

All for One Steeb AG

December 02, 2016



Information Analysis

Analyst

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Evaluation Result

BUY

(previous: BUY)

Fair Value

€65.50

(previous: €65.00)

BankM Research on Bloomberg, CapitalIQ Factset, ResearchPool, Thomson/Reuters, vwd and www.BankM.de

2015/16 sales forecast surpassed, first outlook to business year 2016/17

The provisional figures for 2015/16, with sales of €266.3 million/+10%, show that the sales guidance of €255 - 265 million was slightly exceeded, while the EBIT (€18.8 million) was within expectations. Regarding EBT (€17.4 million), All for One Steeb slightly exceeded our estimate which led us to lift our estimate for the (as yet unreported) 2015/16 EPS. As a result of continued strong business with SAP HANA as well as the acquisition of B4B, we raised our sales expectations for 2016/17 somewhat, while the EBIT 2016/17 could turn out to be lower than previously expected due to investments. Both DCF and peer assessment imply potential for a further increase in the share price.

- The licensing business of All for One Steeb was once again the strongest driver of growth and profited from the strong demand for SAP HANA. The sales revenue in this field could be increased by 14%. A comparable growth rate was also achieved for consulting sales, which grew by 13% to €110.9 million. The recurring outsourcing sales (incl. maintenance) likewise showed clear growth with a rate of 7% and – unlike the two areas mentioned above – also showed increased growth dynamics in the third calendar quarter. The outsourcing business is therefore continuing to profit from the digitisation trend.
- With the 70% share in Austrian cloud specialist B4B Solutions GmbH (as of 01/11/2016), All for One Steeb further strengthens its own cloud business. Considering the technical expertise and scaling potential of B4B, which has been distinguished several times as “SAP Cloud Partner of the Year”, the sales contribution from the young, high-growth company (sales 16e: €2 million; 2015a: €1.2 million) rather served as an inferior motive behind the acquisition.
- Outlook 2016/17e: For the first time, the company delivered an outlook for the business year 2016/2017, which started with the fourth calendar quarter. The sales should be within a range of €280 million to €290 million – without further acquisitions – which corresponds to a medium-to-high single-digit percentage growth. For the EBIT, the company expects a range of €18.5 million to €20.5 million.

Key data / Earnings

Year	Sales (mln €)	EBITDA (mln €)	EBIT (mln €)	EBT (mln €)	adj. net (mln €)	adj. EPS (€)	DPS (€)	EBIT-Margin	Net-Margin
2013/14	217.2	20.5	13.5	10.8	7.5	1.52	0.70	6.2%	3.5%
2014/15	241.6	27.5	19.3	16.1	11.4	2.30	0.80	8.0%	4.7%
2015/16e	266.3	27.7	18.8	17.4	12.1	2.43	0.92	7.1%	4.5%
2016/17e	284.9	27.9	19.5	18.2	13.0	2.60	1.00	6.9%	4.6%
2017/18e	299.2	29.8	21.1	20.2	14.0	2.81	1.08	7.1%	4.7%

Source: All for One Steeb AG, BankM Research

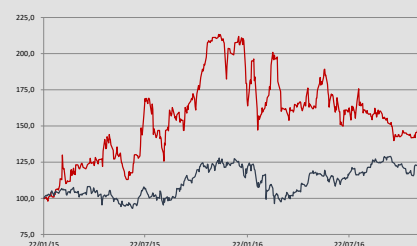
Sector	IT-Services
WKN	511000
ISIN	DE0005110001
Bloomberg/Reuters	A1OS GY/A1OS.DE
Accounting standard	IFRS
Financial year	30.09
FY 2015/16	December 14, 2016
Market segment	Regulated Market
Transparency standard	Prime Standard

Financial ratios	15/16e	16/17e	17/18e
EV/Sales	0.92	0.86	0.82
EV/EBITDA	8.9	8.8	8.2
EV/EBIT	13.0	12.6	11.6
P/E adj.	22.0	20.6	19.0
Price/Bookvalue	4.3	3.8	3.4
Price/FCF	15.2	15.8	21.1
ROE (in %)	20.9	19.7	18.8
Dividend yield (in %)	1.7	1.9	2.0

Number of shares outs. (in mln)	4.982
MarketCap / EV (in € mln)	267 / 245
Free float (in %)	24
Ø daily trading vol. (3M, in €)	38
12M high / low (in €; XETRA-close)	76.96/42.01
Price December 1, 2016 (in €; XETRA-close)	53.50

Performance	1M	6M	12M
absolute (in %)	4%	-15%	-29%
relative (in %)	-4%	-15%	-44%

Benchmark index DAX-Subsector IT-Services



All for One Steeb AG (red/grey), Performance 1y vs. DAX-Subsector IT Services (blue/black)

Source: Deutsche Börse AG

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B4B – the new brand in the All for One Steeb cloud business

On the basis of its clear profile in the cloud/subscription field and its multiple distinctions as “SAP Cloud Partner of the Year”, it was an obvious choice to use the brand “B4B” for the entire cloud business in future. The amalgamation of the German cloud business under one roof is consistent in this regard. Primarily, smaller and medium-sized enterprises are supposed to profit from the rapid and simple solutions from the cloud. Three solutions in particular form the focus: SAP Business ByDesign (ERP); SAP Hybris Cloud for Customer (CRM); and SAP Jam (collaborative solution), which can be integrated into the existing on-premises IT landscapes.

A change to the supervisory board portrays altered shareholder structure

As of 11/11/2016, Paul Neumann (31), Chairman and core shareholder of Invest AG (Vienna), has been called to the supervisory board of All for One Steeb. The appointment is a result of the acquisition of a 25.07% share in All for One Steeb, formerly held by Pierer Industrie AG (Wels), by UIAG Informatik-Holding GmbH, which is itself majority owned by Invest AG.

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Tables

Profit and Loss Account (in € m)	2013/14	2014/15	2015/16e*	2016/17e	2017/18e
Sales revenues	217.227	241.592	266.300	284.941	299.188
Change in finished goods and work in progress	0.000	0.000	0.000	0.000	0.000
Other own cost capitalized	0.000	0.000	0.000	0.000	0.000
Other operating income	1.513	2.868	2.661	1.848	2.240
Total performance	218.740	244.460	268.962	286.789	301.428
Cost of material	-79.643	-85.019	-96.938	-104.420	-107.824
Gross profit	139.097	159.441	172.024	182.369	193.604
Personnel expenses	-88.577	-99.532	-109.064	-117.561	-123.141
Other operating expenses/income	-30.064	-32.391	-35.285	-36.884	-40.673
EBITDA	20.456	27.518	27.674	27.925	29.791
Depreciation and amortisation	-6.992	-8.262	-8.874	-8.406	-8.697
EBIT	13.464	19.256	18.800	19.518	21.093
Financial result	-2.661	-3.136	-1.399	-1.278	-0.850
Non operating result before taxes	0.000	0.000	0.000	0.000	0.000
Pre tax result	10.803	16.120	17.401	18.240	20.243
Non operating result after taxes	0.000	0.000	0.000	0.000	0.000
Taxes	-3.259	-4.660	-5.335	-5.227	-6.206
Minority interest	-0.036	-0.024	0.026	-0.044	-0.044
Net result	7.508	11.436	12.092	12.969	13.993
Adjustments	0.000	0.000	0.000	0.000	0.000
Adjusted net result	7.508	11.436	12.092	12.969	13.993
Average number of shares	4.954	4.982	4.982	4.982	4.982
EPS	1.52	2.30	2.43	2.60	2.81
Adjusted EPS	1.52	2.30	2.43	2.60	2.81
DPS	0.70	0.80	0.92	1.00	1.08

Source: All for one Steeb AG, BankM Research, * = provisional figures (revenues, EBIT, EBT)

Cash Flow Statement (in €m)	2013/14	2014/15	2015/16e	2016/17e	2017/18e
Net cash provided by operating activities	15.793	21.027	15.922	18.942	21.651
Net cash used in investing activities	-6.701	-6.796	-4.364	-5.703	-11.238
Net cash provided by financing activities	-7.881	-6.776	-20.686	-17.795	-19.093
Change in cash and securities	1.711	7.667	-9.128	-4.556	-8.680
Cash and securities at the end of the period	33.347	41.041	31.913	27.357	18.677

Source: All for one Steeb AG, BankM Research

Balance of Accounts (in €m)	2013/14	2014/15	2015/16e	2016/17e	2017/18e
Long term assets	83.260	83.641	79.131	71.428	73.968
Intangible assets	66.731	65.684	61.484	60.084	58.084
Tangible assets	8.615	9.876	9.566	3.263	7.803
Financial assets	7.914	8.081	8.081	8.081	8.081
Current assets	67.005	78.532	71.473	71.143	64.453
Inventories	0.686	1.229	1.297	1.450	1.522
Trade receivables	32.972	36.262	38.264	42.337	44.254
Receivables	0.000	0.000	0.000	0.000	0.000
Cash and securities	33.347	41.041	31.913	27.357	18.677
Other assets	4.400	5.804	5.804	5.804	8.804
Total assets	154.665	167.977	156.409	148.375	147.225
Equity	46.828	53.805	61.886	70.304	79.347
Reserves	46.688	53.716	61.823	70.197	79.196
Minorities	0.140	0.089	0.063	0.107	0.151
Provisions	5.508	4.859	4.013	-5.025	-4.856
Liabilities	50.400	53.776	36.373	37.920	26.555
Interest bearing liabilities	38.623	37.528	23.228	23.228	11.128
Trade payables	9.276	10.948	11.552	12.912	13.558
Non interest bearing liabilities	2.501	5.300	1.593	1.780	1.869
Other liabilities	51.929	55.537	54.137	45.177	46.179
Total equity and liabilities	154.665	167.977	156.409	148.375	147.225

Source: All for one Steeb AG, BankM Research

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All for One Steeb AG

December 02, 2016

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Key ratios	2013/14	2014/15	2015/16e*	2016/17e	2017/18e
Valuation ratios					
EV/Sales	0.63	0.83	0.92	0.86	0.82
EV/EBITDA	6.70	7.32	8.86	8.78	8.23
EV/EBIT	10.18	10.46	13.04	12.56	11.62
P/E reported	17.24	17.64	22.04	20.55	19.05
P/E clean	17.24	17.64	22.04	20.55	19.05
PCPS	7.47	8.87	12.62	12.38	11.66
Price/Book Value	2.77	3.76	4.31	3.80	3.37
Profitability ratios					
Gross Margin	64.0%	66.0%	64.6%	64.0%	64.7%
EBITDA margin	9.4%	11.4%	10.4%	9.8%	10.0%
EBIT margin	6.2%	8.0%	7.1%	6.8%	7.1%
Pre tax margin	5.0%	6.7%	6.5%	6.4%	6.8%
Net margin	3.5%	4.7%	4.5%	4.6%	4.7%
ROE	16.4%	22.8%	20.9%	19.7%	18.8%
ROCE	14.7%	18.9%	17.3%	17.4%	18.0%
Productivity ratios					
Sales/employees (in € `000)	201.7	218.6	225.7	227.0	225.0
Net result/employees (in € `000)	7.0	10.3	10.2	10.3	10.5
Number of employees	1077	1105	1180	1255	1330
Financial ratios					
Equity ratio	30.3%	32.0%	39.6%	47.4%	53.9%
Gearing	230.3%	212.2%	152.7%	111.0%	85.5%
Dividend yield	2.7%	2.0%	1.7%	1.9%	2.0%
Cash flow ratios					
Cash earnings per share	3.50	4.56	4.24	4.32	4.59
Operating cash flow per share	3.19	4.22	3.20	3.80	4.35
Free-cash-flow per share	2.89	3.42	3.52	3.38	2.53
Other ratios					
Depreciation/sales	3.2%	3.4%	3.3%	3.0%	2.9%
Capex/sales	1.4%	2.4%	1.3%	1.7%	3.4%
Working capital/sales	10.1%	8.8%	8.8%	8.8%	8.8%
Tax rate	30%	29%	31%	29%	31%

Source: All for one Steeb AG, BankM Research, * = provisional figures (revenues, EBIT, EBT)

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Authors: Daniel Großjohann, Analyst.

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Issuer of the analysed instruments is All for One Steeb AG.

Notice according to sec. 4 §. 4 N° 4 FinAnV (previous publications regarding the issuer within the last 12 months):

Analysts	Date	Evaluation Result	Fair Value
Daniel Großjohann	26.01.2016	Hold	€ 65.00
Daniel Großjohann	17.02.2016	Buy	€ 62.00
Daniel Großjohann	09.06.2016	Hold	€ 62.00
Daniel Großjohann	17.08.2016	Buy	€ 65.00

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3. Date of first publication of this document:

December 2, 2016

4. Date and time of prices of the instruments quoted in this document:

Closing prices of December 1, 2016

5. Updates:

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