

Company Report

FLASH NOTE
July 11, 2013

Valuation & Research Specialists (VRS)

Equity Research Team
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Share Price (11/07/2013) € 1.54

of Shares (,000) 23,649
Market Cap (in € mn) 36.42
A.D. Volume (p) 7,828
Beta Co-efficient 0.56

Statistical Data

Max 52 week 1.85 €
Min 52 week 0.62 €
1-M Rtn -1.28%
6-M Rtn -15.85%
12-M Rtn 131.93%

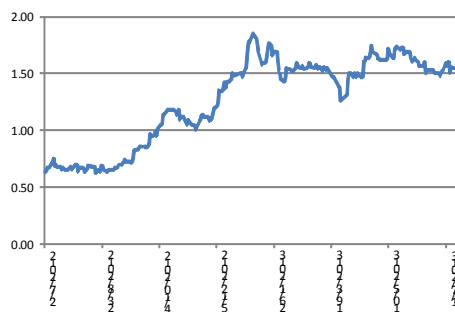
Shareholders' Structure

As of June 3, 2013.

Koukountzos Family 68.14%
Other Investors and Free Float 31.86%

Source: VRS Calculations, Athens Exchange.

Stock Price Performance (1 year, in €)



KLEEMANN

[Bloomberg Ticker: KLEM:GA, Reuters Ticker: KLEr.AT]

Business Sector: Lift Systems Manufacturers and Traders

Business Profile – Growth Drivers – Investment & Valuation Considerations

- Kleemann is a multinational group of companies based in Greece, activating as a lift systems manufacturer and trader offering total solutions to the international market. It operates production sites in Northern Greece (Kilkis County), Serbia and China. Based on surveys and data processed by Kleemann's management, the Group produces 10,500 lift systems per annum, a volume which accounts for 2% of the aggregate international market of new lift systems and installations.
- According to the management, by the end of 2012, the Group had presence in 90 countries worldwide with international sales representing 78% of total consolidated revenues (versus 68% in 2011 and 51% in 2009). The Group's management predicted the Greek crisis early and managed in recent years through its extraversion to rapidly change its operating processes to better support its international customers. Thus it significantly reduced its exposure to the tough Greek economic environment. Kleemann Group operates subsidiaries in Turkey, Romania, Serbia, UK, China, and recently in Russia, whereas it has representation offices in Poland, Germany and Dubai.
- On consolidated basis, total annual sales have been generally stable over the past 3 years but the growth of sales in international markets has been higher – from € 48 million in 2009 to € 72 million in 2012 (50% increase). Profit margins have decreased mostly because of high provisions for doubtful debtors exclusively from customers in the Greek market, which were affected by the vast reduction of construction activities in Greece. However with the portion of the Group's sales in the Greek market being marginalized, such provisions will similarly be reduced to a minimum. Net debt position (long term plus short term bank debt less cash) settled at low levels in 2012 – at € 2.7 million from € 13.4 million in 2011 - while cash flows from operating activities increased to € 12 million from € 7 million in 2011. The working capital cycle is also showing notable improvement as a result of the Group's operating shift from the Greek market to the International market.
- In a recent press release, the Group's management noted that despite the weak turnover due to seasonal factors during the first quarter 2013, it expected a significantly improved consolidated turnover in the second quarter. Gross and net profit margins have improved in the first quarter and the management expects them to reach higher levels at the end of the year. From the early start of 2013, Kleemann Group has been more aggressively expanding its presence in three key geographic markets: Russia, China and the UK.
- Kleemann's valuation is affected by the uncertainty of the Greek environment, the Group's weak profitability and the stock's relatively narrow liquidity. However, it is generally following the development of the General Index of the Athens Exchange.

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BASIC FINANCIAL INDICATORS

(in € mn)	Sales	EBITDA	EBT	EATAM	P/E (x)	P/BV (x)	EV/EBITDA (x)	DEBT / EQUITY (x)	ROE %
2009	95.8	12.9	9.7	5.1	7.1	0.4	4.3	0.4	6%
2010	90.9	8.9	5.8	2.3	16.0	0.4	5.9	0.4	3%
2011	91.2	6.1	2.4	0.1	497.3	0.5	8.2	0.4	0%
2012	92.3	5.7	2.5	-0.1	n/c	0.5	6.9	0.3	0%

Notes: (1) EATAM and equity are calculated excluding minorities. (2) P/E, P/BV and EV/EBITDA are based on current share price. n/c stands for non calculable.

Source: Official Consolidated Financial Statements (based on IFRS), VRS Calculations.

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KLEEMANN

[Bloomberg Ticker: KLEM:GA, Reuters Ticker: KLEr.AT]

Business Sector: Complete Lift Systems Manufacturers and Traders

Stock Versus General Index (5 years)



Working Capital Ratios

in EUR million

		2009	2010	2011	2012
Sales	€ mn	95.85	90.94	91.19	92.34
Cost of Sales (net of depreciation)	€ mn	61.86	59.00	62.06	62.58
Net Income / Profit	€ mn	5.15	2.27	0.07	-0.08
Net Profit Margin		5.4%	2.5%	0.1%	-0.1%
Cash & Cash Equivalents	€ mn	14.63	19.69	18.96	25.29

Stock Days

Days	2009	2010	2011	2012
Days	120	132	109	113

Stock Inventory

€ mn	20.34	21.40	18.54	19.31
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Debtors Days

Days	259	257	210	180
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Debtors - Receivables

€ mn	67.91	63.96	52.45	45.62
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Creditors Days

Days	58	115	79	78
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Creditors - Suppliers

€ mn	9.90	18.59	13.49	13.34
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Operating Cycle (Days)

Days	379	389	319	293
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Cash Cycle (Days)

Days	320	274	240	215
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Source: Official Consolidated Financial Statements, VRS Calculations.

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Covered Company	Bloomberg	Reuters	Stock Price	Date	Disclosure
KLEEMANN S.A.	KLEM:GA	KLEr.AT	€ 1.54	July 11, 2013	2, 3

1. VRS has acted as financial consultant for the covered company within the past 24 months.
2. VRS has sent the research report to the covered company, prior to publication or dissemination, for factual verification.
3. VRS has changed the contents of the initially sent report, with respect to: factual changes have been made.
4. VRS has received compensation from the covered company for the preparation of this research report.
5. VRS produces research reports for this company on systematic basis.
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