

IPTE

IPTE.BR / IPT BB

Electronic & Electrical
Equipment
Belgium

Current price € 10.90
Target price € 14.00
Market cap € 76m
Free float 33%

	EPS (€)	P/E
FY07E	1.33	8.2
FY08E	1.41	7.7
FY09E	1.43	7.6

FY07 results: exceeds forecasts on all levels!

Buy

Rating Unchanged

IPTE reported FY07 results which beat our expectations on all levels.

Revenue came in at € 255.5m, up 85% y/y and above our forecast of € 251.4m. Sales at the Contract Manufacturing division came in at € 195m, up 121% y/y, of which 25% was organic growth and making the division one of the most important contract manufacturers in the Benelux area. The Factory Automation division also showed a solid sales growth of 20% to € 60m. As a result, EBIT increased by 266% y/y to € 12.4m (versus € 12.3m expected, margin of 4.9%) and net profit increased five fold to € 10.9m (+478% y/y), well exceeding our estimate of € 9.2m.

The net results were influenced by an exchange loss (dollar currency hedging contracts) of € 601k and a recognized deferred tax receivable of € 1.5m.

The management didn't provide any specific guidance for 2008, but the order book stood at € 83m at the end of 2007, still near record highs and confirming a strong start in 2008.

Furthermore the company is finalising the acquisition of Platzgummer, which is expected shortly.

The results again confirm our investment case. IPTE is trading well below its peer group and our DCF valuation. The stock currently is trading at a P/E08E of 7.7x and an EV/EBITDA08E of 5.3x: Buy rating and a € 14 TP reiterated!

[Back to contents](#)

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