



**Enrico Coco**  
+39 02 8550 7227  
enrico.coco@keplercm.com

Price  
EUR6.57

Previous  
Buy

Target  
EUR8.30

**Buy**

## TP trimmed from EUR8.5 to EUR8.3

Despite a deterioration in LFL sales in Q2, structural efficiencies from the adoption of a global supply chain (300bp sequential improvement in Q2 gross margin) supported higher operating margins. Buy rating confirmed, TP trimmed from EUR8.5 to EUR8.3 after a fine-tuning of 2012-14 estimates.

Italy | Technology hardware & equipment

# Datalogic

TARGET PRICE CHANGE

31 July 2012

Reuters DAL.MI  
Bloomberg DAL IM  
Index DJ Stoxx 600

### Latest financials

Market cap (EURm)	384
Free float	22%
Shares outstanding (m)	58
Daily trade volume ('000)	24
YTD abs. performance	14%
52-week high (EUR)	7.4
52-week low (EUR)	5.4
Enterprise value (EURm)	517
Net debt (EURm)	137

(EUR)	2012E	2013E	2014E
Sales	507.0	545.6	586.6
EBITDA	88.0	96.4	107.0
EBIT	77.8	86.2	96.8
Pretax profit	65.3	78.3	89.9
Net profit (adj)	50.3	57.2	64.7
EPS (adj)	0.86	0.98	1.11
DPS	0.17	0.18	0.20
P/E	7.6	6.7	5.9
EV/sales	1.0	0.9	0.7
EV/EBITDA	5.9	4.9	4.0
EV/EBIT	6.7	5.5	4.4
Net div. yield	2.5%	2.8%	3.0%

Financial year end: 31 December



### In brief

- > **Top-line slowdown**
- > **Gross margin improvement was key positive of Q2**
- > **Estimate fine-tuning**
- > **TP trimmed from EUR8.5 to EUR8.3**

### In detail

#### Top-line slowdown in weak reference market

The improving sales performance in Q2 (+15% YOY) versus Q1 (+10%) was driven by a stronger dollar which explains 8% YOY growth in Q2 versus 2% in Q1. In a flattish reference market, the contribution from acquisitions (EUR21m to H1 sales versus EUR76m sales reported by Accu-Sort in FY 2011) remained below initial expectations, although management expressed confidence in outperforming market growth and improving performance in H2 (delays of some postal projects initially expected in H1). We estimate Q2 sales were down 3% YOY vs. 1% in Q1 at constant perimeter and forex.

#### Gross margin improvement was the key positive of Q2

The key positive of Q2 was the sequential improvement of margins (gross profit at 49.4% versus 46.1% in Q1, EBIT at 16.1% vs. 14% in Q1) which we believe was structural, as it was driven by efficiencies of direct costs from the new supply chain in the ADC business.

#### Estimate fine tuning

We cut our revenue estimates by 4% for 2012 and 5% for 2013-14 due to weaker industrial automation, with a limited impact at EBIT level (+3% in 2012E, -3% in 2013-14E). We also increased the 2012 net debt estimate from EUR125m to EUR137m, which explains most of our EUR0.2 cut in TP.

#### TP cut from EUR8.5 to EUR8.3, Buy rating confirmed

Datalogic has a strong positioning in its reference markets of automatic data capture and industrial automation. Even in a weak macro context, demand for process automation is driven by the shift of manufacturing and logistics infrastructure to emerging economies and the increasing adoption of automation technologies aimed at cutting opex. The company has limited exposure to Italy (9%), is well managed and has a good track record in integrating acquired companies in its product portfolio and distribution platform. Our new TP of EUR8.3 (fair PE 2012E of 9.7x), down from EUR8.5, discounts cautious assumptions due to the (20%) stock's low free float.

### Q1 results review

Q2 sales of EUR121.5m (the preliminary figure of EUR121.4m was disclosed on 16 July) increased by 15% YOY, improving versus Q1 (+10%) driven by the stronger dollar, which explains 8% YOY growth in Q2 versus 2% in Q1. In a flattish reference market, the contribution from acquisitions (EUR21m to H1 sales versus EUR76m revenues reported by Accu-Sort in FY 2011) remained below initial expectations. Excluding the contribution of PPT Vision (consolidated as of 21 December 2011) and Accu-Sort (consolidated as of 20 January 2012), LFL growth was minus 3% in Q2 versus minus 1% in Q1.

Sales increased by 4% YOY in the automatic data capture division (barcode readers and scanners), by 53.1% YOY (7.6% at constant perimeter) in industrial automation (automatic identification systems, safety, detection and marking solutions) and by 4.9% YOY in informatics (barcoding solutions for SMEs).

By region, revenues were up 38% in North America (contribution of Accu-Sort and PPT), 21% in Asia, and 9% in Europe (Italy -16%), while they showed a 4% decline in ROW.

Gross profit increased by 21% YOY to EUR60m (EUR56.5m expected), with margin improving 340bp sequentially to 49.4% versus 46.1% in Q1 and the 46.5% expected. EBIT (before non-recurrent costs of EUR3.4m) of EUR19m increased 36% YOY and came above our estimate (EUR16m) thanks to the better gross profit margin (operating costs in line at EUR41m, up 12% YOY). The net profit of EUR16.5m (up from EUR2.2m in Q2 2011 which included EUR8.4m of non-recurring costs) were well above our EUR7.8m estimate mainly due to a EUR8.7m financial income on an unhedged loan in dollars granted from the parent company to subsidiaries.

Net debt was stable QOQ at EUR172m at end-June and slightly above our EUR167m. The reversal of H1 working capital increase (EUR17m) is needed to reach our EUR137m debt target for 2012.

**Table 1: Datalogic - interim results**

(EURm)	H1 11	H1 12	YOY	H1 12E	Act/Est	Q2 12	YOY	QOQ	Q2 12E
Sales	210.2	236.9	12.7%	236.8	0.0%	121.5	15.4%	5.3%	121.4
Gross Profit	98.8	113.1	14.5%	109.6	3.2%	60.0	21.4%	12.7%	56.5
Margin	47.0%	47.8%		46.3%		49.4%			46.5%
EBIT adj.	26.5	35.6	34.4%	32.1	11.1%	19.5	36.5%	21.1%	16.0
Margin	12.6%	15.0%		13.5%		16.1%			13.1%
EBIT reported	16.9	31.3	85.1%	30.1	3.9%	16.1	177.4%	6.3%	15.0
Net Profit	7.8	26.6	239.7%	17.8	49.2%	16.5	664.6%	64.3%	7.8
Net debt /(cash)	71.9	171.8	139.1%	167.0	2.9%	171.8	139.1%	-0.2%	167.0

Source: Company data, Kepler Capital Markets

**Table 2: Datalogic - estimate change 2012-14E**

(EURm)	2012E old	2012E new	2013E old	2013E new	2014E old	2014E new	2012E change	2013E change	2014E change
Revenues	527	507	571	546	617	587	-3.7%	-4.5%	-4.9%
Gross Profit	254	247	280	267	303	289	-2.9%	-4.5%	-4.9%
Margin	48.3%	48.7%	49.0%	49.0%	49.2%	49.2%			
EBIT	75	78	89	86	100	97	3.3%	-2.8%	-2.8%
Margin	14.3%	15.3%	15.5%	15.8%	16.2%	16.5%			
Net profit	48	50	59	57	67	65	4.8%	-3.1%	-3.0%
Net debt	125	137	83	92	35	47	9.6%	11.0%	32.8%

Source: Kepler Capital Markets

# Key financials

## Datalogic

<b>Rating</b>	<b>Buy</b>	Market cap	EUR384m	Bloomberg	DAL IM	<b>Top Shareholders</b>		Enrico Coco
<b>Target price</b>	<b>EUR8.30</b>	EV	EUR517m	Reuters	DAL.MI	Hydra S.p.A.	67.0%	enrico.coco@keplercm.com
<b>Price</b>	<b>EUR6.57</b>	Float	22%			Tamburi Investment Partners	6.4%	+39 02 8550 7227

31 December

Income statement (EURm)	2006	2007	2008	2009	2010	2011E	2012E	2013E	2014E
<b>Sales</b>	<b>381.6</b>	<b>404.0</b>	<b>379.8</b>	<b>312.0</b>	<b>392.7</b>	<b>425.5</b>	<b>507.0</b>	<b>545.6</b>	<b>586.6</b>
Change (%)	85.3%	5.9%	-6.0%	-17.9%	25.9%	8.3%	19.2%	7.6%	7.5%
<b>EBITDA adjusted</b>	<b>38.2</b>	<b>50.1</b>	<b>47.8</b>	<b>19.7</b>	<b>49.8</b>	<b>59.2</b>	<b>88.0</b>	<b>96.4</b>	<b>107.0</b>
EBITDA margin (%)	10.0%	12.4%	12.6%	6.3%	12.7%	13.9%	17.4%	17.7%	18.2%
<b>EBIT adjusted</b>	<b>28.0</b>	<b>38.8</b>	<b>35.3</b>	<b>6.3</b>	<b>38.1</b>	<b>48.8</b>	<b>77.8</b>	<b>86.2</b>	<b>96.8</b>
EBIT margin (%)	7.3%	9.6%	9.3%	2.0%	9.7%	11.5%	15.3%	15.8%	16.5%
Net financial	-6.3	-4.9	-4.8	-7.1	-6.9	-3.6	-4.9	-8.3	-7.4
Associates	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Non recurring items	-10.7	-6.7	-4.6	-11.8	-3.4	-12.3	-7.9	0.0	0.0
<b>Pretax profit</b>	<b>11.0</b>	<b>27.6</b>	<b>25.9</b>	<b>-12.8</b>	<b>28.2</b>	<b>33.2</b>	<b>65.3</b>	<b>78.3</b>	<b>89.9</b>
Income tax	-4.8	-8.5	-8.1	0.7	-10.2	-7.3	-15.0	-21.1	-25.2
Tax rate (%)	43.0%	31.4%	31.1%	5.3%	36.6%	22.2%	23.1%	27.1%	28.1%
Minorities	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reported net earnings	6.1	19.1	17.8	-12.1	18.0	25.9	50.3	57.2	64.7
Adjustments	0.0	0.0	0.0	0.0	0.0	8.4	0.0	0.0	0.0
<b>Adjusted net earnings (group)</b>	<b>6.1</b>	<b>19.1</b>	<b>17.8</b>	<b>-12.1</b>	<b>18.0</b>	<b>34.3</b>	<b>50.3</b>	<b>57.2</b>	<b>64.7</b>
Change (%)	-44.3%	211.4%	-6.4%	-chg	+chg	90.1%	46.7%	13.7%	13.2%
Cash flow statement (EURm)	2006	2007	2008	2009	2010	2011E	2012E	2013E	2014E
Net earnings	6.3	19.1	17.8	-12.1	18.0	25.9	50.3	57.2	64.7
D&A	12.2	12.3	12.4	13.4	11.6	10.4	10.2	10.2	10.2
Change in TWC	10.1	-7.4	5.5	21.7	2.7	-8.7	-10.9	1.2	-5.7
Others	-13.6	2.2	2.2	-7.3	23.2	6.5	-7.9	0.1	0.1
<b>Operating cash flow</b>	<b>14.9</b>	<b>26.2</b>	<b>38.0</b>	<b>15.6</b>	<b>55.6</b>	<b>34.1</b>	<b>41.7</b>	<b>68.7</b>	<b>69.3</b>
Capex	-7.9	-12.6	-9.4	-7.3	-7.8	-13.6	-14.0	-14.0	-14.0
<b>Free cash flow</b>	<b>7.0</b>	<b>13.6</b>	<b>28.6</b>	<b>8.3</b>	<b>47.8</b>	<b>20.6</b>	<b>27.7</b>	<b>54.7</b>	<b>55.3</b>
Financial investments & disposals	0.0	0.0	-42.7	0.0	-20.7	-4.1	-105.9	0.0	0.0
Dividends	-3.5	-3.8	-4.1	-1.3	0.0	-8.1	-8.5	-9.4	-10.3
Equity issued net of buy back	68.3	-19.9	-23.2	-1.8	-2.1	8.8	8.8	0.0	0.0
Others	-4.6	6.1	-3.0	1.1	-1.0	0.0	0.0	0.0	0.0
<b>Change of net debt</b>	<b>-67.3</b>	<b>4.1</b>	<b>44.4</b>	<b>-6.4</b>	<b>-24.0</b>	<b>-17.1</b>	<b>77.9</b>	<b>-45.3</b>	<b>-45.0</b>
Balance sheet (EURm)	2006	2007	2008	2009	2010	2011E	2012E	2013E	2014E
Intangible assets	153.7	137.3	138.7	126.7	147.1	154.4	151.8	149.2	146.6
o/w Net goodwill	89.9	84.8	89.7	87.1	106.1	112.2	112.2	112.2	112.2
Property, plant & equipment	50.4	49.2	52.6	50.8	50.0	50.0	56.4	62.8	69.2
Financial assets	23.0	20.5	25.2	25.9	26.4	39.9	137.0	137.0	137.0
Cash and cash equivalents	33.3	55.1	52.5	72.1	102.9	170.6	70.0	115.3	160.3
Current and other assets	143.1	153.1	152.4	122.0	131.5	150.9	185.7	190.6	202.8
Total shareholders' equity	186.6	173.5	135.8	116.7	140.2	170.3	212.0	259.8	314.2
Pension provisions	7.6	6.6	8.4	7.7	7.1	6.7	6.8	6.9	7.1
Financial liabilities	91.7	117.6	159.4	172.6	179.4	230.1	207.4	207.4	207.4
Other liabilities & provisions	117.5	117.5	117.7	100.5	131.2	158.8	174.7	180.8	187.3
Net debt	58.4	62.5	106.9	100.5	76.5	59.4	137.4	92.1	47.1
Capital employed	245.0	236.0	242.8	217.2	216.7	229.7	349.4	351.8	361.2
Ratios	2006	2007	2008	2009	2010	2011E	2012E	2013E	2014E
Capex/D&A (%)	64.7%	102.4%	75.7%	54.4%	67.0%	130.3%	137.3%	137.3%	137.3%
ROE (%)	3.9%	10.6%	11.5%	-9.6%	14.0%	22.1%	26.3%	24.2%	22.6%
ROCE (%)	na	16.1%	14.8%	2.7%	17.6%	21.8%	26.9%	24.6%	27.2%
Net debt/EBITDA (%)	152.9%	124.8%	223.7%	511.1%	153.8%	100.4%	156.1%	95.5%	44.0%
Net debt/equity (%)	31.3%	36.0%	78.7%	86.1%	54.6%	34.9%	64.8%	35.4%	15.0%
Per share (EUR)	2006	2007	2008	2009	2010	2011E	2012E	2013E	2014E
EPS adjusted	0.06	0.28	0.30	-0.21	0.31	0.59	0.86	0.98	1.11
EPS reported	0.06	0.28	0.30	-0.21	0.31	0.44	0.86	0.98	1.11
CFPS	0.11	0.21	0.49	0.14	0.82	0.35	0.47	0.94	0.95
BVPS	2.93	2.72	2.33	2.00	2.40	2.91	3.63	4.44	5.38
DPS	0.06	0.07	0.04	0.00	0.15	0.15	0.17	0.18	0.20
Year-end number of shares (m)	63.6	63.9	58.4	58.4	58.4	58.4	58.4	58.4	58.4
Valuation	2006	2007	2008	2009	2010	2011E	2012E	2013E	2014E
P/E	97.4	22.3	18.9	ns	14.0	10.1	7.6	6.7	5.9
P/BV	2.1	2.3	2.5	2.1	1.8	2.0	1.8	1.5	1.2
P/CF	56.8	29.8	11.8	29.0	5.3	16.9	13.9	7.0	6.9
Dividend yield	1.0%	1.1%	0.6%	0.0%	3.5%	2.5%	2.5%	2.8%	3.0%
FCF yield	1.8%	3.4%	8.5%	3.5%	18.9%	5.9%	7.2%	14.2%	14.4%
EV/sales	1.2	1.1	1.1	1.1	0.8	0.9	1.0	0.9	0.7
EV/EBITDA	12.2	8.8	9.1	17.0	6.4	6.5	5.9	4.9	4.0
EV/EBIT	16.6	11.3	12.3	53.5	8.4	7.9	6.7	5.5	4.4
EV/capital employed	na	1.8	1.8	1.5	1.5	1.7	1.8	1.3	1.2

# Research ratings and important disclosures

## Disclosure checklist - Potential conflict of interests

Stock	ISIN	Disclosure (See Below)	Currency	Price
Datalogic	IT0004053440	nothing to disclose	EUR	6.57

Source: Factset closing prices of 30/07/2012

Stock prices: Prices are taken as of the previous day's close (to the date of this report) on the home market unless otherwise stated.

### Key:

1. Kepler Capital Markets (KCM) holds or owns or controls 5% or more of the issued share capital of this company; 2. The company holds or owns or controls 5% or more of the issued share capital of KCM; 3. KCM is or may be regularly carrying out proprietary trading in equity securities of this company; 4. KCM has been lead manager or co-lead manager in a public offering of the issuer's financial instruments during the last twelve months; 5. KCM is a market maker in the issuer's financial instruments; 6. KCM is a liquidity provider in relation to price stabilisation activities for the issuer to provide liquidity in such instruments; 7. KCM acts as a corporate broker or a sponsor or a sponsor specialist (in accordance with the local regulations) to this company; 8. KCM and the issuer have agreed that KCM will produce and disseminate investment research on the said issuer as a service to the issuer; 9. KCM has received compensation from this company for the provision of investment banking or financial advisory services within the previous twelve months; 10. KCM may expect to receive or intend to seek compensation for investment banking services from this company in the next three months; 11. The author of, or an individual who assisted in the preparation of, this report (or a member of his/her household), or a person who although not involved in the preparation of the report had or could reasonably be expected to have access to the substance of the report prior to its dissemination has a direct ownership position in securities issued by this company; 12. An employee of KCM serves on the board of directors of this company; 13. As at the end of the month immediately preceding the date of publication of the research report Kepler Capital Markets, Inc. beneficially owned 1% or more of a class of common equity securities of the subject company; 14. Kepler Capital Markets SA ("KCM") and UniCredit Bank AG have entered into a Co-operation Agreement to form a strategic alliance in connection with certain services including services connected to investment banking transactions. UniCredit Bank AG provides investment banking services to this Issuer in return for which UniCredit Bank AG received consideration or a promise of consideration. Separately, through the Co-operation Agreement with UniCredit Bank AG for services provided by KCM in connection with such activities, KCM also received consideration or a promise of a consideration in accordance with the general terms of the Co-operation Agreement.

### Rating history:

Kepler Capital Markets' current rating for Datalogic is Buy and was issued on 16/3/12 (initiation of coverage).

**We did not disclose the rating to the issuer before its publication and dissemination.**

## Rating ratio Kepler Capital Markets Q2 2012

Rating breakdown	A	B
Buy	58.9%	0.0%
Hold	27.5%	0.0%
Reduce	12.3%	0.0%
Not Rated/Under Review/Accept Offer	1.4%	0.0%
Total	100.0%	0.0%

Source: Kepler Capital Markets

A: % of all research recommendations

B: % of issuers to which Investment Banking Services are supplied

From 9 May 2006, KCM's rating system consists of three ratings: Buy, Hold and Reduce. For a Buy rating, the minimum expected upside is 10% in absolute terms over 12 months. For a Hold rating the expected upside is below 10% in absolute terms. A Reduce rating is applied when there is expected downside on the stock. Target prices are set on all stocks under coverage, based on a 12-months view. Equity ratings and valuations are issued in absolute terms, not relative to any given benchmark.

## Analyst disclosures

The functional job title of the person(s) responsible for the recommendations contained in this report is **Equity Research Analyst** unless otherwise stated on the cover.

**Regulation AC - Analyst Certification:** Each equity research analyst(s) listed on the front-page of this report, principally responsible for the preparation and content of all or any identified portion of this research report hereby certifies that, with respect to each issuer or security or any identified portion of the report with respect to an issuer or security that the equity research analyst covers in this research report, all of the views expressed in this research report accurately reflect their personal views about those issuer(s) or securities. Each equity research analyst(s) also certifies that no part of their compensation was, is, or will be, directly or indirectly, related to the specific recommendation(s) or view(s) expressed by that equity research analyst in this research report.

**Analyst Compensation:** The research analyst(s) primarily responsible for the preparation of the content of the research report attest that no part of the analyst's(s') compensation was, is or will be, directly or indirectly, related to the specific recommendations expressed by the research analyst's(s') in the research report. The research analyst's(s') compensation is, however, determined by the overall economic performance of KCM.

**Registration of non-US Analysts:** Unless otherwise noted, the non-US analysts listed on the front of this report are employees of KCM, which is a non-US affiliate and parent company of Kepler Capital Markets, Inc. a SEC registered and FINRA member broker-dealer. Equity Research Analysts employed by KCM, are not registered/qualified as research analysts under FINRA/NYSE rules, may not be associated persons of Kepler Capital Markets, Inc. and may not be subject to NASD Rule 2711 and NYSE Rule 472 restrictions on communications with covered companies, public appearances, and trading securities held by a research analyst account.

Please refer to [www.keplercapitalmarkets.com](http://www.keplercapitalmarkets.com) for further information relating to research and conflict of interest management.

## Regulators

Location	Regulator	Abbreviation
KCM France	Autorité des Marchés Financiers	AMF
KCM España	Comisión Nacional del Mercado de Valores	CNMV
KCM Germany	Bundesanstalt für Finanzdienstleistungsaufsicht	BaFin
KCM Italia	Commissione Nazionale per le Società e la Borsa	CONSOB
KCM Nederland	Autoriteit Financiële Markten	AFM
KCM Switzerland	Swiss Financial Market Supervisory Authority	FINMA
Kepler Capital Markets, Inc.	Financial Industry Regulatory Authority	FINRA
Kepler Capital Markets, London	Financial Services Authority	FSA
Kepler Capital Markets, Austria	Austrian Financial Services Authority	FMA

KCM is authorised and regulated by both Banque de France and Autorité des Marchés Financiers.

For further information relating to research recommendations and conflict of interest management please refer to [www.keplercapitalmarkets.com](http://www.keplercapitalmarkets.com).

# Legal and disclosure information

## Other disclosures

This product is not for retail clients or private individuals.

The information contained in this publication was obtained from various sources believed to be reliable, but has not been independently verified by Kepler Capital Markets (KCM). KCM does not warrant the completeness or accuracy of such information and does not accept any liability with respect to the accuracy or completeness of such information, except to the extent required by applicable law.

**This publication is a brief summary and does not purport to contain all available information on the subjects covered. Further information may be available on request. This report may not be reproduced for further publication unless the source is quoted.**

**This publication is for information purposes only and shall not be construed as an offer or solicitation for the subscription or purchase or sale of any securities, or as an invitation, inducement or intermediation for the sale, subscription or purchase of any securities, or for engaging in any other transaction. This publication is not for private individuals.**

Any opinions, projections, forecasts or estimates in this report are those of the author only, who has acted with a high degree of expertise. They reflect only the current views of the author at the date of this report and are subject to change without notice. KCM has no obligation to update, modify or amend this publication or to otherwise notify a reader or recipient of this publication in the event that any matter, opinion, projection, forecast or estimate contained herein, changes or subsequently becomes inaccurate, or if research on the subject company is withdrawn. The analysis, opinions, projections, forecasts and estimates expressed in this report were in no way affected or influenced by the issuer. The author of this publication benefits financially from the overall success of KCM.

The investments referred to in this publication may not be suitable for all recipients. Recipients are urged to base their investment decisions upon their own appropriate investigations that they deem necessary. Any loss or other consequence arising from the use of the material contained in this publication shall be the sole and exclusive responsibility of the investor and KCM accepts no liability for any such loss or consequence. In the event of any doubt about any investment, recipients should contact their own investment, legal and/or tax advisers to seek advice regarding the appropriateness of investing. Some of the investments mentioned in this publication may not be readily liquid investments. Consequently it may be difficult to sell or realise such investments. The past is not necessarily a guide to future performance of an investment. The value of investments and the income derived from them may fall as well as rise and investors may not get back the amount invested. Some investments discussed in this publication may have a high level of volatility. High volatility investments may experience sudden and large falls in their value which may cause losses. International investing includes risks related to political and economic uncertainties of foreign countries, as well as currency risk.

To the extent permitted by applicable law, no liability whatsoever is accepted for any direct or consequential loss, damages, costs or prejudices whatsoever arising from the use of this publication or its contents.

**KCM and its affiliates have implemented written procedures designed to identify and manage potential conflicts of interest that arise in connection with its research business, which are available upon request. The KCM research analysts and other staff involved in issuing and disseminating research reports operate independently of KCM Investment Banking business. Information barriers and procedures are in place between the research analysts and staff involved in securities trading for the account of KCM or clients to ensure that price sensitive information is handled according to applicable laws and regulations.**

## Country and region disclosures

**United Kingdom:** This document is for persons who are Eligible Counterparties or Professional Clients only and is exempt from the general restriction in section 21 of the Financial Services and Markets Act 2000 on the communication of invitations or inducements to engage in investment activity on the grounds that it is being distributed in the United Kingdom only to persons of a kind described in Articles 19(5) (Investment professionals) and 49(2) (High net worth companies, unincorporated associations, etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). It is not intended to be distributed or passed on, directly or indirectly, to any other class of persons. Any investment to which this document relates is available only to such persons, and other classes of person should not rely on this document.

**United States:** Kepler Capital Markets S.A. (KCM) is the parent company and 100% owner of Kepler Capital Markets, Inc. KCM maintains offices in Amsterdam, the Netherlands; Frankfurt, Germany; Geneva and Zurich, Switzerland; London, United Kingdom; Madrid, Spain; Milan, Italy; and New York, United States. Specific address/location information is available at [www.keplercapitalmarkets.com](http://www.keplercapitalmarkets.com). This research is distributed in the United States by the entity that published the research as disclosed on the front page of this report to "major U.S. institutional investors," as defined under Rule 15a-6 promulgated under the U.S. Securities Exchange Act of 1934, as amended, and as interpreted by the staff of the U.S. Securities and Exchange Commission (SEC). This research is also distributed in the United States to other institutional investors by Kepler Capital Markets, Inc., who accepts responsibility for the contents of the research, subject to the qualifications stated in this publication which are hereby incorporated. U.S. persons seeking to execute a transaction in the securities discussed in this research should contact Kepler Capital Markets, Inc., 600 Lexington Avenue, New York, NY 10022, phone (212) 710-7600. Kepler Capital Markets, Inc. is a broker-dealer registered with the SEC and is a FINRA member firm. Nothing herein excludes or restricts any duty or liability to a customer that Kepler Capital Markets, Inc. has under applicable law. Investment products provided by or through Kepler Capital Markets, Inc. are not FDIC insured, may lose value and are not guaranteed by the entity that published the research as disclosed on the front page or Kepler Capital Markets, Inc.. Investing in non-U.S. Securities may entail certain risks. The securities of non-U.S. issuers may not be registered with or subject to SEC reporting and other requirements. The information available about non-U.S. companies may be limited, and non-U.S. companies are generally not subject to the same uniform auditing and reporting standards as U.S. companies. Securities of some non-U.S. companies may not be as liquid as securities of comparable U.S. companies. Analysts employed by non-U.S. broker-dealers are not required to take the FINRA analyst exam.

**France:** This publication is issued and distributed in accordance with art. L 544-1 and seq of the Code Monétaire et Financier and with the articles 321-122 to 321-138 of the General Regulations of the Autorité des Marchés Financiers (AMF).

**Germany:** This report may be amended, supplemented or updated in such manner and as frequently as the author deems.

**Italy:** This document is for Eligible Counterparties or Professional Clients only as defined by the CONSOB regulation 16190/07 (art. 26 and art. 58). Reports on companies listed on the Italian exchange are approved and distributed to over 500 clients in accordance with art. 69 of CONSOB Regulation 11971/1999 for enforcement of the Consolidation Act on financial brokerage (legislative decree 24/2/1998). According to this article KCM, branch of Milano warns on potential specific interests in securities mentioned. Equities discussed are covered on a continuous basis with regular reports at results release. Reports are released on the date shown on cover and distributed via print and email. KCM branch of Milano analysts are not affiliated with any professional groups or organisations. All estimates are by KCM unless otherwise stated.

**Spain:** Reports on Spanish companies are issued and distributed by KCM, branch of Madrid, registered in Spain by the Comisión Nacional del Mercado de Valores (CNMV) in the foreign investments firms registry (member of the Madrid exchange). Reports and any supplemental documentation or information have not been filed with the CNMV. Neither verification nor authorisation or compliance revision by the CNMV regarding this document and related documentation or information has been made.

**Switzerland:** This publication is intended to be distributed to professional investors in circumstances such that there is no public offer. This publication does not constitute a prospectus within the meaning of Articles 652a and 1156 of the Swiss Code of Obligations.

**Canada:** The information provided in this publication is not intended to be distributed or circulated in any manner in Canada and therefore should not be construed as any kind of financial recommendation or advice provided within the meaning of Canadian securities laws.

**Other countries:** Laws and regulations of other countries may also restrict the distribution of this report. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly.

**Amsterdam**

Kepler Capital Markets Benelux  
De Entree 89  
Toren A 19<sup>th</sup> Floor  
1101 BH Amsterdam Zuid-Oost  
+31 20 563 2365

**Frankfurt**

Kepler Capital Markets Germany  
Taunusanlage 18  
60325 Frankfurt  
+49 69 756960

**Geneva**

Kepler Capital Markets SA  
Route de crassier 11  
1262 Eysins  
+41 22361 5151

**London**

Kepler Capital Markets UK  
Providian House  
16-18 Monument Street  
EC3R 8AJ London  
+44 203 350 5000

**Madrid**

Kepler Capital Markets Espana  
Alcala 95  
28009 Madrid  
+3491 4365100

**Milan**

Kepler Capital Markets Italia  
Corso Europa 2  
20122 Milano  
+39 02 855 07 1

**Munich**

Kepler Capital Markets Germany  
Maximilianstrasse 35A  
80539 Munich  
+49 89 24218147

**New York**

Kepler Capital Markets Inc.  
600 Lexington Avenue  
10022 New York, NY USA  
+1 2127107600

**Paris**

Kepler Capital Markets France  
112 Avenue Kleber  
75016 Paris  
+33 1 53653500

**Vienna**

Kepler Capital Markets Austria  
Regus Vienna Stock Exchange  
Schottenring 16/2  
1010 Vienna  
+43 1 537124147

**Zurich**

Kepler Capital Markets Switzerland  
Stadelhoferstrasse 22  
Postfach  
8024 Zurich  
+41 433336666

Kepler  
Research