

Buy (old: Buy)

Price target: EUR 6.00 (old: EUR 5.70)

Price:	EUR 4.10	Next result:	Q1 May'15
Bloomberg:	MSAG GR	Market cap:	EUR 123.0 m
Reuters:	MSAG.DE	Enterprise Value:	EUR 183.1 m

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Sound FY14 results – outlook increased – chg. In est. & PT

MS Industrie reported FY14 results which came in in-line with expectations. More importantly, management provided a rough guidance for FY15E targeting sales of about € 250m while all relevant profitability figures should improve yoy. The outlook is above our (Old eH&A: sales € 235m) and market expectations (eCons: € 225m).

FY14 sales increased by 21.5% yoy to € 218.5m (eH&A € 213m; eCons € 207m) driven by its core business (Powertrain Technology c. 70% of total sales of which some c. 40% are related to the 'Weltmotor') especially driven by high volumes in the US benefitting from a positive economic environment and subsequent increasing road freight volumes as well as the need for fleet replacement. Moreover, sales have accelerated in Europe due to the introduction of the Euro VI. Most importantly, **the outlook for the core business appears promising** given that Daimler just recently increased its truck unit sales forecast in its core regions (US, NAFTA).

FY14 EBIT increased disproportionately by 47% yoy to € 9.9m (eH&A: € 10.5m; eCons € 10m) carried by higher capacity utilisation in the truck business.

FY EPS increased by 104% yoy to € 0.14 (eH&A: € 0.18; eCons: € 0.16) though slightly below our expectations due to a normalised tax rate (c. 26% vs eH&A 12%) and slightly higher D&A.

Action: We increase our sales estimates to reflect the structurally growing core business especially driven by a strong US business. At the same time we slightly increase D&A estimates and reflect a higher cost base (e.g. R&D). Given the high visibility of the business and the very attractive growth perspective, we roll over valuation to FYFY'16E (Old: average FCFY'15/16E).

Still, we do not reflect the upside potential stemming from a possible expansion of Daimler's Weltmotor into other countries (eH&A: total units for China & Brazil c. 35k which would result in additional sales of c. € 20-25m by 2016E) nor the 'breakthrough' of the Ultrasonic Technology business (welding for the packing machinery industry c. < 2% of total sales) in other than the automotive industries (eH&A: possible order from a large player in the US food industry worth minimum € 10-12.5m).

- continued -

Y/E 31.12 (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	154.3	174.8	179.8	218.5	244.4	270.0	295.1
Sales growth	32 %	13 %	3 %	22 %	12 %	10 %	9 %
EBITDA	20.9	16.3	17.3	21.2	25.3	30.2	34.4
EBIT	9.2	6.0	6.7	9.9	16.3	20.2	25.4
Net income	2.1	2.1	2.0	4.1	9.1	11.7	15.7
Net debt	74.3	81.8	84.9	60.1	50.9	39.1	23.9
Net gearing	218.8 %	237.5 %	237.9 %	169.3 %	113.9 %	69.3 %	33.1 %
Net Debt/EBITDA	3.5	5.0	4.9	2.8	2.0	1.3	0.7
EPS pro forma	0.14	0.09	0.08	0.14	0.30	0.39	0.52
CPS	-0.47	0.03	0.04	0.05	0.16	0.25	0.38
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	42.5 %	42.2 %	45.7 %	42.1 %	43.0 %	43.5 %	43.5 %
EBITDA margin	13.6 %	9.3 %	9.6 %	9.7 %	10.3 %	11.2 %	11.7 %
EBIT margin	6.0 %	3.4 %	3.7 %	4.5 %	6.7 %	7.5 %	8.6 %
ROCE	7.9 %	4.6 %	5.0 %	7.9 %	13.4 %	16.8 %	21.6 %
EV/sales	1.3	1.2	1.1	0.8	0.7	0.6	0.5
EV/EBITDA	9.4	12.4	11.9	8.6	6.9	5.4	4.3
EV/EBIT	21.4	33.7	30.6	18.5	10.7	8.0	5.8
PER	29.1	46.3	54.4	29.8	13.5	10.5	7.8
Adjusted FCF yield	7.9 %	5.7 %	5.4 %	5.7 %	8.0 %	10.1 %	13.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 29.04.2015



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 4.20 / 2.66

Price/Book Ratio: 3.5

Relative performance (SDAX):

3 months -1.3 %

6 months 4.4 %

12 months 5.7 %

Changes in estimates

		Sales	EBIT	EPS
2015	old:	235.5	14.7	0.27
	Δ	3.8%	10.9%	14.2%
2016	old:	262.6	20.6	0.40
	Δ	2.8%	-2.1%	-2.4%
2017	old:	-	-	-
	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 %

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.

MS Industrie AG

Given the high visibility of the business (single source supplier for Daimler) and the appealing growth perspectives, valuation looks undemanding (EV/EBIT 7.7x 2016E adjusted for PPA amortisations). We **confirm our BUY rating with a new PT of € 6.00** (Old € 5.70) **based on FCFY'16E** (Old: average FCFY'15/16E). The new PT of € 6.00 implies an 10.4x EV/EBIT 2016E which is in-line with our automotive coverage.

MS Industrie key figures (EUR m)	Q4 14	Q4 14 est.	Q4 13	yoy	Q3 14	qoq	FY 14	FY 14 est.	FY 13	yoy
Sales	60.4	54.7	50.0	20.7%	53.5	12.8%	218.5	212.8	179.8	21.5%
EBITDA	5.0	5.3	3.5	44.1%	6.0	-16.3%	21.2	21.5	17.3	22.7%
margin	8.3%	9.7%	6.9%	1.3 pp	11.2%	-2.9 pp	9.7%	10.1%	9.6%	0.1 pp
EBIT	2.0	2.6	0.6	262.3%	3.2	-38.0%	9.9	10.5	6.7	47.3%
margin	3.3%	4.8%	1.1%	2.2 pp	6.1%	-2.7 pp	4.5%	4.9%	3.7%	0.8 pp
Net income	0.2	1.4	0.0	-	1.5	-84.5%	4.1	5.3	2.0	109.0%
margin	0.4%	2.6%	0.0%	0.4 pp	2.7%	-2.4 pp	1.9%	2.5%	1.1%	0.8 pp
EPS	0.0	0.0	0.0	-	0.1	-84.8%	0.14	0.2	0.1	96.6%

Source: Company data; Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Net sales	154.3	174.8	179.8	218.5	244.4	270.0	295.1
<i>Sales growth</i>	32.2 %	13.3 %	2.8 %	21.5 %	11.9 %	10.5 %	9.3 %
Increase/decrease in finished goods and work-in-process	0.9	-0.6	2.3	1.8	0.0	0.0	0.0
Total sales	155.2	174.3	182.1	220.2	244.4	270.0	295.1
Other operating income	10.9	6.4	4.5	4.5	4.0	4.0	4.0
Material expenses	89.2	100.7	98.9	127.4	139.3	152.6	166.7
Personnel expenses	33.2	38.0	42.1	47.7	52.6	57.5	62.6
Other operating expenses	22.8	25.8	28.3	28.4	31.3	33.8	35.4
Total operating expenses	134.3	158.0	164.8	199.0	219.2	239.8	260.7
EBITDA	20.9	16.3	17.3	21.2	25.3	30.2	34.4
Depreciation	7.5	7.4	7.8	9.3	7.0	9.3	8.8
EBITA	13.5	8.9	9.4	11.9	18.3	20.9	25.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.3	2.3	2.5	2.0	2.0	0.7	0.2
Impairment charges	2.0	0.5	0.3	0.0	0.0	0.0	0.0
EBIT	9.2	6.0	6.7	9.9	16.3	20.2	25.4
Interest income	0.1	1.4	0.3	0.3	0.0	0.0	0.0
Interest expenses	7.5	6.7	4.6	4.6	3.6	3.2	2.6
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-7.4	-5.3	-4.3	-4.3	-3.6	-3.2	-2.6
Recurring pretax income from continuing operations	1.8	0.7	2.4	5.6	12.7	17.0	22.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	1.8	0.7	2.4	5.6	12.7	17.0	22.8
Taxes	-0.4	-1.3	0.2	1.4	3.5	5.3	7.1
Net income from continuing operations	2.2	2.1	2.3	4.1	9.1	11.7	15.7
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.2	2.1	2.3	4.1	9.1	11.7	15.7
Minority interest	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Net income (net of minority interest)	2.1	2.1	2.0	4.1	9.1	11.7	15.7
Average number of shares	28.9	29.3	29.5	30.0	30.0	30.0	30.0
EPS reported	0.07	0.07	0.07	0.14	0.30	0.39	0.52

Profit and loss (common size)	2011	2012	2013	2014	2015E	2016E	2017E
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	0.6 %	-0.3 %	1.3 %	0.8 %	0.0 %	0.0 %	0.0 %
Total sales	100.6 %	99.7 %	101.3 %	100.8 %	100.0 %	100.0 %	100.0 %
Other operating income	7.1 %	3.7 %	2.5 %	2.1 %	1.6 %	1.5 %	1.4 %
Material expenses	57.8 %	57.6 %	55.0 %	58.3 %	57.0 %	56.5 %	56.5 %
Personnel expenses	21.5 %	21.7 %	23.4 %	21.8 %	21.5 %	21.3 %	21.2 %
Other operating expenses	14.8 %	14.8 %	15.7 %	13.0 %	12.8 %	12.5 %	12.0 %
Total operating expenses	87.0 %	90.4 %	91.7 %	91.1 %	89.7 %	88.8 %	88.3 %
EBITDA	13.6 %	9.3 %	9.6 %	9.7 %	10.3 %	11.2 %	11.7 %
Depreciation	4.8 %	4.3 %	4.4 %	4.3 %	2.9 %	3.4 %	3.0 %
EBITA	8.7 %	5.1 %	5.2 %	5.5 %	7.5 %	7.7 %	8.7 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.5 %	1.3 %	1.4 %	0.9 %	0.8 %	0.3 %	0.1 %
Impairment charges	1.3 %	0.3 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	6.0 %	3.4 %	3.7 %	4.5 %	6.7 %	7.5 %	8.6 %
Interest income	0.1 %	0.8 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	4.9 %	3.8 %	2.5 %	2.1 %	1.5 %	1.2 %	0.9 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-4.8 %	-3.0 %	-2.4 %	-2.0 %	-1.5 %	-1.2 %	-0.9 %
Recurring pretax income from continuing operations	1.2 %	0.4 %	1.4 %	2.6 %	5.2 %	6.3 %	7.7 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	1.2 %	0.4 %	1.4 %	2.6 %	5.2 %	6.3 %	7.7 %
Tax rate	-20.4 %	-177.6 %	6.5 %	25.8 %	28.0 %	31.0 %	31.0 %
Net income from continuing operations	1.4 %	1.2 %	1.3 %	1.9 %	3.7 %	4.3 %	5.3 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	1.4 %	1.2 %	1.3 %	1.9 %	3.7 %	4.3 %	5.3 %
Minority interest	0.0 %	0.0 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	1.4 %	1.2 %	1.1 %	1.9 %	3.7 %	4.3 %	5.3 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	9.6	7.7	6.2	4.2	2.2	1.5	1.3
Property, plant and equipment	52.9	63.1	61.8	49.5	46.0	41.3	36.9
Financial assets	11.1	14.3	23.2	4.0	4.0	4.0	4.0
FIXED ASSETS	73.5	85.1	91.1	57.6	52.1	46.8	42.2
Inventories	25.6	23.7	28.4	31.2	34.9	38.6	42.2
Accounts receivable	21.8	22.7	23.1	26.9	30.1	33.3	36.4
Other current assets	16.1	10.4	8.5	8.5	8.5	8.5	8.5
Liquid assets	5.1	10.5	3.6	10.7	21.9	10.0	15.2
Deferred taxes	0.2	1.0	0.6	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	68.7	68.2	64.3	78.0	96.2	91.1	102.9
TOTAL ASSETS	142.2	153.3	155.5	135.6	148.3	137.9	145.1
SHAREHOLDERS EQUITY	34.0	34.4	35.7	35.5	44.6	56.4	72.1
MINORITY INTEREST	1.5	1.3	0.9	0.0	0.0	0.0	0.0
Long-term debt	59.1	76.0	74.9	57.2	59.2	33.5	35.5
Provisions for pensions and similar obligations	3.2	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	6.2	7.0	9.1	9.1	9.1	9.1	9.1
Non-current liabilities	68.5	83.0	84.0	66.3	68.3	42.6	44.6
short-term liabilities to banks	20.2	16.2	13.6	13.6	13.6	15.6	3.6
Accounts payable	11.1	10.3	14.2	13.2	14.7	16.3	17.8
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)	3.7	6.5	5.9	5.9	5.9	5.9	5.9
Deferred taxes	3.3	1.6	1.1	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	38.3	34.6	34.9	33.8	35.4	39.0	28.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	142.2	153.3	155.5	135.6	148.3	137.9	145.1

Balance sheet (common size)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	6.7 %	5.0 %	4.0 %	3.1 %	1.5 %	1.1 %	0.9 %
Property, plant and equipment	37.2 %	41.2 %	39.7 %	36.5 %	31.0 %	30.0 %	25.4 %
Financial assets	7.8 %	9.3 %	14.9 %	3.0 %	2.7 %	2.9 %	2.8 %
FIXED ASSETS	51.7 %	55.5 %	58.6 %	42.5 %	35.2 %	33.9 %	29.1 %
Inventories	18.0 %	15.5 %	18.3 %	23.0 %	23.5 %	28.0 %	29.1 %
Accounts receivable	15.3 %	14.8 %	14.9 %	19.9 %	20.3 %	24.1 %	25.1 %
Other current assets	11.3 %	6.8 %	5.5 %	6.3 %	5.8 %	6.2 %	5.9 %
Liquid assets	3.6 %	6.8 %	2.3 %	7.9 %	14.8 %	7.3 %	10.5 %
Deferred taxes	0.2 %	0.6 %	0.4 %	0.5 %	0.4 %	0.5 %	0.4 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	48.3 %	44.5 %	41.4 %	57.5 %	64.8 %	66.1 %	70.9 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	23.9 %	22.5 %	23.0 %	26.2 %	30.1 %	40.9 %	49.7 %
MINORITY INTEREST	1.0 %	0.8 %	0.6 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	41.6 %	49.6 %	48.2 %	42.2 %	39.9 %	24.3 %	24.4 %
Provisions for pensions and similar obligations	2.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	4.4 %	4.6 %	5.8 %	6.7 %	6.1 %	6.6 %	6.3 %
Non-current liabilities	48.2 %	54.1 %	54.0 %	48.9 %	46.0 %	30.9 %	30.7 %
short-term liabilities to banks	14.2 %	10.6 %	8.8 %	10.0 %	9.2 %	11.3 %	2.5 %
Accounts payable	7.8 %	6.7 %	9.1 %	9.7 %	9.9 %	11.8 %	12.3 %
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)	2.6 %	4.3 %	3.8 %	4.4 %	4.0 %	4.3 %	4.1 %
Deferred taxes	2.3 %	1.0 %	0.7 %	0.8 %	0.8 %	0.8 %	0.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	26.9 %	22.6 %	22.4 %	25.0 %	23.9 %	28.3 %	19.6 %
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)	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	2.2	2.1	2.3	4.1	9.1	11.7	15.7
Depreciation of fixed assets (incl. leases)	7.5	7.4	7.8	9.3	7.0	9.3	8.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.3	2.3	2.5	2.0	2.0	0.7	0.2
Others	-1.0	-1.0	0.3	0.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	10.9	10.8	12.9	15.4	18.1	21.7	24.7
Increase/decrease in inventory	-11.4	-0.7	-2.9	-2.8	-3.7	-3.7	-3.6
Increase/decrease in accounts receivable	0.0	0.0	0.0	-3.8	-3.2	-3.2	-3.1
Increase/decrease in accounts payable	-6.7	-2.5	-1.8	2.2	1.6	1.5	1.5
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	-18.0	-3.3	-4.6	-4.4	-5.3	-5.3	-5.2
Cash flow from operating activities	-7.1	7.6	8.2	11.0	12.8	16.5	19.6
CAPEX	11.0	17.2	7.5	6.0	3.5	4.7	4.4
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	4.3	0.0	0.0	0.0	0.0
Income from asset disposals	3.7	1.4	0.5	0.0	0.0	0.0	0.0
Cash flow from investing activities	-7.3	-15.9	-11.3	-6.0	-3.5	-4.7	-4.4
Cash flow before financing	-14.5	-8.4	-3.0	5.0	9.3	11.8	15.2
Increase/decrease in debt position	13.7	14.2	-3.7	2.0	2.0	-23.7	-10.0
Purchase of own shares	0.3	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	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	-0.9	-0.1	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	-0.4	-0.1	0.0	0.0	0.0	0.0
Cash flow from financing activities	12.5	14.1	-3.7	2.0	2.0	-23.7	-10.0
Increase/decrease in liquid assets	-2.0	5.4	-6.8	7.0	11.3	-11.9	5.2
Liquid assets at end of period	5.1	10.5	3.6	10.7	21.9	10.0	15.2

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Domestic	78.3	88.0	96.2	0.0	0.0	0.0	0.0
yoy change	7.4 %	12.3 %	9.3 %	n/a	n/a	n/a	n/a
Rest of Europe	15.5	9.4	11.4	0.0	0.0	0.0	0.0
yoy change	185.6 %	-39.4 %	20.6 %	n/a	n/a	n/a	n/a
NAFTA	55.7	74.1	66.1	0.0	0.0	0.0	0.0
yoy change	58.1 %	33.1 %	-10.8 %	n/a	n/a	n/a	n/a
Asia Pacific	0.1	0.9	0.2	0.0	0.0	0.0	0.0
yoy change	-45.8 %	796.2 %	-76.0 %	n/a	n/a	n/a	n/a
Rest of world	4.6	2.4	5.9	0.0	0.0	0.0	0.0
yoy change	61.4 %	-48.0 %	143.2 %	n/a	n/a	n/a	n/a
TTL	154.3	174.8	179.8	0.0	0.0	0.0	0.0
yoy change	32.2 %	13.3 %	2.8 %	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
P&L growth analysis							
Sales growth	32.2 %	13.3 %	2.8 %	21.5 %	11.9 %	10.5 %	9.3 %
EBITDA growth	31.6 %	-22.2 %	6.1 %	22.7 %	19.2 %	19.5 %	13.9 %
EBIT growth	63.4 %	-34.4 %	11.8 %	47.3 %	64.1 %	24.1 %	25.8 %
EPS growth	138.2 %	-1.8 %	-2.1 %	96.6 %	120.9 %	28.6 %	34.2 %
Efficiency							
Total operating costs / sales	87.0 %	90.4 %	91.7 %	91.1 %	89.7 %	88.8 %	88.3 %
Sales per employee	208.2	177.5	173.9	203.8	218.7	236.0	257.9
EBITDA per employee	28.3	16.5	16.7	19.8	22.6	26.4	30.1
Balance sheet analysis							
Avg. working capital / sales	20.8 %	20.7 %	20.4 %	18.8 %	19.5 %	19.6 %	19.7 %
Inventory turnover (sales/inventory)	6.0	7.4	6.3	7.0	7.0	7.0	7.0
Trade debtors in days of sales	51.6	47.4	46.9	45.0	45.0	45.0	45.0
A/P turnover [(A/P*365)/sales]	26.3	21.5	28.8	22.0	22.0	22.0	22.0
Cash conversion cycle (days)	110.8	96.1	99.4	96.7	97.9	98.4	98.4
Cash flow analysis							
Free cash flow	-18.2	-9.7	0.7	5.0	9.3	11.8	15.2
Free cash flow/sales	-11.8 %	-5.5 %	0.4 %	2.3 %	3.8 %	4.4 %	5.1 %
FCF / net profit	-862.2 %	-463.6 %	35.3 %	122.1 %	101.7 %	100.7 %	96.4 %
Capex / depre	113.1 %	176.9 %	114.6 %	53.2 %	38.9 %	46.5 %	48.9 %
Capex / maintenance capex	170.5 %	272.7 %	113.0 %	62.5 %	43.2 %	51.7 %	54.3 %
Capex / sales	7.2 %	9.9 %	6.6 %	2.7 %	1.4 %	1.7 %	1.5 %
Security							
Net debt	74.3	81.8	84.9	60.1	50.9	39.1	23.9
Net Debt/EBITDA	3.5	5.0	4.9	2.8	2.0	1.3	0.7
Net debt / equity	2.2	2.4	2.4	1.7	1.1	0.7	0.3
Interest cover	1.2	0.9	1.5	2.2	4.5	6.3	9.8
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	1.2	1.3	1.3	1.9	1.9	2.4	2.5
Operating assets turnover	1.7	1.8	1.8	2.3	2.5	2.8	3.0
Plant turnover	2.9	2.8	2.9	4.4	5.3	6.5	8.0
Inventory turnover (sales/inventory)	6.0	7.4	6.3	7.0	7.0	7.0	7.0
Returns							
ROCE	7.9 %	4.6 %	5.0 %	7.9 %	13.4 %	16.8 %	21.6 %
ROE	6.2 %	6.1 %	5.5 %	11.6 %	20.4 %	20.8 %	21.8 %
Other							
Interest paid / avg. debt	11.1 %	7.8 %	5.1 %	5.8 %	5.0 %	5.3 %	5.9 %
No. employees (average)	741	985	1034	1072	1118	1144	1144
Number of shares	28.9	29.3	29.5	30.0	30.0	30.0	30.0
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.07	0.07	0.07	0.14	0.30	0.39	0.52
Valuation ratios							
P/BV	3.5	3.5	3.4	3.5	2.8	2.2	1.7
EV/sales	1.3	1.2	1.1	0.8	0.7	0.6	0.5
EV/EBITDA	9.4	12.4	11.9	8.6	6.9	5.4	4.3
EV/EBITA	14.6	22.9	21.8	15.4	9.5	7.8	5.7
EV/EBIT	21.4	33.7	30.6	18.5	10.7	8.0	5.8
EV/FCF	-10.8	-20.9	295.4	36.3	18.8	13.7	9.7
Adjusted FCF yield	7.9 %	5.7 %	5.4 %	5.7 %	8.0 %	10.1 %	13.5 %
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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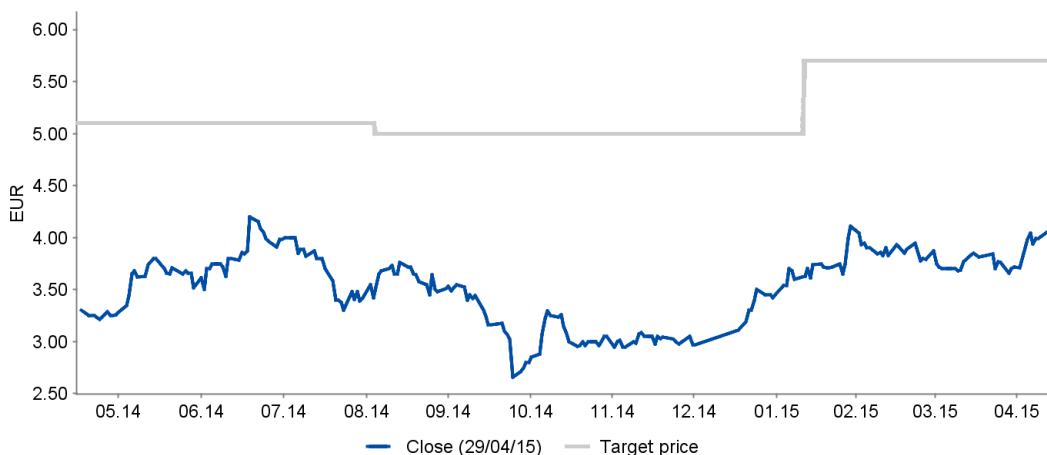
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Company	Disclosure
MS Industrie AG	5

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

Price and Rating History
MS Industrie AG as of 30/04/15

Initiation coverage
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