

# Rabo Securities Daily Note

28 November 2008



## Subjects

- **Nedap: 2008 result not that bad, but limited visibility on 2009**
- **TMC: continues to expand in new business areas**

## Nedap - 2008 result not that bad, but limited visibility on 2009

Price	Target	Rating	Market Cap.	Sector	
EUR 15.00	Under review	Hold	EUR 100 m	Capital Goods	
<b>Analyst(s):</b>					
Frank Claassen		Frank.Claassen@rabobank.com		+31 20 460 4868	
Frits de Vries		Frits.de.Vries@rabobank.com		+31 20 460 4816	
Forecast	2007	2008E	2009E	2010E	2011E
EPS Recurring	2.12	2.28	2.31	2.40	
P/E	7.1	6.6	6.5	6.2	
EV/ EBITDA	9.0	4.2	4.1	4.0	
P/FCFPS	8.1	8.2	7.0	6.2	
Dividend Yield (%)	12.7%	12.3%	13.9%	14.4%	0.0%

Nedap has indicated that revenues over 2008 will be slightly lower and that the net profit margin will be above 9% (despite EUR 1.5m charge on voting systems). This translates in net profit of around EUR 13m, while we still had an estimate of EUR 13.8m, but given the significant deterioration of the investment climate over the last couple of weeks, we believe that this result is not that bad.

However, for 2009 we have become clearly more negative. For instance in Power Supplies and Retail Support, demand is lagging behind. Overall visibility for Nedap remains low as it is all project-driven business. In its outlook, Nedap indicates that in the short term results may be negatively impacted by the current economic situation. For now, we put our estimates and price target under review and stick to our Hold rating.

Market Data	Closing	Daily change
AEX	253	3.3%
AMX	325	3.6%
MSCI Europe	898	2.2%
EUR/USD	1.29	0.1%
EUR/GBP	1.19	0.2%

### Best performers last trading day

Prologis European	31.9%
Properties	20.0%
Fortis	15.6%
TomTom	14.8%
KBC	14.5%
KBC_Ancora	

### Worst performers last trading day

Melexis	-9.5%
Eurocastle Investment	-5.4%
Ordina	-4.4%
Kendrion	-3.7%
ASM International	-3.6%

### Exceptional volumes last trading day\*

Samas	15.7
Beter Bed	4.2
InBev	3.7
AMG	2.8
BAM	1.7

\*Last day's volume vs 90 days average

### Company Calendar

Arcelor Mittal	2-dec	Ex Dividend
Infineon	3-dec	Preliminary
Wavin	9-dec	Annual Results
Stern Group	17-dec	Trading Update
Sligro	2-jan	Results 08Q3
Super de Boer	13-jan	Annual
Arseus	13-jan	Revenues 2008
		Annual
		Revenues 2008
		Trading Update
		08Q4

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## TMC - continues to expand in new business areas

Price	Target	Rating	Market Cap.	Sector	
EUR 8.81	EUR 10.00	Hold	EUR 31 m	Commercial Services & Supplies	
<b>Analyst(s):</b>					
Philip Scholte		Philip.Scholte@rabobank.com		+31 (0) 20 460 4823	
David Tailleur		David.Tailleur@rabobank.com		+31 20 460 4852	
Forecast	2007	2008E	2009E	2010E	2011E
EPS Recurring	0.88	1.26	1.45	1.57	
P/E	10.0	7.0	6.1	5.6	
EV/ EBITDA	9.9	4.1	3.3	2.4	
P/FCFPS	20.0	10.6	11.2	6.3	
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%

TMC yesterday announced the start of a new business cell, TMC Life Sciences, as of 1 January 2009. This new cell will focus on medical and biotechnology and pharmacy and is a natural extension of the TMC Chemicals cell.

With this new cell, TMC continues to expand its business into new areas. Only last month, TMC started TMC Electronics, while last year's acquisition of Adapte already brought exposure to engineering and construction. By exporting its unique business model into several other areas, we believe TMC's strategic execution is good. Our main worry relates to an increasingly difficult economic environment and the decline in EBIT margin as a result of investments in the growth of the organisation.

Latest Research		
BAM	Solid backlog, but NL housing keeps sliding	28-nov-08
Kendrion	More focus for a fair price	27-nov-08
Aalberts Industries	Good copper, bad copper	27-nov-08
EVS (36 pages)	Initiating coverage - Fast Forward on Slow Motion	27-nov-08
Aegon	De-risking continues	26-nov-08
Draka Holding	Pocket of growth in renewable energy	26-nov-08
Colruyt	Preview HY results (due Friday Nov 28 post trading)	25-nov-08
InBev	First finance hurdle taken	25-nov-08
BAM	Preview Q3-08 results (due on 27 Nov.)	24-nov-08
Corio (3 pages)	Decent results (review 08Q3)	24-nov-08

## Disclaimer Appendix

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