

Buy	Last Rating	Share data:	FY End: 31.12.	CAGR	2014	2015e	2016e	2017e	
	EUR 18.00		Last PT	in EUR m					(14-17e)
Price	EUR 14.14	Bloomberg:	10.3 %	74.5	81.0	91.0	100.0		
Upside	27.3 %	Reuters:	24.3 %	5.9	7.7	9.6	11.3		
		ISIN:	27.6 %	3.8	5.2	6.7	7.9		
		Market Snapshot:		EPS	25.3 %	0.58	0.75	0.96	1.14
		Market cap:	EUR m	DPS	17.0 %	0.25	0.30	0.35	0.40
		No. of shares (m):	98.4	EV / Sales		1.6 x	1.3 x	1.1 x	1.0 x
		EV:	7.0	EV / EBIT		20.2 x	13.9 x	10.8 x	8.9 x
		Freefloat MC:	107.5	P / E		26.3 x	18.9 x	14.7 x	12.4 x
		Ø Trad. Vol. (30d; EUR):	72.8						
			158.77 th						

Organic growth need to accelerate; H2 expected to be significantly stronger

- Softing has released its Q1 figures. Revenue growth of 8% was driven by acquisitions (mainly OLDI, the U.S. subsidiary which has been consolidated since Q3 last year). Currency tailwind has supported the top line.
- The inorganic revenue contributions are reflected in the **Industrial Automation** Segment. Thus, revenues increased by EUR 4.5m. Revenues in the **Automotive Electronics** segment, however, slumped. Last year's Q1 was extraordinarily strong due to deliveries of products reaching their end of lifecycle. New generation products should be launched by the end of this year and are expected to have a positive impact on revenue development afterwards.

Softing - Q1 2015

in EUR m	Q1/15	Q1/15e	Q1/14	yoy	2015e	2014	yoy
Sales	17.3	17.0	16.1	7.7%	81.0	74.5	8.7%
EBIT margin	1.1	1.0	1.0	14.8%	7.7	5.9	31.2%
EPS in EUR	6.6%	5.9%	6.2%		9.5%	7.9%	
	0.11	0.10	0.10	10.0%	0.75	0.58	29.3%
Industrial Automation	12.9	11.0	8.4	53.4%	57.5	46.9	22.5%
Automotive Electronics	4.4	6.0	7.6	-42.8%	23.5	27.6	-14.9%

- Organic top line development needs to accelerate (it was obviously slightly declining in Q1). Management pointed out that **Q3** and **Q4** are expected to be significantly stronger as new product releases and some large orders are expected to materialise.
- The **guidance** which anticipates of moderate revenue growth and a slight increase in operative results compared to 2014 was confirmed. At the same time management pointed out that there is upside potential to these targets without quantifying it.
- The Q1 report will be issued on May 15.

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Softing	4, 5, 6	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005178008.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

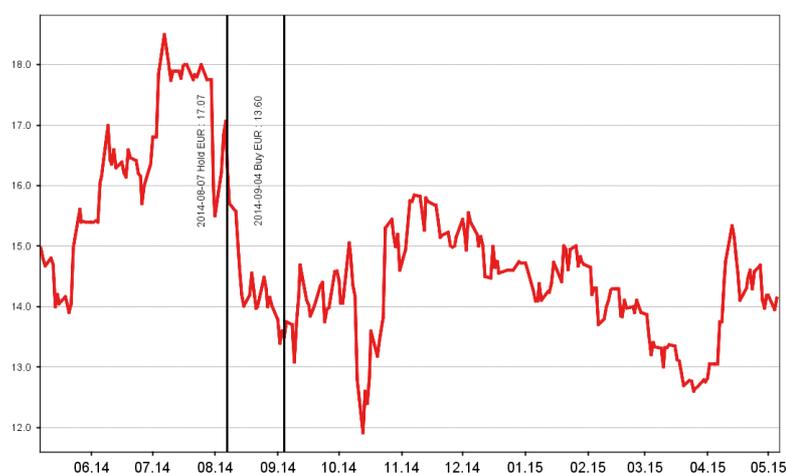
WARBURG RESEARCH GMBH – RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	99	54
Hold	72	39
Sell	8	4
Rating suspended	4	2
Total	183	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	80	58
Hold	49	36
Sell	5	4
Rating suspended	3	2
Total	137	100

PRICE AND RATING HISTORY SOFTING AS OF 06.05.2015


The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

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