

December 06, 2005

Proximedia

Price on 05/12/2005

Accumulate

EUR 8.00

(unchanged)

Reuters: PROX.BR, Bloomberg: PROX BB

Telecommunications

(EUR)	12/05e	12/06e	12/07e
Sales (m)	13	14	15
EBITDA (m)	3	4	5
EBITDA margin	25.5%	27.3%	30.7%
Net Profit rep.(m)	1	1	1
EPS (adj.)	0.26	0.32	0.40
Debt/Equity	102.6%	50.0%	10.6%
EV/EBITDA	5.1	4.4	3.6
P/E (adj.)	30.8	25.2	19.8
P/BV	9.1	6.7	5.0
Dividend yield	0.0%	0.0%	0.0%
Market cap (EURm)	16	Free float	9.5%

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The facts: Proximedia sees 2005 results well on track

Our analysis: In an interview with the "Tijd-Nieuwslijn" CEO Fabrice Wuyts of Proximedia says that both sales as well as net profits are in line or even better than expected. We estimate that the EPS for 2005 will amount to EUR 0.26, while management has good hopes to perform even better. This implies that in comparison with 2004 the EPS would increase by at least 17%. Without mentioning any sales figures the article underlined that also sales for 2006 are looking good.

Proximedia also announced its intentions to step up its focus on the French market by opening their first area office in Lille, which will allow them to closer monitor the French market dynamics.

Since the IPO in July of this year the share price has been relatively stable. After the IPO of Proximedia a number of other companies were listed on the Free Market of Euronext.

Our conclusion. We clearly stay behind our "Accumulate" rating and notice that with an EV/EBITDA for 2006 of 4.7 Proximedia is among the cheapest IT stocks and moreover, we assume the company to deliver stable and above average earnings growth.

Target price: EUR 9.66