

17. January 2013

Europe | Germany | Automotive supplier

DR. KALLIWODA
RESEARCH GmbH

Update

BUY

Target price: EUR 20.48

paragon AG

At current market levels, a clear buy

Overview

Industry: Auto & Truck parts
 Country: Germany
 Reuters: PNGNG.DE
 WKN: 555 869
 Website: www.paragon.ag

Current Price: 8,85
 High: 11,52
 Low: 6,65
 Price 52W.: 11,52
 Market Cap. (Mill. EUR): 35,95
 No. Of Shares (in Mill.): 4,1

Shareholders

Free Float: 49,00%
 Frers (Klaus Dieter): 51,32%
 PEH Wertpapier AG: 1,82%
 morgen + partner AG: 0,01%
 Schroder Investment Mar: 0,01%

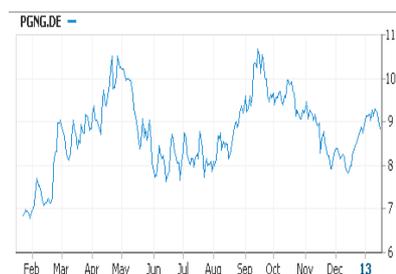
Performance

4 Weeks: 8,3%
 13 Weeks: -11,2%
 26 Weeks: 5,3%
 52 Weeks: 23,4%
 YTD: 0,3%

Dividend

	EUR/Share	in %
2009	0,00	0%
2010	0,00	0%
2011	0,00	0%
2012e	0,15	
2013e	0,15	

52-Weeks Chart



Analyst

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- Paragon generated between January and September 2012 revenues of EUR 54.5 million, value which is 6.9% more than compared to that of one year before. Unlike the first half of the year, when a double-digit revenue growth was recorded, revenue in Q3/12 has been negatively impacted by seasonal factory closures of the main customers. The development of revenues remained in line with the management expectations, which estimates a single-digit growth for the full year 2012.
- Due to investments in new products and staff that have the task to ensure competitiveness, the operating profit declined in the 9M/12 by 1.8% to EUR 7.3 million. Since the financial result was higher than that of previous year (EUR 746 thousand yoy. EUR 952 thousand), net earnings slightly increased by 0.7% to EUR 4.7 million.
- Despite a slightly higher year over year net income, the operating cash flow in the 9M/11 that amounted to EUR 11.1 million, decreased to EUR 4.5 million. The reason was an increase in receivables and other assets by EUR 2.9 million (9M/11: decrease of EUR 3.3 million). The cash outflow from investing activities was opposed to that of the previous year (EUR 4.3 million. against EUR 1.7 million in the 9M/11), which was due to higher investments in production, development projects and IT, for example. Although the cash flow from financing activities improved (EUR -1.4 million. vs. EUR -4.6 million in the 9M/11), paragon's cash position of EUR 15.3 million decreased at the beginning of the year to EUR 14.1 million. At the end of September 2012 the equity ratio of the company was at 32.7% and the net gearing at 11.9%.
- In response to the 9M figures, we have slightly lowered our revenue estimate for FY 2012, however leaving the target price of EUR 20.48 unchanged. With an upside potential of 149.4%, the paragon share currently remains, in our view, a clear buy.

Key Figures

EUR Mio.	2008	2009	2010	2011	2012E	2013E
Net sales	112,00	67,35	60,36	67,06	69,40	74,95
EBITDA	-53,54	-35,12	109,82	12,89	13,47	14,64
EBIT	-66,13	-40,52	104,85	8,82	9,20	10,03
Net income	-71,84	-46,69	103,42	5,34	5,74	6,26
EPS	-17,46	-11,35	25,13	1,30	1,39	1,52
BVPS	-13,17	-24,05	1,08	2,38	3,78	5,32
RoE	132,59%	60,97%	-218,89%	74,82%	45,30%	33,96%
EBIT-Margin	-59,04 %	-60,16 %	173,70 %	13,15 %	13,06 %	13,19 %
P/E	neg	neg	0,33x	6,33x	6,33x	5,72x
P/BVPS	neg	neg	7,57x	3,45x	2,34x	1,66x
EV/EBITDA	neg	neg	0,29x	2,49x	2,57x	2,36x

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1 Company profile

Paragon AG was founded in 1988 as an electronics manufacturer. The company's headquarter is located in Delbrück in North Rhine-Westphalia. Production is located in Suhl (Thuringia), St. Georgen (Baden-Württemberg) and Nuremberg (Bavaria).

1.1. Products and market share

Founded as a contract manufacturer of electronics, paragon has become a pure Tier-1 automotive supplier. The focus relies on car electronics for the cars' interior, more precisely on products that enhance health, comfort, communication, and since 2011, the company introduced a new dimension, efficiency. The product catalog includes more than 170 products p.a. with a capacity of 18 million units yearly produced. Paragon AG currently owns 250 patents.

Efficiency	Man - Machine - Interface					
Electromobility	Air Quality	Powertrain	Acoustics	Stepper Motors	Media Interfaces	Cockpit
<ul style="list-style-type: none"> ◆ Energy Storage ◆ Range Extender ◆ Motor Controller ◆ DC/DC Converter ◆ Onboard Charger 	<ul style="list-style-type: none"> * Air Quality Sensor (85%, World) * Air Quality Improver * Air Quality Conditioner 	<ul style="list-style-type: none"> • All-Gear Sensor • Start-Stop Sensor 	<ul style="list-style-type: none"> * Seatbelt Microphone belt-mic (#2, Europe) * Microphones (#2, Europe) 	<ul style="list-style-type: none"> * Stepper Motors (#2, World) 	<ul style="list-style-type: none"> * Interfaces (#2, Europe) * Cradles & Consoles (#2, Europe) ◆ Tablet Docking Station 	<ul style="list-style-type: none"> * Instruments (#3, World) • Controls • Reversing Camera Systems
	Delbrück (48%)			St. Georgen (11%)	Nuremberg (40%)	

Source: Company resources, Dr. Kalliwoda Research GmbH

Many products of paragon AG have unique features, such as the Allgang-sensor, which can at the very beginning of a gear shift recognise the gear that will be chosen. The sensor provides smoother and faster shifting at the same time and for the vehicle manufacturer there are economic benefits as well, because a separate reverse gear sensor is no longer required.

1.2. Customers

paragon's customers include major international automotive manufacturers. Paragon has long lasting customer relationships with these agencies. paragon products are demanded by 23 customers for 172 vehicle models. The three largest customers account for approximately 30%, 20% and 11%, of revenue. Audi, Volkswagen, Daimler, BMW and Porsche conditionally account approximately 60% of sales (as of March 2012). The biggest customer is by far the Volkswagen group, with whom there is a particularly long and strong customer relationship. There is a risk associated with the concentration of a large part of sales.

2. SWOT-analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Combination of innovation and integration ability to integrate due to enterprise-wide culture of innovation with a focus in developing new products with regard to the needs of passengers to health, comfort, communication and efficiency while complying with the product integration into the overall system for the automobile manufacturer; therefore first-mover advantage and strong market success rate; 175 products, 250 patents • Products with unique features in niche markets with high volumes in automated production, resulting in high margins; characteristic: strong market position in several areas, 18 million units produced • Direct supplier with many years of loyalty, therefore possessing knowledge about what a customer desires; barriers to market entry 	<ul style="list-style-type: none"> • High commercial risk by strong sales focus on three German automobile producer in the premium range, tempered by long-term customer relationships, contracts about model series, and the relatively small dependence of the premium manufacturer of high-volume market • Low bargaining power with customers as weak sales provider in the a numerous competitors environment, mitigated by the relatively higher payment willingness of end-users of premium customers • Strong competitive pressure to innovate is high, as more than half of the key innovations occur in in electronics
Opportunities	Threats
<ul style="list-style-type: none"> • Growth in the product line Media Interfaces through the wide spread of smartphones; interfaces that flexibly respond to short development cycles of consumer electronics, without straining the requirements of the use in the car. e.g. cTabletDockingStation • Increasing use of paragon products in the compact and mid-range through new technologies and efficient production with a high degree of automation as air quality; therefore economies of scale • Growth and diversification of the e-mobility by increasing its client base to smaller vehicles in in-house and urban areas, where applications for electric mobility are already in use • The reduction of product-specific integration costs for the customer through the development of applications to support the vehicle installation can be a significant competitive advantage. 	<ul style="list-style-type: none"> • Products do not develop their potential and the produced quantities cannot cover the costs. paragon tries to avoid this by an intensive dialogue with the car manufacturers. • An unexpected slump in the automobile industry leads to liquidity problems at paragon • Competitors displace paragon from important sales market niche

3. Valuation

We valued paragon using our DCF model, which gives a 12-month target price of EUR 20.48. At the current market level, this represents an upside of 149.4%.

DCF-Modell

WACC-Assumptions

Growth Assumptions

Longterm growth rate	2,0%
Assimilation Phase (to2015)	5 Jahre
Revenue growth in the beginning	4,0%
Margin development (p.a)	-1 BP

Equity Cost

Long term risk free rate	2,3%
Market risk premium	6,0%
Beta of the company	1,40
Cost of Equity	10,7%

Debt Cost

Debt cost(before tax)	7,5%
tax rate on debt interest	30,0%
Debt cost(after tax)	5,3%

Equity value	60
Market value of debt	40
Gearing(market values)	66,7%
WACC	8,5%

DCF Valuation

Calculation of free cash flow										
Discount Period	2	3	4	5	6	7	8	9	10	
All figures are in EUR Thousand	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	
Total revenues	69.401,9	74.954,1	78.701,8	81.849,9	84.919,2	87.721,6	90.353,2	92.612,0	94.464,3	
<i>Rate of change</i>	3,5%	8,0%	5,0%	4,0%	3,8%	3,3%	3,0%	2,5%	2,0%	
Operating profit	9.052,1	9.887,1	10.429,3	10.911,3	11.315,9	11.593,5	11.845,0	12.040,2	12.178,7	
<i>(Operative-Marge)</i>	12,9%	13,0%	13,1%	13,2%	13,2%	13,1%	13,0%	12,9%	12,8%	
Tax rate	-30,0%	-30,0%	-30,0%	-30,0%	-30,0%	-30,0%	-30,0%	-30,0%	-30,0%	
NOPLAT	6.336	6.921	7.301	7.638	7.921	8.115	8.292	8.428	8.525	
Depreciation	4.210,4	4.547,2	4.774,6	4.965,6	5.151,8	5.321,8	5.481,4	5.618,5	5.730,8	
Net Operating cash flow	10.546,8	11.468,2	12.075,1	12.603,5	13.072,9	13.437,2	13.772,9	14.046,6	14.255,9	
- investment(CAPEX and WC)	-7.618,6	-7.752,3	-7.987,6	-8.227,0	-8.453,9	-8.653,4	-8.843,3	-8.949,6	-9.067,9	
CAPEX	-7.279,4	-7.585,2	-7.699,5	-7.852,9	-8.034,1	-8.187,4	-8.336,4	-8.450,0	-8.536,9	
Working Capital	-339,2	-167,1	-288,1	-374,1	-419,7	-466,0	-507,0	-499,6	-531,0	
FREE cash flow	2.928,3	3.715,9	4.087,5	4.376,5	4.619,0	4.783,8	4.929,6	5.097,0	5.188,0	
Discount rate	8,7%	11,0%	12,1%	13,0%	13,7%	14,2%	14,6%	15,1%	15,4%	
PV of Free cash flow	2.940,2	3.420,2	3.448,9	3.385,1	3.275,2	3.109,5	2.937,4	2.784,1	2.597,8	

Valuation box**all figures are in EUR Thousand**

PV of FCF in explicit period	27.898,3
PV of FCF in terminal period	6.515,5
FV Residual period CFs cash flows in last year explicit period	91.949,0
PV of terminal value	46.042,0
Terminal growth rate	2,0%
Terminal EBIT rate	12,8%
Terminal ROCE	8,0%
Tax rate	30,0%
Terminal value of implied investment rate	112,1%
Enterprise value	73.940,3
net cash/-net debt	1.722,0
investment/- minorities	0,0
Equity value	75.662,3

Number of shares	4.115
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Fair value per share in €	18,39
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Fair value per share in €(12 months)	20,06
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Assumptions

WACC	9,1%
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Sensitivity Analysis**Terminal EBIT margin**

	9,8%	10,8%	11,8%	12,8%	13,8%	14,8%	15,8%
5,1%	35,02	38,93	42,83	46,74	50,64	54,55	58,45
6,1%	26,92	29,65	32,39	35,12	37,86	40,59	43,33
7,1%	21,98	24,02	26,06	28,10	30,14	32,18	34,22
8,1%	18,66	20,24	21,83	23,41	24,99	26,57	28,16
9,1%	16,27	17,53	18,80	20,06	21,32	22,59	23,85
10,1%	14,46	15,49	16,52	17,55	18,58	19,61	20,64
11,1%	13,05	13,90	14,75	15,61	16,46	17,31	18,16
12,1%	11,91	12,63	13,34	14,06	14,77	15,49	16,20

Source: Dr. Kalliwoda Research GmbH

4. 9M/12-results

Turnover

In the first nine months of the fiscal year 2012, paragon generated revenues of EUR 54.5 million, which is 6.9% more than last year's. After the double-digit sales growth in H1/12, which is the result of strong sales of German automobile producers in particular in the U.S. and Asia, the development of revenue weakened in Q3/12. This was due to seasonal factory closures of paragon's main customers in the summer months.

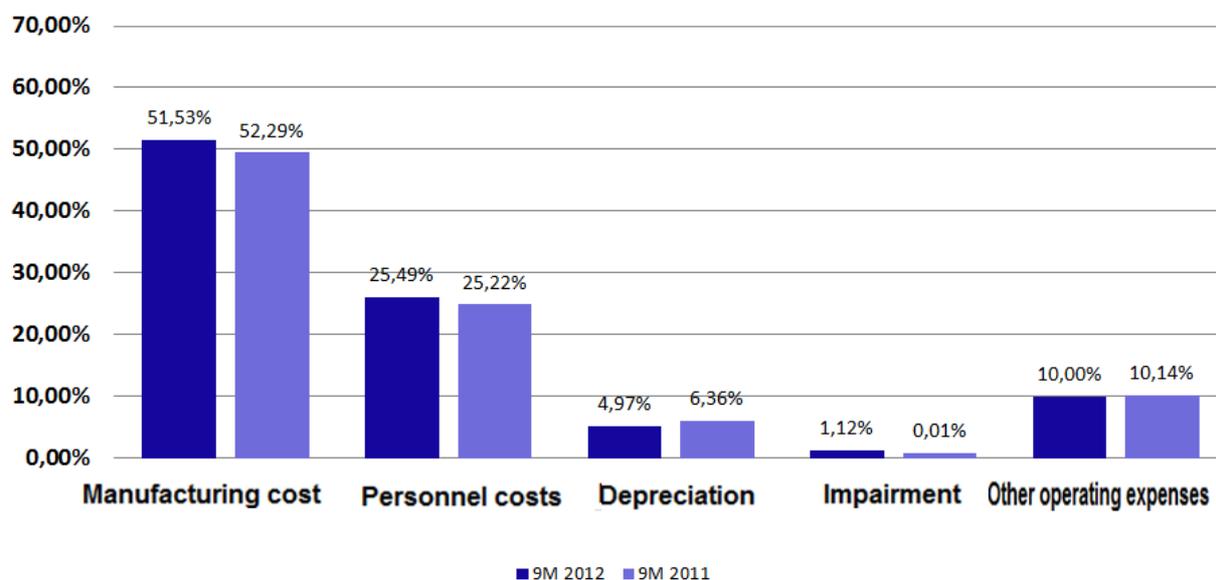
9M/12 as compared to previous year

9M/2012 as compared to previous year			
in EURO Millions	9M2012	9M2011	% change
Revenue	54,486	50,954	6,9
EBITDA	10,276	10,621	-3,2
EBITDA Margin in %	18,9	20,8	
EBIT	7,331	7,462	-1,8
EBIT Margin in %	13,5	14,6	
Net Income	4,67	4,639	0,7
Return on sales	806%	9,10%	

Source: Company report, Dr. Kalliwoda Research GmbH

Profitability

Turnover share in 9M/12 vs. 9M/11



Source: Company, Dr. Kalliwoda Research GmbH

.Despite a solid sales growth, EBIT margin was slightly below the previous year (13.5% yoy. 9M/11 14.6%). The reasons for this were a higher cost of sales and a larger portion of personnel costs. Due to lower interest expenses, the net result was better than the EBIT and rose year on year by 0.7% to EUR 4.7 million.

Balance Sheet and Cashflow

As of 30 September 2012, the equity worth EUR 14.5 million and was the largest balance sheet item. This was followed by cash in the amount of EUR 14.1 million and property, plant and equipment of EUR 13.3 million. The interest-bearing debt amounted to a total of EUR 15.9 million, of which EUR 14 million were long-term. At the end of Q3/12, paragon's net liabilities amounted to EUR 1.7 million and had a net gearing of 11.9%.

Despite a slight improvement in net income, there was a decrease in operating cash flow from EUR 11.1 million to EUR 4.5 million. The reason was an increase in receivables and other assets amounting to EUR 2.9 million (9M/11: reduction of EUR 3.3 million). Due to investment in the assurance of future, for example, in securing new patents, production and IT infrastructure, cash flow from investing activities rose from EUR 1.7 million in the previous year to EUR 4.3 million. Together with cash flow from financing activities, which has improved about EUR -1, 4 million as compared to last year, this led to a decrease in cash and cash equivalents as compared to January 2012 (from EUR 1.2 million).

5. Outlook

We maintain our optimistic view on the paragon share. The business of the largest single customer of the company, especially the VW group, runs very good. Moreover, the robust car sales in the U.S. and Asia balances the less powerful car sales in Western Europe, which is caused by the sovereign debt crisis.

In the recent quarters, paragon invested heavily in manufacturing, IT and new products, for example, a new chassis sensor, lithium-ion battery systems with different power plants and storage facilities as well as a cTabletDockingStation for fleet customers to integrate a tablet computer. In addition, the financing structure of the company remains solid (equity ratio 32.7%; 88.5%-share of long-term debt). In our opinion, paragon is therefore well placed in the future.

According to the 9M figures we adjusted our sales estimates from EUR 72.3 million (+7.8% as compared to the previous year) to EUR 69.4 million (+3.5%). The reason for this is the management's opinion, after which most of paragon's customers will make in 2012/13 distinct works holidays as they did in the summer months. Starting with FY 2013, we anticipate an improvement in the results. Particularly, we expect growth impulses driven by an economic recovery in Europe and strong car sales in China.

Our estimates 2012E-14E

Our Estimates in EURO Millions	2012E	2013E	2014E
Revenue	69,4	74,95	78,7
EBITDA	13,47	14,64	15,42
EBITDA Margin in %	19,10%	19,30%	19,30%
EBIT	9,2	10,03	10,58
EBIT Margin in %	13,10%	13,20%	13,30%
Net Income	5,74	6,35	6,78
Return on sales	8%	8,40%	8,50%

Source: Dr. Kalliwoda Research GmbH

Sales estimates according to divisions 2012E-14E

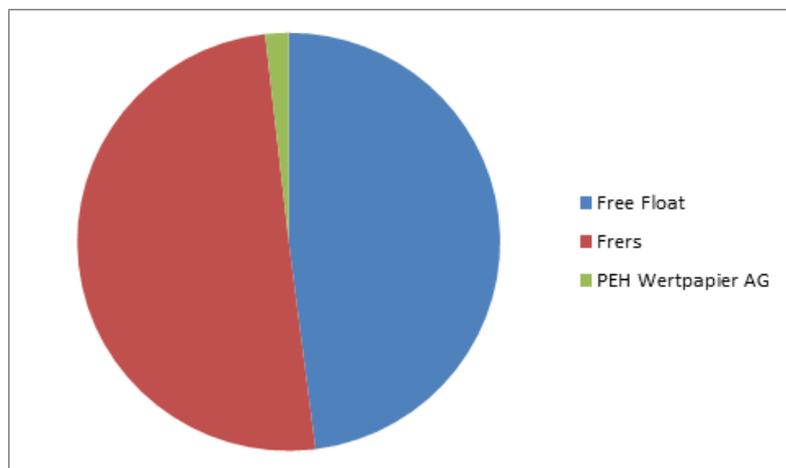
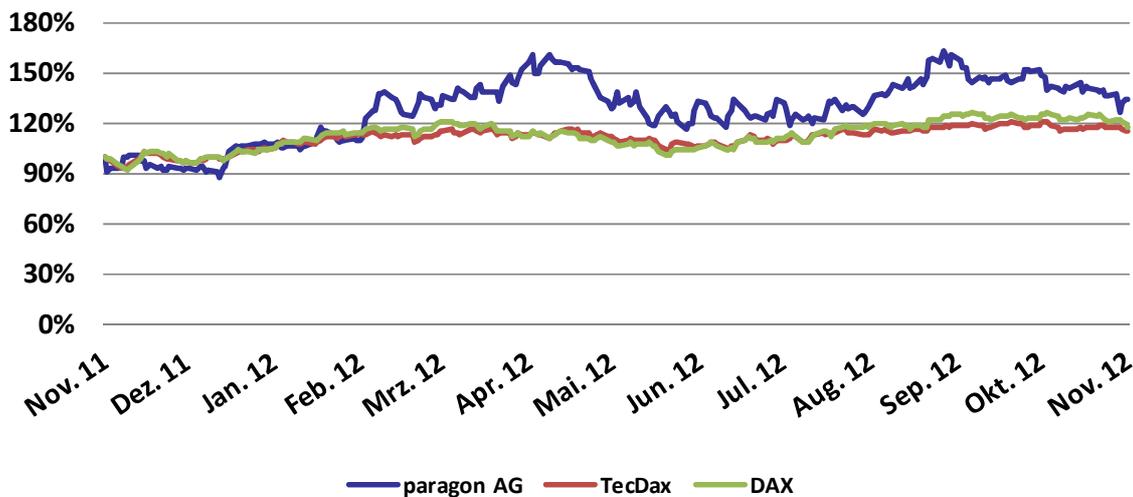
Revenue estimate by segments

in EURO Millions	2012E	2013E	2014E
Delbrück	33,39	36,06	37,86
% change from last year	3,50%	8%	5,00%
% share on sales	48,10%	48,10%	48,10%
Nürnberg	28,05	30,3	31,81
% change from last year	3,50%	8,00%	5,00%
% share on sales	40,40%	40,40%	40,40%
St. Georgen	7,96	8,6	9,03
% change from last year	3,50%	8%	5,00%
% share on sales	11,50%	11,50%	11,50%
Total revenue	69,4	74,95	78,7

Source: Dr. Kalliwoda Research GmbH

6. Share and shareholder structure

Development of the share price



Shareholder

7. Income statement

Income statement- paragon AG						
	Financial year					
in EUR millions	2008	2009	2010	2011	2012E	2013E
Sales revenue	112,00	67,35	60,36	67,06	69,40	74,95
Increase or decrease in finished goods	1,08	-5,85	0,58	0,06	0,16	0,60
Other own work capitalized	5,22	0,33	0,22	1,34	0,50	0,50
Total operating performance	118,30	61,82	61,16	68,46	70,06	76,05
Cost of materials	-63,51	-36,70	-32,42	-33,67	-34,46	-37,40
Gross profit	54,79	25,12	28,75	34,79	35,60	38,65
Other operating income	5,12	3,16	106,18	1,86	1,90	1,94
Staff costs	-27,89	-20,42	-12,50	-16,72	-16,82	-18,18
Depreciation and amortization	-12,59	-5,39	-4,97	-4,07	-4,21	-4,55
Impairment of property	-62,50	-0,34	-0,11	-0,11	-0,80	0,00
Other operating expenses	-23,05	-42,64	-12,49	-6,94	-6,63	-7,98
Earnings before interest and taxes (EBIT)	-66,13	-40,52	104,85	8,82	9,05	9,89
Financial result	-8,21	-6,45	-0,78	-1,32	-1,00	-0,95
Earnings before taxes	-74,34	-46,96	104,07	7,50	8,05	8,94
Income Taxes	2,51	0,27	-0,65	-2,17	-2,42	-2,68
Minority interest	0,00	0,00	0,00	0,00	0,00	0,00
Net income	-71,84	-46,69	103,42	5,34	5,64	6,26
EPS	-17,46	-11,35	25,13	1,30	1,37	1,52
DPS	0,00	0,00	0,00	0,00	0,00	0,00
Change from last year						
Sales revenue	n.a	-39,87%	-10,37%	11,09%	3,50%	8,00%
Total operating performance	n.a	-47,74%	-1,07%	11,93%	2,34%	8,55%
Cost of materials	n.a	-42,21%	-11,69%	3,87%	2,34%	8,55%
Gross profit	n.a	-54,15%	14,44%	21,02%	2,34%	8,55%
Staff costs	n.a	-26,78%	-38,78%	33,76%	0,56%	8,10%
Depreciation and amortization	n.a	-57,18%	-7,84%	-18,13%	3,50%	8,00%
Impairment of property	n.a	-99,46%	-66,17%	-7,02%	654,72%	-100,00%
Other operating expenses	n.a	84,98%	-70,71%	-44,45%	-4,47%	20,36%
Earnings before interest and taxes (EBIT)	n.a	-38,73%	-358,79%	-91,59%	2,62%	9,23%
Financial result	n.a	-21,52%	-87,94%	69,76%	-24,18%	-5,00%
Earnings before taxes	n.a	-36,83%	-321,62%	-92,79%	7,33%	10,99%
Income Taxes	n.a	-89,07%	-337,59%	232,87%	11,47%	10,99%
Net income	n.a	-35,01%	-321,52%	-94,84%	5,65%	10,99%
EPS	n.a	-35,01%	-321,52%	-94,84%	5,65%	10,99%
DPS	n.a	n.a	n.a	n.a	n.a	n.a
Percentage share of sales						
Sales revenue	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %	100,00 %
Total operating performance	195,98 %	102,42 %	101,32 %	113,42 %	116,07 %	126,00 %
Cost of materials	-105,22 %	-60,81 %	-53,70 %	-50,21 %	-49,65 %	-49,90 %
Gross profit	90,76 %	41,61 %	47,62 %	51,88 %	51,30 %	51,57 %
Staff costs	-46,21 %	-33,83 %	-20,71 %	-24,94 %	-24,23 %	-24,25 %
Depreciation and amortization	-20,86 %	-8,93 %	-8,23 %	-6,07 %	-6,07 %	-6,07 %
Impairment of property	-103,55 %	-0,56 %	-0,19 %	-0,16 %	-1,15 %	0,00 %
Other operating expenses	-38,19 %	-70,64 %	-20,69 %	-10,35 %	-9,55 %	-10,64 %
Earnings before interest and taxes (EBIT)	-109,56 %	-67,12 %	173,70 %	13,15 %	13,04 %	13,19 %
Financial result	-13,60 %	-10,68 %	-1,29 %	-1,97 %	-1,44 %	-1,27 %
Earnings before taxes	-123,16 %	-77,80 %	172,41 %	11,19 %	11,60 %	11,92 %
Income Taxes	4,15 %	0,45 %	-1,08 %	-3,23 %	-3,48 %	-3,58 %
Net income	-119,01 %	-77,34 %	171,34 %	7,96 %	8,12 %	8,35 %

Dr. Kalliwoda | Research © 2012

8. Balance sheet

Balance sheet - paragon AG						
in EUR millions	Financial year					
	2008	2009	2010	2011	2012E	2013E
Assets						
Cash and cash equivalents	2,26	9,36	13,79	15,33	17,43	20,06
Inventories	18,73	4,00	6,47	6,87	7,03	7,63
Trade receivables	5,33	4,72	3,91	0,49	0,88	1,36
Other assets	0,61	0,50	1,10	1,60	1,66	1,79
Total current assets	26,93	18,59	25,27	24,28	27,00	30,84
Property, plant and equipment	19,90	14,94	14,25	13,27	15,27	17,96
Other intangible assets	6,06	4,54	3,08	3,28	4,35	4,70
Goodwill	0,00	0,00	0,00	0,00	0,00	0,00
Other assets	0,18	0,18	0,15	0,16	0,16	0,18
Deferred taxes	0,45	0,65	0,72	0,43	0,00	0,00
Total non-current assets	26,59	20,32	18,20	17,14	19,79	22,84
Assets	53,51	38,90	43,47	41,43	46,79	53,68
Equity and liabilities						
Trade payables	13,90	36,16	2,07	3,07	3,05	3,31
Other current liabilities	14,15	46,35	9,07	7,77	8,04	8,69
Current financial obligations	27,02	40,71	6,33	2,67	2,52	2,37
Provisions	0,00	0,00	0,98	0,88	0,91	0,98
Total current provisions and liabilities	55,06	123,22	18,46	14,38	14,51	15,34
Non-current financial obligations	22,61	8,51	15,17	12,52	12,02	11,52
Special item for investment grants	29,04	4,73	3,47	2,71	2,73	2,88
Pension provisions	0,62	1,26	1,91	2,02	2,09	2,25
Deferred Taxes	0,36	0,14	0,00	0,00	0,00	0,00
Total non-current provisions and liabilities	52,63	14,64	20,55	17,25	16,84	16,65
Total liabilities	107,69	137,86	39,01	31,63	31,35	31,99
Total equity	-54,18	-98,96	4,46	9,80	15,43	21,69
Minority interest	0,00	0,00	0,00	0,00	0,00	0,00
Total equity and liabilities	53,51	38,90	43,47	41,43	46,79	53,68

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9. Cash flow statement

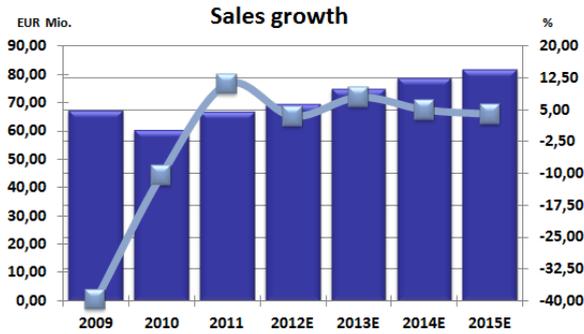
Cash flow statement - paragon AG						
in EUR millions.	Financial year					
	2008	2009	2010	2011	2012E	2013E
Net income	-71,84	-46,69	103,42	5,34	5,64	6,26
Depreciation and amortization	12,59	5,39	4,97	4,07	4,21	4,55
Change in working capital	14,86	16,72	-2,17	1,20	-0,34	-0,17
Sonstiges	57,85	29,00	-101,19	-2,02	0,46	0,07
Net operating cash flow	13,46	4,42	5,04	8,58	9,97	10,71
Cashflow from investing activities	-11,25	-1,28	-2,34	-3,32	-7,28	-7,59
Free cash flow	2,21	3,14	2,70	5,26	2,69	3,12
Cash flow from financing activities	-6,32	2,06	3,53	-3,72	-0,59	-0,50
Cash-effective change in liquidity	-4,19	7,07	6,22	1,54	2,10	2,63
Cash and cash equivalents at beginning of period	5,39	1,20	8,27	14,49	15,33	17,43
Cash and cash equivalents at end of period	1,20	8,27	14,49	16,03	17,43	20,06

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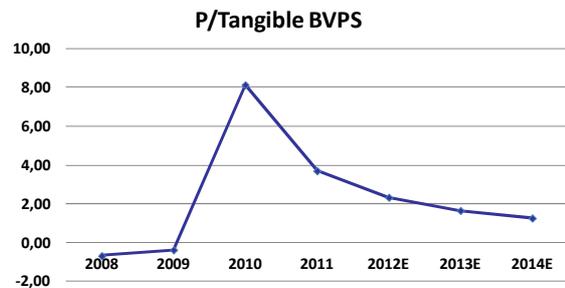
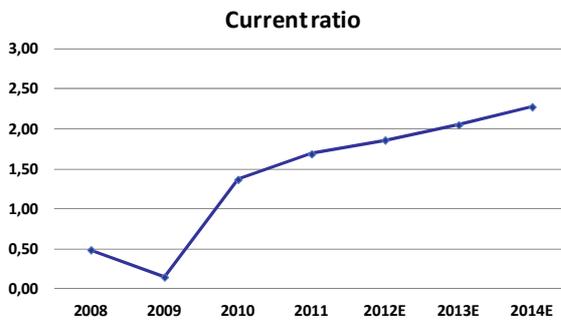
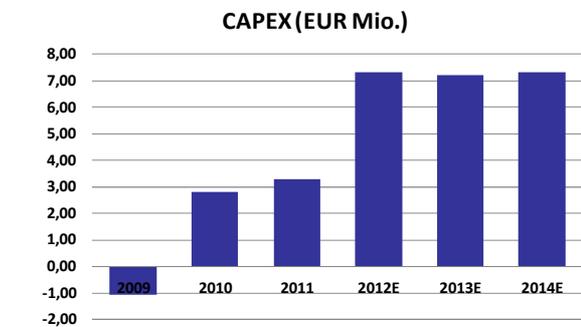
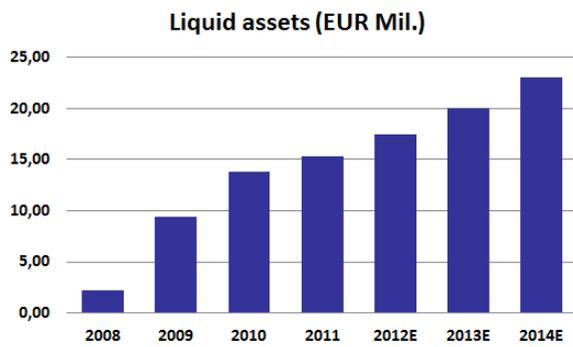
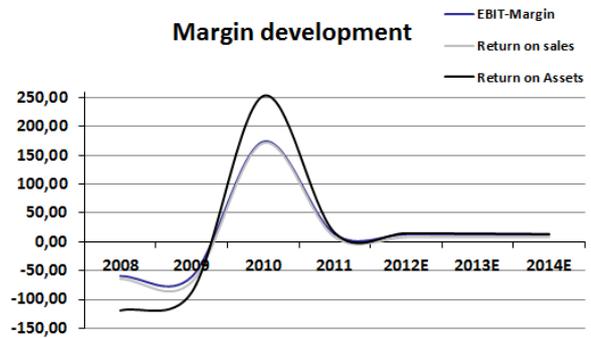
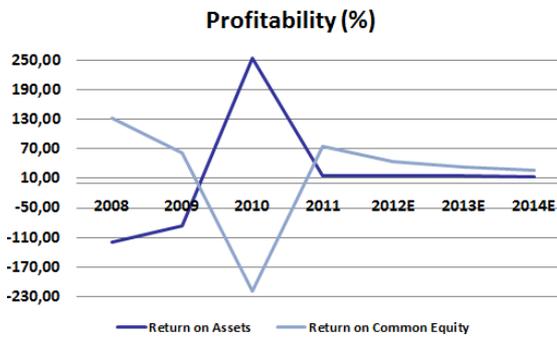
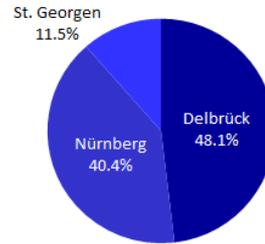
10. Financial ratios

Financial year	2008	2009	2010	2011	2012E	2013E	2014E	2015E
Gross margin	46,31%	40,63%	47,00%	50,82%	50,82%	50,82%	50,82%	50,82%
EBITDA-margin	-47,80%	-52,15%	181,93%	19,22%	19,11%	19,26%	19,32%	19,40%
EBIT-margin	-55,90%	-65,53%	171,43%	12,88%	12,92%	13,00%	13,11%	13,20%
Return on sales	-60,72%	-75,52%	169,10%	7,79%	8,04%	8,23%	8,39%	8,52%
Return on equity (ROE)	132,59%	60,97%	-218,89%	74,82%	44,68%	33,70%	26,65%	22,09%
Return on assets (ROA)	-118,89%	-87,09%	253,00%	15,68%	15,05%	14,34%	13,26%	12,32%
Return on capital employed (ROCE)	4127,97%	47,77%	416,53%	23,20%	19,63%	18,05%	16,34%	14,87%
Net liabilities (in EUR Mio.)	47,99	41,12	9,63	1,87	-0,81	-3,92	-7,42	-11,23
Net gearing	-88,57%	-41,56%	215,68%	19,12%	-5,25%	-18,07%	-26,16%	-31,73%
Equity ratio	-101,24%	-254,38%	10,27%	23,65%	32,99%	40,41%	46,87%	52,39%
Current ratio	0,49	0,15	1,37	1,69	1,86	2,01	2,20	2,40
Quick ratio	0,14	0,11	0,96	1,10	1,26	1,40	1,57	1,77
Net interest-cover ratio	-8,05	-6,29	134,94	6,69	9,05	10,41	11,59	12,84
Net liabilities/EBITDA	-0,90	-1,17	0,09	0,15	-0,06	-0,27	-0,49	-0,71
Tangible BVPS	-13,17	-24,05	1,08	2,38	3,75	5,27	6,89	8,60
Capex/Sales	n.a	1,61%	-4,67%	-4,91%	-10,49%	-10,12%	-9,78%	-9,59%
Working capital/Sales	-28,94%	-115,83%	-5,19%	-6,85%	-6,13%	-5,46%	-4,83%	-4,19%
EV/Sales	0,29	0,48	0,53	0,48	0,46	0,43	0,41	0,39
EV/EBITDA	-0,60	-0,91	0,29	2,49	2,42	2,22	2,11	2,02
EV/EBIT	-0,48	-0,79	0,31	3,64	3,54	3,24	3,07	2,94
P/Tangible BVPS	-0,62	-0,34	7,57	3,45	2,19	1,56	1,19	0,95
P/E	-0,47	-0,72	0,33	6,33	6,00	5,40	5,07	4,80
P/FCF	15,29	10,77	12,52	6,43	12,57	10,82	9,64	8,84

Source: Company, Dr. Kalliwoda Research GmbH



Breakdown of sales



Quelle: Unternehmen, Dr. Kalliwoda Research GmbH

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