

Buy (old: Buy)

Price target: EUR 5.70 (old: EUR 5.70)

Price:	EUR 4.00	Next result:	Q4/FY 2014 30.04.15
Bloomberg:	MSAG GR	Market cap:	EUR 112.5 m
Reuters:	MSAG.DE	Enterprise Value:	EUR 170.5 m

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Roadshow feedback – MS Industrie is fit for the future

Following our roadshow in Frankfurt with management of MS Industrie, we **confirm our BUY rating with a PT of € 5.70** based on average FCFY'15-'16E.

Management's strategy (1) to focus on its two industrial segments (Powertrain technology c. 78% of group sales; Ultrasonic Technology c. 19 % total sales) and (2) to optimise the production set up should be largely completed beginning of 2016. Major steps are:

- **Build state of the art production plant in Germany (Trossingen):** Relocation in the new production facility should come with significant improvement in efficiency (eH&A: total cost savings € 1.5m p.a from 2016E). The plant is financed off-balance (does not materially dilute ROCE).
- **Expand internationally:** MS Industrie is expanding internationally via partnerships (Brazil, China, and Bulgaria) to open-up new markets and explore new customers (primary focus is on the special machinery business for automotive clients).
- **Further deleveraging & start paying dividends:** With refinancing of the bond (€ 23m) maturing in 2016 management will continue the deleveraging targeting a net debt level of € 35-40m by 2016E (in line with eH&A). Subsequently, the company could start paying dividends from 2016E onwards (eH&A: not yet reflected).

In sum, **sales looks set to grow soundly by a 11% CAGR '14E-'16E** while **bottom line should develop disproportionately** (EPS c. 50% CAGR '14E-'16E) based on economies of scale (mainly driven by higher utilisation).

This is backed by the **sound development of its core business** (Weltmotor components sales c. 50% of group sales) especially driven by high volumes in the US (+ c. 50% yoy to 78k units in 2014E). Sales should accelerate in Europe on back of the economic recovery and the roll out in new applications by 2016E (+ c. 39% yoy to 90k units) also considering the investment backlog (trucks registration in the EU still below 2008 level – see page 2). The core **business should be boosted** when (1) Daimler expands Weltmotor production in other countries (China, Brazil) and/or (2) if MS receives another large order from a new customer as Daimler's competitors (e.g. Volvo) begin developing comparable engines which are not reflected in our estimates.

- continued -

Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	116.7	154.3	174.8	179.8	212.8	235.5	262.6
Sales growth	14 %	32 %	13 %	3 %	18 %	11 %	12 %
EBITDA	15.9	20.9	16.3	17.3	21.5	25.5	29.9
EBIT	5.6	9.2	6.0	6.7	10.5	14.7	20.6
Net income	0.8	2.1	2.1	2.0	5.3	8.0	12.0
Net debt	49.5	74.3	81.8	84.9	58.0	48.3	36.9
Net gearing	156.3 %	218.8 %	237.5 %	237.9 %	158.0 %	108.1 %	65.1 %
Net Debt/EBITDA	3.1	3.5	5.0	4.9	2.7	1.9	1.2
EPS pro forma	0.03	0.14	0.09	0.08	0.18	0.27	0.40
CPS	-0.29	-0.47	0.03	0.04	0.19	0.22	0.26
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	42.6 %	42.5 %	42.2 %	45.7 %	43.7 %	43.7 %	43.4 %
EBITDA margin	13.6 %	13.6 %	9.3 %	9.6 %	10.1 %	10.8 %	11.4 %
EBIT margin	4.8 %	6.0 %	3.4 %	3.7 %	4.9 %	6.2 %	7.9 %
ROCE	5.4 %	7.9 %	4.6 %	5.0 %	8.3 %	12.1 %	17.1 %
EV/sales	1.3	1.2	1.1	1.1	0.8	0.7	0.6
EV/EBITDA	9.5	8.9	11.8	11.3	7.9	6.3	5.0
EV/EBIT	27.0	20.3	32.0	29.1	16.3	11.0	7.2
PER	122.7	26.7	42.3	49.7	21.0	14.1	9.4
Adjusted FCF yield	6.9 %	8.4 %	6.1 %	5.7 %	8.1 %	9.4 %	11.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 12.02.2015



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 4.20 / 2.66

Price/Book Ratio: 3.3

Relative performance (SDAX):

3 months 14.6 %

6 months 0.5 %

12 months 15.6 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	212.8	10.5	0.18
	Δ	-	-	-
2015	old:	235.5	14.7	0.27
	Δ	-	-	-
2016	old:	262.6	20.6	0.40
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 30.0

Authorised capital: (in € m) 9.7

Book value per share: (in €) 1.2

Ø trading volume: (12 months) 52,941

Major shareholders:

Free Float 66.6 %

MS ProActive 20.7 %

Dr. Andreas Aufschneider 6.2 %

Allianz GI * 5.1 %

Ruffer * 4.8 %

Christian Dreyer * 3.3 %

* included in free float

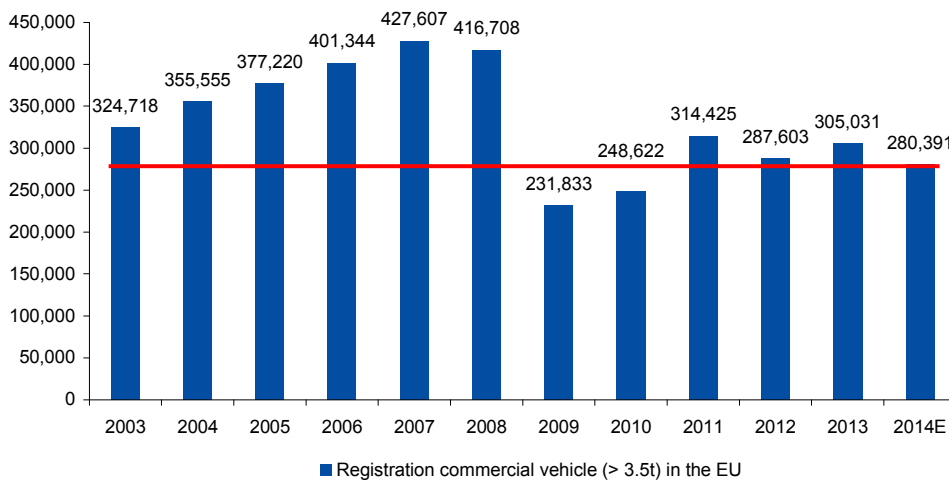
Company description:

Supplier of Diesel motor parts and systems for truck OEMs, of electric motors and of welding machines for the automotive and packaging industries.

On top of that, the **Ultrasonic business** (welding for the packaging machinery industry c. < 2% of total sales) **is seen to be significantly ramped-up** when the Ultrasonic Technology gradually replaces conventional/ heating welding systems (still capturing c. 90-95% of total market) given the major cost saving advantages (e.g less material, time, maintenance costs). With regard to this, MS Industrie is running several pilot projects at the moment especially in the food industry which could translate into order intake in the coming quarters. Moreover, the company is aiming to **launch a new welding system** in 2016 which should set new standards (controllable through an APP – Internet 4.0) underpinning company's innovative edge.

Given the high visibility of the business and the very attractive growth perspectives, valuation looks undemanding (EV/EBIT 7.4x 2016E). **We reiterate our BUY rating with a PT of € 5.70** based on average FCFY'15-'16E.

Registration of commercial vehicle (> 3.5t) in the EU



Source: ACEA; Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net sales	116.7	154.3	174.8	179.8	212.8	235.5	262.6
<i>Sales growth</i>	13.9 %	32.2 %	13.3 %	2.8 %	18.4 %	10.7 %	11.5 %
Increase/decrease in finished goods and work-in-process	3.1	0.9	-0.6	2.3	0.0	0.0	0.0
Total sales	119.8	155.2	174.3	182.1	212.8	235.5	262.6
Other operating income	11.5	10.9	6.4	4.5	3.3	2.5	2.0
Material expenses	68.7	89.2	100.7	98.9	119.8	132.6	148.7
Personnel expenses	29.3	33.2	38.0	42.1	46.9	49.5	52.9
Other operating expenses	17.4	22.8	25.8	28.3	27.9	30.4	33.2
Total operating expenses	103.9	134.3	158.0	164.8	191.3	210.0	232.7
EBITDA	15.9	20.9	16.3	17.3	21.5	25.5	29.9
Depreciation	7.7	7.5	7.4	7.8	9.0	8.8	8.6
EBITA	8.2	13.5	8.9	9.4	12.5	16.7	21.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.6	2.3	2.3	2.5	2.0	2.0	0.7
Impairment charges	0.0	2.0	0.5	0.3	0.0	0.0	0.0
EBIT	5.6	9.2	6.0	6.7	10.5	14.7	20.6
Interest income	0.5	0.1	1.4	0.3	0.0	0.0	0.0
Interest expenses	4.8	7.5	6.7	4.6	4.5	3.6	3.2
Other financial result	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-4.9	-7.4	-5.3	-4.3	-4.5	-3.6	-3.2
Recurring pretax income from continuing operations	0.7	1.8	0.7	2.4	6.0	11.1	17.4
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.7	1.8	0.7	2.4	6.0	11.1	17.4
Taxes	-0.2	-0.4	-1.3	0.2	0.7	3.1	5.4
Net income from continuing operations	0.9	2.2	2.1	2.3	5.3	8.0	12.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.9	2.2	2.1	2.3	5.3	8.0	12.0
Minority interest	0.1	0.0	0.0	0.3	0.0	0.0	0.0
Net income (net of minority interest)	0.8	2.1	2.1	2.0	5.3	8.0	12.0
Average number of shares	26.4	28.9	29.3	29.5	30.0	30.0	30.0
EPS reported	0.03	0.07	0.07	0.07	0.18	0.27	0.40

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	2.7 %	0.6 %	-0.3 %	1.3 %	0.0 %	0.0 %	0.0 %
Total sales	102.7 %	100.6 %	99.7 %	101.3 %	100.0 %	100.0 %	100.0 %
Other operating income	9.9 %	7.1 %	3.7 %	2.5 %	1.6 %	1.1 %	0.8 %
Material expenses	58.9 %	57.8 %	57.6 %	55.0 %	56.3 %	56.3 %	56.6 %
Personnel expenses	25.2 %	21.5 %	21.7 %	23.4 %	22.1 %	21.0 %	20.1 %
Other operating expenses	14.9 %	14.8 %	14.8 %	15.7 %	13.1 %	12.9 %	12.6 %
Total operating expenses	89.0 %	87.0 %	90.4 %	91.7 %	89.9 %	89.2 %	88.6 %
EBITDA	13.6 %	13.6 %	9.3 %	9.6 %	10.1 %	10.8 %	11.4 %
Depreciation	6.6 %	4.8 %	4.3 %	4.4 %	4.2 %	3.7 %	3.3 %
EBITA	7.1 %	8.7 %	5.1 %	5.2 %	5.9 %	7.1 %	8.1 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.3 %	1.5 %	1.3 %	1.4 %	0.9 %	0.8 %	0.3 %
Impairment charges	0.0 %	1.3 %	0.3 %	0.1 %	0.0 %	0.0 %	0.0 %
EBIT	4.8 %	6.0 %	3.4 %	3.7 %	4.9 %	6.2 %	7.9 %
Interest income	0.4 %	0.1 %	0.8 %	0.2 %	0.0 %	0.0 %	0.0 %
Interest expenses	4.1 %	4.9 %	3.8 %	2.5 %	2.1 %	1.5 %	1.2 %
Other financial result	-0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-4.2 %	-4.8 %	-3.0 %	-2.4 %	-2.1 %	-1.5 %	-1.2 %
Recurring pretax income from continuing operations	0.6 %	1.2 %	0.4 %	1.4 %	2.8 %	4.7 %	6.6 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	0.6 %	1.2 %	0.4 %	1.4 %	2.8 %	4.7 %	6.6 %
Tax rate	-34.6 %	-20.4 %	-177.6 %	6.5 %	11.0 %	28.0 %	31.0 %
Net income from continuing operations	0.8 %	1.4 %	1.2 %	1.3 %	2.5 %	3.4 %	4.6 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	0.8 %	1.4 %	1.2 %	1.3 %	2.5 %	3.4 %	4.6 %
Minority interest	0.1 %	0.0 %	0.0 %	0.2 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	0.7 %	1.4 %	1.2 %	1.1 %	2.5 %	3.4 %	4.6 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	11.3	9.6	7.7	6.2	4.2	2.2	1.5
Property, plant and equipment	56.8	52.9	63.1	61.8	49.8	45.4	41.1
Financial assets	13.1	11.1	14.3	23.2	4.0	4.0	4.0
FIXED ASSETS	81.3	73.5	85.1	91.1	57.9	51.5	46.5
Inventories	20.5	25.6	23.7	28.4	30.4	33.6	37.5
Accounts receivable	19.1	21.8	22.7	23.1	26.2	29.0	32.4
Other current assets	11.4	16.1	10.4	8.5	8.5	8.5	8.5
Liquid assets	7.1	5.1	10.5	3.6	12.8	24.5	12.2
Deferred taxes	1.9	0.2	1.0	0.6	0.6	0.6	0.6
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	60.1	68.7	68.2	64.3	78.6	96.3	91.3
TOTAL ASSETS	141.4	142.2	153.3	155.5	136.5	147.8	137.8
SHAREHOLDERS EQUITY	31.7	34.0	34.4	35.7	36.7	44.7	56.7
MINORITY INTEREST	2.1	1.5	1.3	0.9	0.0	0.0	0.0
Long-term debt	50.9	59.1	76.0	74.9	57.2	59.2	33.5
Provisions for pensions and similar obligations	3.1	3.2	0.0	0.0	0.0	0.0	0.0
Other provisions	13.6	6.2	7.0	9.1	9.1	9.1	9.1
Non-current liabilities	67.6	68.5	83.0	84.0	66.3	68.3	42.6
short-term liabilities to banks	5.7	20.2	16.2	13.6	13.6	13.6	15.6
Accounts payable	11.9	11.1	10.3	14.2	12.8	14.2	15.8
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	16.3	3.7	6.5	5.9	5.9	5.9	5.9
Deferred taxes	6.2	3.3	1.6	1.1	1.1	1.1	1.1
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	40.0	38.3	34.6	34.9	33.5	34.9	38.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	141.4	142.2	153.3	155.5	136.5	147.8	137.8

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	8.0 %	6.7 %	5.0 %	4.0 %	3.0 %	1.5 %	1.1 %
Property, plant and equipment	40.2 %	37.2 %	41.2 %	39.7 %	36.5 %	30.7 %	29.8 %
Financial assets	9.3 %	7.8 %	9.3 %	14.9 %	2.9 %	2.7 %	2.9 %
FIXED ASSETS	57.5 %	51.7 %	55.5 %	58.6 %	42.4 %	34.8 %	33.8 %
Inventories	14.5 %	18.0 %	15.5 %	18.3 %	22.3 %	22.8 %	27.2 %
Accounts receivable	13.5 %	15.3 %	14.8 %	14.9 %	19.2 %	19.6 %	23.5 %
Other current assets	8.1 %	11.3 %	6.8 %	5.5 %	6.3 %	5.8 %	6.2 %
Liquid assets	5.0 %	3.6 %	6.8 %	2.3 %	9.3 %	16.6 %	8.8 %
Deferred taxes	1.4 %	0.2 %	0.6 %	0.4 %	0.5 %	0.4 %	0.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	42.5 %	48.3 %	44.5 %	41.4 %	57.6 %	65.2 %	66.2 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	22.4 %	23.9 %	22.5 %	23.0 %	26.9 %	30.2 %	41.2 %
MINORITY INTEREST	1.5 %	1.0 %	0.8 %	0.6 %	0.0 %	0.0 %	0.0 %
Long-term debt	36.0 %	41.6 %	49.6 %	48.2 %	41.9 %	40.0 %	24.3 %
Provisions for pensions and similar obligations	2.2 %	2.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	9.6 %	4.4 %	4.6 %	5.8 %	6.6 %	6.1 %	6.6 %
Non-current liabilities	47.8 %	48.2 %	54.1 %	54.0 %	48.5 %	46.2 %	30.9 %
short-term liabilities to banks	4.0 %	14.2 %	10.6 %	8.8 %	10.0 %	9.2 %	11.3 %
Accounts payable	8.4 %	7.8 %	6.7 %	9.1 %	9.4 %	9.6 %	11.5 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	11.5 %	2.6 %	4.3 %	3.8 %	4.4 %	4.0 %	4.3 %
Deferred taxes	4.4 %	2.3 %	1.0 %	0.7 %	0.8 %	0.8 %	0.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	28.3 %	26.9 %	22.6 %	22.4 %	24.5 %	23.6 %	27.9 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	0.9	2.2	2.1	2.3	5.3	8.0	12.0
Depreciation of fixed assets (incl. leases)	7.7	7.5	7.4	7.8	9.0	8.8	8.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.6	2.3	2.3	2.5	2.0	2.0	0.7
Others	-4.7	-1.0	-1.0	0.3	0.0	0.0	0.0
Cash flow from operations before changes in w/c	6.5	10.9	10.8	12.9	16.3	18.8	21.3
Increase/decrease in inventory	-13.1	-11.4	-0.7	-2.9	-2.0	-3.2	-3.9
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	-3.1	-2.8	-3.4
Increase/decrease in accounts payable	5.5	-6.7	-2.5	-1.8	1.9	1.4	1.6
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-7.6	-18.0	-3.3	-4.6	-3.2	-4.7	-5.6
Cash flow from operating activities	-1.2	-7.1	7.6	8.2	13.1	14.1	15.7
CAPEX	3.8	11.0	17.2	7.5	6.0	4.4	4.3
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.3	0.0	0.0	4.3	0.0	0.0	0.0
Income from asset disposals	2.0	3.7	1.4	0.5	0.0	0.0	0.0
Cash flow from investing activities	-2.0	-7.3	-15.9	-11.3	-6.0	-4.4	-4.3
Cash flow before financing	-3.2	-14.5	-8.4	-3.0	7.1	9.7	11.4
Increase/decrease in debt position	0.5	13.7	14.2	-3.7	2.0	2.0	-23.7
Purchase of own shares	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Capital measures	2.6	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	-1.0	-0.9	-0.1	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	-0.4	-0.1	0.0	0.0	0.0
Cash flow from financing activities	2.2	12.5	14.1	-3.7	2.0	2.0	-23.7
Increase/decrease in liquid assets	-1.0	-2.0	5.4	-6.8	9.1	11.7	-12.3
Liquid assets at end of period	7.1	5.1	10.5	3.6	12.8	24.5	12.2

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Domestic	72.9	78.3	88.0	96.2	0.0	0.0	0.0
yoy change	14.4 %	7.4 %	12.3 %	9.3 %	n/a	n/a	n/a
Rest of Europe	5.4	15.5	9.4	11.4	0.0	0.0	0.0
yoy change	-7.6 %	185.6 %	-39.4 %	20.6 %	n/a	n/a	n/a
NAFTA	35.2	55.7	74.1	66.1	0.0	0.0	0.0
yoy change	13.4 %	58.1 %	33.1 %	-10.8 %	n/a	n/a	n/a
Asia Pacific	0.2	0.1	0.9	0.2	0.0	0.0	0.0
yoy change	-69.0 %	-45.8 %	796.2 %	-76.0 %	n/a	n/a	n/a
Rest of world	2.9	4.6	2.4	5.9	0.0	0.0	0.0
yoy change	156.7 %	61.4 %	-48.0 %	143.2 %	n/a	n/a	n/a
TTL	116.7	154.3	174.8	179.8	0.0	0.0	0.0
yoy change	13.9 %	32.2 %	13.3 %	2.8 %	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
P&L growth analysis							
Sales growth	13.9 %	32.2 %	13.3 %	2.8 %	18.4 %	10.7 %	11.5 %
EBITDA growth	155.8 %	31.6 %	-22.2 %	6.1 %	24.2 %	18.7 %	17.5 %
EBIT growth	-238.7 %	63.4 %	-34.4 %	11.8 %	55.4 %	40.2 %	40.7 %
EPS growth	-108.6 %	138.2 %	-1.8 %	-2.1 %	154.5 %	49.4 %	50.5 %
Efficiency							
Total operating costs / sales	89.0 %	87.0 %	90.4 %	91.7 %	89.9 %	89.2 %	88.6 %
Sales per employee	171.6	208.2	177.5	173.9	198.5	210.7	229.6
EBITDA per employee	23.4	28.3	16.5	16.7	20.0	22.8	26.2
Balance sheet analysis							
Avg. working capital / sales	20.9 %	20.8 %	20.7 %	20.4 %	19.1 %	19.6 %	19.5 %
Inventory turnover (sales/inventory)	5.7	6.0	7.4	6.3	7.0	7.0	7.0
Trade debtors in days of sales	59.9	51.6	47.4	46.9	45.0	45.0	45.0
A/P turnover [(A/P*365)/sales]	37.2	26.3	21.5	28.8	22.0	22.0	22.0
Cash conversion cycle (days)	105.8	110.8	96.1	99.4	98.5	98.5	98.3
Cash flow analysis							
Free cash flow	-5.0	-18.2	-9.7	0.7	7.1	9.7	11.4
Free cash flow/sales	-4.3 %	-11.8 %	-5.5 %	0.4 %	3.3 %	4.1 %	4.3 %
FCF / net profit	-618.6 %	-862.2 %	-463.6 %	35.3 %	133.4 %	121.7 %	95.0 %
Capex / depre	39.5 %	113.1 %	176.9 %	114.6 %	54.5 %	40.7 %	46.2 %
Capex / maintenance capex	58.8 %	170.5 %	272.7 %	113.0 %	81.5 %	57.5 %	54.3 %
Capex / sales	3.5 %	7.2 %	9.9 %	6.6 %	2.8 %	1.9 %	1.6 %
Security							
Net debt	49.5	74.3	81.8	84.9	58.0	48.3	36.9
Net Debt/EBITDA	3.1	3.5	5.0	4.9	2.7	1.9	1.2
Net debt / equity	1.6	2.2	2.4	2.4	1.6	1.1	0.7
Interest cover	1.2	1.2	0.9	1.5	2.3	4.1	6.4
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	1.1	1.2	1.3	1.3	1.8	1.9	2.3
Operating assets turnover	1.4	1.7	1.8	1.8	2.3	2.5	2.8
Plant turnover	2.1	2.9	2.8	2.9	4.3	5.2	6.4
Inventory turnover (sales/inventory)	5.7	6.0	7.4	6.3	7.0	7.0	7.0
Returns							
ROCE	5.4 %	7.9 %	4.6 %	5.0 %	8.3 %	12.1 %	17.1 %
ROE	2.5 %	6.2 %	6.1 %	5.5 %	14.6 %	17.9 %	21.2 %
Other							
Interest paid / avg. debt	8.7 %	11.1 %	7.8 %	5.1 %	5.6 %	5.0 %	5.3 %
No. employees (average)	680	741	985	1034	1072	1118	1144
Number of shares	26.4	28.9	29.3	29.5	30.0	30.0	30.0
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.03	0.07	0.07	0.07	0.18	0.27	0.40
Valuation ratios							
P/BV	3.1	3.2	3.2	3.1	3.1	2.5	2.0
EV/sales	1.3	1.2	1.1	1.1	0.8	0.7	0.6
EV/EBITDA	9.5	8.9	11.8	11.3	7.9	6.3	5.0
EV/EBITA	18.4	13.8	21.7	20.7	13.7	9.6	7.0
EV/EBIT	27.0	20.3	32.0	29.1	16.3	11.0	7.2
EV/FCF	-30.4	-10.2	-19.8	280.6	23.9	16.5	13.1
Adjusted FCF yield	6.9 %	8.4 %	6.1 %	5.7 %	8.1 %	9.4 %	11.4 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

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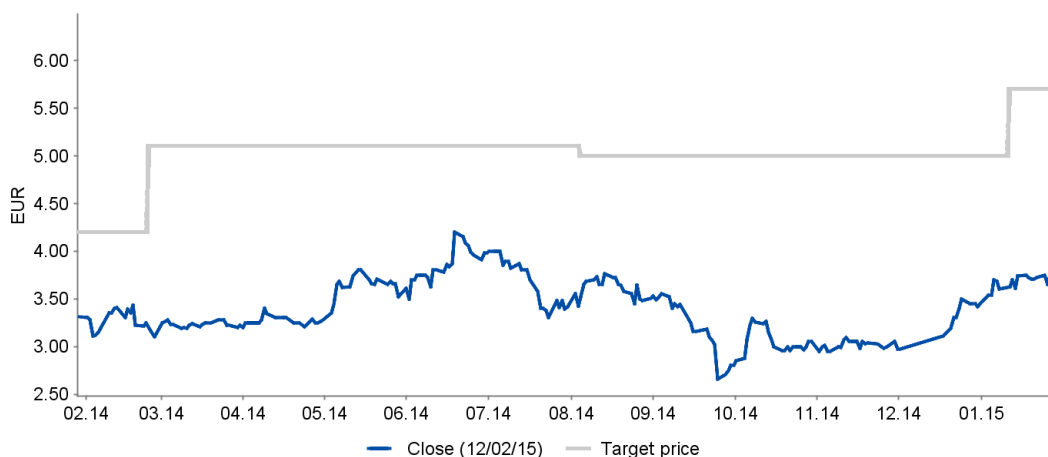
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Company	Disclosure
MS Industrie AG	5

Historical target price and rating changes for MS Industrie AG in the last 12 months

Price and Rating History
MS Industrie AG as of 13/02/15

Initiation coverage
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