

TMC Group

Buy

Recommendation unchanged

Share price: EUR 6.99

closing price as of 13/01/2010

Target price: EUR 10.50

Target Price unchanged

Reuters/Bloomberg

ALTM.C.AS/ALTM.C.NA

Market capitalisation (EURm)	28
Current N° of shares (m)	4
Free float	7%
Daily avg. no. trad. sh. 12 mth	770
Daily avg. trad. vol. 12 mth (m)	0
Price high 12 mth (EUR)	10.37
Price low 12 mth (EUR)	4.80
Abs. perf. 1 mth	0.43%
Abs. perf. 3 mth	-15.27%
Abs. perf. 12 mth	-8.15%

Key financials (EUR)	12/08	12/09e	12/10e
Sales (m)	42	40	41
EBITDA (m)	6	3	4
EBITDA margin	14.6%	7.2%	10.0%
EBIT (m)	6	(4)	4
EBIT margin	13.3%	nm	8.5%
Net Profit (adj.)(m)	4	2	3
ROCE	17.5%	-17.2%	15.0%
Net debt/(cash) (m)	1	0	(2)
Net Debt/Equity	0.0	0.0	-0.1
Debt/EBITDA	0.1	0.1	-0.5
Int. cover(EBITDA/Fin. int)	38.6	23.9	91.3
EV/Sales	0.8	0.8	0.6
EV/EBITDA	5.3	10.7	6.3
EV/EBITDA (adj.)	5.3	10.7	6.3
EV/EBIT	5.9	nm	7.4
P/E (adj.)	7.4	16.0	9.7
P/BV	1.4	1.8	1.4
OpFCF yield	4.9%	7.4%	9.2%
Dividend yield	5.7%	0.0%	2.8%
EPS (adj.)	1.08	0.47	0.72
BVPS	5.80	4.27	4.91
DPS	0.40	0.00	0.19



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New interim COO

The facts: Secondment company TMC Group has appointed a new interim COO as of 1 January 2010.

Our analysis: TMC announced that Luud Engels is interim COO as of 1 January 2010. He replaces the former Board Members Roy Roosen and Luuk Jeuken who have departed the company after a difference of opinion.

An interim is appointed as TMC desires to execute its growth ambitions and to be fully ready when the markets start to grow again. In the mean time, a search for a permanent COO, internally and externally, is continued.

Mr. Engels is familiar to TMC's business model since he was a partner within the company for several years. He also knows TMC's markets because of his working experience at a.o. ASML and Philips.

Conclusion & Action: TMC Group appointed a new interim COO in order to be fully ready for a market upturn and to execute the ambitious growth plans. The interim COO, Mr. Engels, is experienced with TMC's business model and markets. The search for a permanent COO is continued.

We have a Buy recommendation on TMC. With its sales force unchanged, we believe that the company is fully ready to benefit from the market upturn.