0.3	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-2.2</b>	<b>-0.7</b>	<b>-5.3</b>	<b>-0.6</b>	<b>-0.8</b>	<b>-0.9</b>	<b>-0.9</b>
Cash flow before financing	3.7	7.7	-2.9	2.7	3.6	5.4	6.1
Increase/decrease in debt position	3.4	-0.9	1.6	-2.9	-1.9	-1.9	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	0.9	0.0	0.1	0.9	0.9	1.2	1.5
Others	0.1	0.2	0.1	-0.2	-0.2	-0.1	-0.2
Effects of exchange rate changes on cash	0.0	0.1	0.0	0.1	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>2.7</b>	<b>-0.8</b>	<b>1.6</b>	<b>-4.0</b>	<b>-3.0</b>	<b>-3.2</b>	<b>-1.7</b>
Increase/decrease in liquid assets	6.4	7.1	-1.4	-1.3	0.6	2.2	4.4
<b>Liquid assets at end of period</b>	<b>11.6</b>	<b>18.7</b>	<b>17.3</b>	<b>17.0</b>	<b>17.6</b>	<b>19.8</b>	<b>24.1</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
Domestic	37.4	59.4	59.9	68.5	73.7	76.9	78.8
yoy change	39.3 %	58.8 %	0.8 %	14.4 %	7.5 %	4.3 %	2.5 %
Rest of Europe	8.2	7.3	11.4	17.1	25.7	29.4	32.3
yoy change	1399.3 %	-10.6 %	55.4 %	50.1 %	50.0 %	14.4 %	9.9 %
NAFTA	n/a	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	n/a	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	n/a	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>TTL</b>	<b>45.6</b>	<b>66.8</b>	<b>71.3</b>	<b>85.7</b>	<b>99.4</b>	<b>106.3</b>	<b>111.1</b>
yoy change	66.5 %	46.3 %	6.8 %	20.1 %	16.0 %	6.9 %	4.5 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2007	2008	2009	2010	2011E	2012E	2013E
<b>P&amp;L growth analysis</b>							
Sales growth	66.5 %	46.3 %	6.8 %	20.1 %	16.0 %	6.9 %	4.5 %
EBITDA growth	84.6 %	52.3 %	-28.8 %	-2.8 %	26.9 %	14.1 %	8.6 %
EBIT growth	27.7 %	40.9 %	-33.5 %	-11.2 %	84.1 %	21.0 %	22.6 %
EPS growth	54.5 %	77.1 %	-16.9 %	-32.3 %	75.1 %	24.7 %	17.3 %
<b>Efficiency</b>							
Total operating costs / sales	88.4 %	87.9 %	91.9 %	93.5 %	92.9 %	92.4 %	92.1 %
Sales per employee	109.3	122.4	115.6	118.9	122.9	126.4	128.6
EBITDA per employee	12.7	14.8	9.3	7.8	8.8	9.6	10.2
<b>Balance sheet analysis</b>							
Avg. working capital / sales	9.4 %	9.1 %	12.2 %	14.6 %	15.7 %	16.3 %	16.5 %
Inventory turnover (sales/inventory)	11,411.5	0.0	0.0	0.0	0.0	0.0	0.0
Trade debtors in days of sales	93.3	78.1	84.1	86.4	86.0	86.0	86.0
A/P turnover [(A/P*365)/sales]	39.7	24.2	19.6	15.1	15.0	15.0	15.0
Cash conversion cycle (days)	-402.1	-174.1	-91.3	-51.0	-49.5	-48.0	-47.3
<b>Cash flow analysis</b>							
Free cash flow	5.3	7.8	1.6	2.5	3.6	5.4	6.1
Free cash flow/sales	11.5 %	11.6 %	2.3 %	3.0 %	3.6 %	5.1 %	5.5 %
FCF / net profit	220.8 %	184.1 %	46.2 %	107.2 %	86.0 %	104.8 %	99.7 %
FCF yield	13.2 %	19.4 %	4.0 %	6.4 %	9.0 %	13.6 %	15.2 %
Capex / depn	31.8 %	17.4 %	25.0 %	24.6 %	35.5 %	41.5 %	58.8 %
Capex / maintenance capex	106.5 %	82.5 %	91.0 %	92.9 %	89.7 %	92.0 %	90.9 %
Capex / sales	1.5 %	0.9 %	1.0 %	0.8 %	0.8 %	n/a	n/a
<b>Security</b>							
Net debt	-7.6	-15.4	-8.8	-9.4	-11.8	-15.9	-20.3
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.4	-0.6	-0.3	-0.3	-0.3	-0.4	-0.5
Interest cover	16.1	10.8	8.8	6.5	13.5	24.6	46.9
Dividend payout ratio	0.0 %	0.0 %	24.9 %	37.8 %	29.0 %	29.4 %	30.8 %
<b>Asset utilisation</b>							
Capital employed turnover	1.2	1.8	1.8	2.1	2.3	2.4	2.3
Operating assets turnover	7.3	8.5	6.2	5.5	5.6	5.6	5.6
Plant turnover	43.3	70.6	69.5	72.1	87.3	91.0	93.5
Inventory turnover (sales/inventory)	11,411.5	0.0	0.0	0.0	0.0	0.0	0.0
<b>Returns</b>							
ROCE	12.9 %	12.3 %	7.8 %	6.5 %	11.7 %	13.6 %	15.5 %
ROE	11.4 %	16.7 %	12.2 %	7.7 %	12.2 %	13.7 %	14.3 %
<b>Other</b>							
Interest paid / avg. debt	3.4 %	5.3 %	4.2 %	5.0 %	5.4 %	5.0 %	4.0 %
No. employees (average)	418	546	617	721	809	841	864
Number of shares	5.7	5.7	5.7	5.7	5.7	5.7	5.7
DPS	0.0	0.0	0.2	0.2	0.2	0.3	0.3
EPS reported	0.42	0.74	0.61	0.42	0.73	0.91	1.06
<b>Valuation ratios</b>							
P/BV	1.9	1.6	1.4	1.3	1.2	1.1	0.9
EV/sales	0.7	0.4	0.4	0.4	0.3	0.2	0.2
EV/EBITDA	6.2	3.1	5.5	5.6	4.0	3.0	2.3
EV/EBITA	6.9	3.4	6.1	6.3	4.5	3.4	2.5
EV/EBIT	10.3	5.6	10.6	11.7	5.9	4.2	2.8
EV/FCF	6.2	3.2	19.6	12.2	8.0	4.5	3.3
Dividend yield	0.0 %	0.0 %	2.1 %	2.1 %	2.9 %	3.7 %	4.6 %

Source: Company data, Hauck & Aufhäuser

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Company	Disclosure
adesso AG	2

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**Historical target price and rating changes for adesso AG in the last 12 months**

**Price and Rating History  
adesso AG as of 08/08/11**

**Initiation coverage**  
28-April-11



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<b>Buy</b>	77.14 %	66.67 %
<b>Sell</b>	7.14 %	0.00 %
<b>Hold</b>	15.71 %	33.33 %

**Valuation basis/rating key**

**Buy:** Sustainable upside potential of more than 10% within 12 months.

**Sell:** Sustainable downside potential of more than 10% within 12 months.

**Hold:** Upside/downside potential limited. No immediate catalyst visible.

**Competent supervisory authority**

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