

EQUITY RESEARCH

COMPANY ALERT

Company Alert

Uzin Utz

Company Update: Capital increase for international growth

COMPANY

Uzin Utz AG

RATING

BUY (UNCHANGED)

TARGET PRICE

32.5 EUR (UNCHANGED)

HIGHLIGHTS

- Capital increase by 776048 shares or 18 % of share capital
- Price of the new shares EUR 20
- Management wants to back international expansion with equity
- Slight dilution of EPS, but shares remain attractive in our view

Capital increase: Uzin Utz offers their shareholders a capital increase of 776k shares (18 % of share capital) from July 4 to July 18. The price is EUR 20 per share, currently roughly 7 % below the share price of the old shares (after deduction of the subscription right).

New funds of EUR 15m: The company will get about EURO 15m new equity capital, if all new shares are sold (which we expect, as the major shareholder, the Utz family, will subscribe their share of new stocks). Management wants the funds for a further international expansion in the target markets USA and Brazil. Therefore, we expect an acquisition or a bigger cap ex for an own production site in one or both countries.

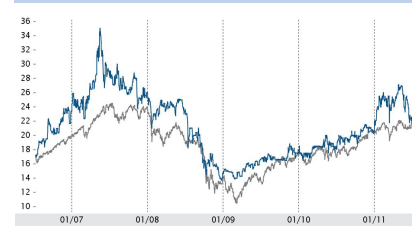
Slight dilution and better growth prospects: There will be a moderate dilution of earnings per share and our target price. However, the long term growth aspects should improve by a successful expansion to further international markets. Therefore, we confirm our rating BUY and will adapt our estimates after the capital increase.

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

Current Price (XETRA (Germany); 2011-07-06; 05:36 pm) ... 21.38 EUR
 CLOSING PRICE (2011-07-06):.....21.38 EUR
 EXPECTED PERFORMANCE:.....52.0%
 MARKET CAPITALIZATION:.....107.84 EUR m
 ENTERPRISE VALUE:.....153.91 EUR m
 NUMBER OF SHARES:..... 5.04 m
 FREE FLOAT:.....24.0 %
 INDEX (WEIGHT):.....CDAX (0 %)
 AVG. DAILY TRADEVOL.: 1,314
 ISIN:..... DE0007551509
 SECTOR: Construction

KEY DATA (DEC)	2011 E	2012 E	2013 E
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	10.4	11.7	12.8
Free cash flow	2.6	9.7	11.2
FCF yield	2.4 %	9.0 %	10.4 %
EPS	2.45	2.75	2.99
Dividend	1.00	1.10	1.20
EV / Sales	0.8	0.7	0.7
EV / EBITDA	6.3	5.8	5.4
EV / EBIT	8.4	7.6	7.1
P / E	8.7	7.8	7.1
P / BV	1.10	1.01	0.93
Dividend yield	4.7 %	5.1 %	5.6 %

PRICE PERFORMANCE



Source: Uzin Utz, LBBW Research, Thomson Reuters

UPCOMING EVENTS

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Buy:	Based on a time horizon of up to 12 months, we recommend that investors buy the stock.
Sell:	Based on a time horizon of up to 12 months, we recommend that investors sell the stock.
Hold:	We take a neutral view on the stock and, based on a time horizon of up to 12 months, do not recommend either a Buy or Sell.
Under review:	The rating is currently updated.
Suspended:	The evaluation of the company is currently not feasible.

Percentage of companies within this rating category

Buy:	56,1%
Sell:	4,0%
Hold:	37,4%
Under review:	1,0%
Suspended:	1,5%

Notes: Rating definitions prior to 6th April, 2009 were:

Buy: The price potential of the share is at least 10%. Hold: The price potential of the share is between 0% and 10%. Sell: A negative price performance of the share is expected. Ratings relate to a time horizon of up to 6 months.

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