

Buy (old: Buy)

Price target: EUR 5.50 (old: EUR 5.50)

Price:	EUR 2.86	Next result:	Q2 08/16
Bloomberg:	MSAG GR	Market cap:	EUR 85.7 m
Reuters:	MSAG.DE	Enterprise Value:	EUR 153.3 m

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Christian Glowa
Analyst

christian.glowa@ha-research.de
Tel.: +49 40 414 3885 95

Lacklustre Q1 results – outlook to turn more positive

Yesterday, MS Industrie reported lacklustre Q1 results which came in largely in line with our expectations. While the top line development was characterised by the postponement of Ultrasonic deliveries, the operating result was burdened by temporary one-off costs. **Management confirmed its FY16 guidance** targeting sales of € 270m (eH&A € 278m) while all relevant earning figures should grow yoy.

Q1 sales remained unchanged yoy at € 62.4m. Sales of the Powertrain business (c. 74% of total sales) increased by 3% yoy carried by the strong truck market development in Europe largely overcompensating headwinds in the US (class 8 truck market is expected to decline by c. 25% yoy to 235k units in 2016). However, sales of the Ultrasonic business (c. 20% of total sales) declined by 35% yoy due to postponements of delivery of Ultrasonic special machines into Q2.

Q1 EBIT declined by c. 21% yoy to € 2.7m burdened by € 1m temporary one-off costs (€ 0.6m FX headwind, € 0.6m relocation costs partly offset by € 0.2m reimbursement from costs arising from the insolvency of a supplier). Adjusted for these costs, EBIT would have developed largely stable yoy translating into a sound EBIT-margin of 5.9%.

Outlook: The order backlog increased to € 130m as per end of April carried by the Powertrain business (+9% yoy) but also by an increasing ramp-up of the Ultrasonic business (+44% yoy). Considering the inventory build-up of Ultrasonic special machines in Q1, which are due to deliver in Mai/June, we expect a **catch-up effect in Q2**. This should be supported by the launch of a new standard welding machine in Oct.

The Powertrain business looks set to develop dynamically carried by the healthy truck market development in the EU (new registrations for trucks > 16t +22% yoy in April). This is seen to largely compensate for headwinds in an overall contracting US truck market (*pls also refer to our update date May 20*). Moreover, the ramp-up of the Aftermarket business in the US should fuel growth and plant loading respectively.

The newsflow should turn even more positive in H2 on the basis of (1) fading one-off costs (eH&A € 0.2m in Q2; relocation is running according to plan) and (2) a positive product mix following the launch of a new welding machine (the Ultrasonic business and components business is seen to carry an EBITDA-margin > 20% vs 9.5% on group level). **Valuation looks undemanding trading at 8.8x EV/ EBIT 2017E. The stock remains a BUY with a PT € 5.50 based on FCFY 2017.** – continued-



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	4.93 / 2.85
Price/Book Ratio:	1.6
Relative performance (SDAX):	
3 months	-17.3 %
6 months	-31.0 %
12 months	-41.6 %

Changes in estimates

		Sales	EBIT	EPS
2016	old:	278.0	13.3	0.24
	Δ	-	-	-
2017	old:	296.3	16.4	0.33
	Δ	-	-	-
2018	old:	310.3	18.0	0.36
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	30.0
Authorised capital: (in € m)	9.7
Book value per share: (in €)	1.8
Ø trading volume: (12 months)	52,941

Major shareholders:

Free Float	57.0 %
MS ProActive	20.0 %
Management	10.0 %
Ruffer, LLP	5.0 %
Allianz GI	5.0 %
Dreyer Ventures & Management	3.0 %

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.

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	174.8	179.8	218.5	274.4	278.0	296.3	310.3
Sales growth	13 %	3 %	22 %	26 %	1 %	7 %	5 %
EBITDA	16.3	17.3	21.2	21.0	25.6	29.8	32.0
EBIT	6.0	6.7	9.9	9.1	13.3	16.4	18.0
Net income	2.1	2.0	4.1	3.5	7.1	9.8	10.7
Net debt	81.8	84.9	66.4	58.8	66.1	57.7	45.5
Net gearing	237.5 %	237.9 %	158.7 %	124.6 %	123.9 %	91.4 %	61.6 %
Net Debt/EBITDA	5.0	4.9	3.1	2.8	2.6	1.9	1.4
EPS pro forma	0.09	0.08	0.14	0.12	0.24	0.33	0.36
CPS	0.03	0.04	-0.04	0.46	0.17	0.40	0.41
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	42.2 %	45.7 %	42.1 %	39.1 %	43.2 %	42.8 %	42.8 %
EBITDA margin	9.3 %	9.6 %	9.7 %	7.7 %	9.2 %	10.0 %	10.3 %
EBIT margin	3.4 %	3.7 %	4.5 %	3.3 %	4.8 %	5.5 %	5.8 %
ROCE	4.6 %	5.0 %	7.9 %	7.6 %	10.5 %	11.8 %	11.9 %
EV/sales	0.9	0.9	0.7	0.5	0.6	0.5	0.4
EV/EBITDA	10.2	9.8	7.2	7.0	6.0	4.9	4.2
EV/EBIT	27.6	25.1	15.3	16.1	11.5	8.8	7.4
PER	32.2	37.9	20.8	24.8	12.0	8.7	8.0
Adjusted FCF yield	7.1 %	6.7 %	8.7 %	7.5 %	9.9 %	12.1 %	14.3 %

Source: Company data, Hauck & Aufhäuser Close price as of: 31.05.2016

MS Industrie AG

MS Industrie reported <i>key figures (EUR m)</i>	Q1 2016	Q1 2015	yoy
Total sales	62.4	62.2	0.3%
<i>Industrial sales*</i>	-187.1	-158.1	18.3%
EBITDA	5.9	6.2	-4.8%
<i>EBITDA-margin</i>	9.5%	10.0%	-0.5 pp
EBIT	2.7	3.4	-20.6%
<i>EBIT-margin</i>	4.3%	5.5%	-1.1 pp
EPS	0.05	0.05	0.0 pp

Source: Company data; Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Net sales	174.8	179.8	218.5	274.4	278.0	296.3	310.3
<i>Sales growth</i>	13.3 %	2.8 %	21.5 %	25.6 %	1.3 %	6.6 %	4.7 %
Increase/decrease in finished goods and work-in-process	-0.6	2.3	1.8	2.6	0.0	0.0	0.0
Total sales	174.3	182.1	220.2	277.1	278.0	296.3	310.3
Other operating income	6.4	4.5	4.5	4.7	4.0	4.0	4.0
Material expenses	100.7	98.9	127.4	168.8	158.0	169.5	177.4
Personnel expenses	38.0	42.1	47.7	56.2	59.5	62.5	65.5
Other operating expenses	25.8	28.3	28.4	35.7	38.9	38.5	39.4
Total operating expenses	158.0	164.8	199.0	256.0	252.5	266.5	278.3
EBITDA	16.3	17.3	21.2	21.0	25.6	29.8	32.0
Depreciation	7.4	7.8	9.3	9.9	11.5	13.1	13.8
EBITA	8.9	9.4	11.9	11.1	14.0	16.6	18.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.3	2.5	2.0	2.0	0.7	0.2	0.2
Impairment charges	0.5	0.3	0.0	0.0	0.0	0.0	0.0
EBIT	6.0	6.7	9.9	9.1	13.3	16.4	18.0
Interest income	1.4	0.3	0.3	1.0	0.0	0.0	0.0
Interest expenses	6.7	4.6	4.6	3.8	3.0	2.0	2.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-5.3	-4.3	-4.3	-2.8	-3.0	-2.0	-2.0
Recurring pretax income from continuing operations	0.7	2.4	5.6	6.3	10.3	14.4	16.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.7	2.4	5.6	6.3	10.3	14.4	16.0
Taxes	-1.3	0.2	1.4	2.9	3.2	4.6	5.3
Net income from continuing operations	2.1	2.3	4.1	3.4	7.1	9.8	10.7
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.1	2.3	4.1	3.4	7.1	9.8	10.7
Minority interest	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Net income (net of minority interest)	2.1	2.0	4.1	3.5	7.1	9.8	10.7
Average number of shares	29.3	29.5	30.0	30.0	30.0	30.0	30.0
EPS reported	0.07	0.07	0.14	0.12	0.24	0.33	0.36

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
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	-0.3 %	1.3 %	0.8 %	1.0 %	0.0 %	0.0 %	0.0 %
Total sales	99.7 %	101.3 %	100.8 %	101.0 %	100.0 %	100.0 %	100.0 %
Other operating income	3.7 %	2.5 %	2.1 %	1.7 %	1.4 %	1.4 %	1.3 %
Material expenses	57.6 %	55.0 %	58.3 %	61.5 %	56.8 %	57.2 %	57.2 %
Personnel expenses	21.7 %	23.4 %	21.8 %	20.5 %	21.4 %	21.1 %	21.1 %
Other operating expenses	14.8 %	15.7 %	13.0 %	13.0 %	14.0 %	13.0 %	12.7 %
Total operating expenses	90.4 %	91.7 %	91.1 %	93.3 %	90.8 %	90.0 %	89.7 %
EBITDA	9.3 %	9.6 %	9.7 %	7.7 %	9.2 %	10.0 %	10.3 %
Depreciation	4.3 %	4.4 %	4.3 %	3.6 %	4.1 %	4.4 %	4.4 %
EBITA	5.1 %	5.2 %	5.5 %	4.0 %	5.1 %	5.6 %	5.9 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.3 %	1.4 %	0.9 %	0.7 %	0.3 %	0.1 %	0.1 %
Impairment charges	0.3 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	3.4 %	3.7 %	4.5 %	3.3 %	4.8 %	5.5 %	5.8 %
Interest income	0.8 %	0.2 %	0.1 %	0.4 %	0.0 %	0.0 %	0.0 %
Interest expenses	3.8 %	2.5 %	2.1 %	1.4 %	1.1 %	0.7 %	0.6 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-3.0 %	-2.4 %	-2.0 %	-1.0 %	-1.1 %	-0.7 %	-0.6 %
Recurring pretax income from continuing operations	0.4 %	1.4 %	2.6 %	2.3 %	3.7 %	4.9 %	5.2 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	0.4 %	1.4 %	2.6 %	2.3 %	3.7 %	4.9 %	5.2 %
Tax rate	-177.6 %	6.5 %	25.8 %	45.3 %	31.0 %	32.0 %	33.0 %
Net income from continuing operations	1.2 %	1.3 %	1.9 %	1.3 %	2.6 %	3.3 %	3.5 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	1.2 %	1.3 %	1.9 %	1.3 %	2.6 %	3.3 %	3.5 %
Minority interest	0.0 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	1.2 %	1.1 %	1.9 %	1.3 %	2.6 %	3.3 %	3.5 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	7.7	6.2	4.6	4.2	3.5	3.3	3.1
Property, plant and equipment	63.1	61.8	48.4	58.4	66.8	66.7	62.9
Financial assets	14.3	23.2	16.1	14.4	14.4	14.4	14.4
FIXED ASSETS	85.1	91.1	69.1	77.0	84.7	84.4	80.4
Inventories	23.7	28.4	31.8	39.8	40.3	42.9	45.0
Accounts receivable	22.7	23.1	27.0	25.5	30.5	32.5	34.0
Other current assets	10.4	8.5	6.1	4.2	4.2	4.2	4.2
Liquid assets	10.5	3.6	3.5	2.4	1.3	11.7	23.9
Deferred taxes	1.0	0.6	0.9	0.8	0.8	0.8	0.8
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	68.2	64.3	69.2	72.6	77.1	92.1	107.8
TOTAL ASSETS	153.3	155.5	138.3	149.6	161.8	176.5	188.3
SHAREHOLDERS EQUITY	34.4	35.7	41.8	47.2	53.3	63.1	73.9
MINORITY INTEREST	1.3	0.9	0.0	0.0	0.0	0.0	0.0
Long-term debt	76.0	74.9	59.2	52.0	46.2	48.2	48.2
Provisions for pensions and similar obligations	0.0	0.0	0.0	1.6	1.6	1.6	1.6
Other provisions	7.0	9.1	5.8	11.4	11.4	11.4	11.4
Non-current liabilities	83.0	84.0	64.9	64.9	59.2	61.2	61.2
short-term liabilities to banks	16.2	13.6	10.7	9.2	21.2	21.2	21.2
Accounts payable	10.3	14.2	11.3	19.1	19.0	21.9	23.0
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)	6.5	5.9	8.2	6.4	6.4	6.4	6.4
Deferred taxes	1.6	1.1	1.3	2.7	2.7	2.7	2.7
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	34.6	34.9	31.5	37.4	49.3	52.2	53.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	153.3	155.5	138.3	149.6	161.8	176.5	188.3

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	5.0 %	4.0 %	3.3 %	2.8 %	2.1 %	1.8 %	1.6 %
Property, plant and equipment	41.2 %	39.7 %	35.0 %	39.0 %	41.3 %	37.8 %	33.4 %
Financial assets	9.3 %	14.9 %	11.6 %	9.7 %	8.9 %	8.2 %	7.7 %
FIXED ASSETS	55.5 %	58.6 %	50.0 %	51.5 %	52.4 %	47.8 %	42.7 %
Inventories	15.5 %	18.3 %	23.0 %	26.6 %	24.9 %	24.3 %	23.9 %
Accounts receivable	14.8 %	14.9 %	19.5 %	17.1 %	18.8 %	18.4 %	18.1 %
Other current assets	6.8 %	5.5 %	4.4 %	2.8 %	2.6 %	2.4 %	2.2 %
Liquid assets	6.8 %	2.3 %	2.5 %	1.6 %	0.8 %	6.6 %	12.7 %
Deferred taxes	0.6 %	0.4 %	0.6 %	0.5 %	0.5 %	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	44.5 %	41.4 %	50.0 %	48.6 %	47.6 %	52.2 %	57.3 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	22.5 %	23.0 %	30.3 %	31.6 %	33.0 %	35.8 %	39.2 %
MINORITY INTEREST	0.8 %	0.6 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	49.6 %	48.2 %	42.8 %	34.8 %	28.6 %	27.3 %	25.6 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	1.1 %	1.0 %	0.9 %	0.8 %
Other provisions	4.6 %	5.8 %	4.2 %	7.6 %	7.0 %	6.4 %	6.0 %
Non-current liabilities	54.1 %	54.0 %	47.0 %	43.4 %	36.6 %	34.7 %	32.5 %
short-term liabilities to banks	10.6 %	8.8 %	7.7 %	6.2 %	13.1 %	12.0 %	11.3 %
Accounts payable	6.7 %	9.1 %	8.2 %	12.8 %	11.8 %	12.4 %	12.2 %
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)	4.3 %	3.8 %	5.9 %	4.3 %	4.0 %	3.6 %	3.4 %
Deferred taxes	1.0 %	0.7 %	1.0 %	1.8 %	1.6 %	1.5 %	1.4 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	22.6 %	22.4 %	22.8 %	25.0 %	30.5 %	29.6 %	28.3 %
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)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	2.1	2.3	4.1	3.4	7.1	9.8	10.7
Depreciation of fixed assets (incl. leases)	7.4	7.8	9.3	9.9	11.5	13.1	13.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.3	2.5	2.0	2.0	0.7	0.2	0.2
Others	-1.0	0.3	-1.7	5.5	0.0	0.0	0.0
Cash flow from operations before changes in w/c	10.8	12.9	13.7	20.8	19.4	23.1	24.7
Increase/decrease in inventory	-0.7	-2.9	-3.4	-8.0	-0.5	-2.6	-2.0
Increase/decrease in accounts receivable	0.0	0.0	-3.9	1.5	-5.0	-2.0	-1.5
Increase/decrease in accounts payable	-2.5	-1.8	0.4	7.8	-0.1	2.9	1.0
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	-3.3	-4.6	-6.9	1.3	-5.6	-1.8	-2.5
Cash flow from operating activities	7.6	8.2	6.8	22.2	13.8	21.4	22.2
CAPEX	17.2	7.5	5.6	19.8	20.0	13.0	10.0
Payments for acquisitions	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Financial investments	0.0	4.3	0.1	0.0	0.0	0.0	0.0
Income from asset disposals	1.4	0.5	5.2	0.3	0.0	0.0	0.0
Cash flow from investing activities	-15.9	-11.3	-0.4	-19.5	-20.0	-13.0	-10.0
Cash flow before financing	-8.4	-3.0	6.4	2.7	-6.2	8.4	12.2
Increase/decrease in debt position	14.2	-3.7	-6.6	-8.7	6.2	2.0	0.0
Purchase of own shares	0.0	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	-0.1	0.0	0.0	4.9	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.4	-0.1	0.1	-1.1	0.0	0.0	0.0
Cash flow from financing activities	14.1	-3.7	-6.6	-3.8	6.2	2.0	0.0
Increase/decrease in liquid assets	5.4	-6.8	-0.1	-2.2	0.0	10.4	12.2
Liquid assets at end of period	10.5	3.6	3.5	1.3	1.3	11.7	23.9

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Domestic	88.0	96.2	0.0	0.0	0.0	0.0	0.0
yoy change	12.3 %	9.3 %	n/a	n/a	n/a	n/a	n/a
Rest of Europe	9.4	11.4	0.0	0.0	0.0	0.0	0.0
yoy change	-39.4 %	20.6 %	n/a	n/a	n/a	n/a	n/a
NAFTA	74.1	66.1	0.0	0.0	0.0	0.0	0.0
yoy change	33.1 %	-10.8 %	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.9	0.2	0.0	0.0	0.0	0.0	0.0
yoy change	796.2 %	-76.0 %	n/a	n/a	n/a	n/a	n/a
Rest of world	2.4	5.9	0.0	0.0	0.0	0.0	0.0
yoy change	-48.0 %	143.2 %	n/a	n/a	n/a	n/a	n/a
TTL	174.8	179.8	0.0	0.0	0.0	0.0	0.0
yoy change	13.3 %	2.8 %	n/a	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
P&L growth analysis							
Sales growth	13.3 %	2.8 %	21.5 %	25.6 %	1.3 %	6.6 %	4.7 %
EBITDA growth	-22.2 %	6.1 %	22.7 %	-0.9 %	21.7 %	16.3 %	7.5 %
EBIT growth	-34.4 %	11.8 %	47.3 %	-8.2 %	46.7 %	23.1 %	9.7 %
EPS growth	-1.8 %	-2.1 %	96.6 %	-16.2 %	106.4 %	37.4 %	9.4 %
Efficiency							
Total operating costs / sales	90.4 %	91.7 %	91.1 %	93.3 %	90.8 %	90.0 %	89.7 %
Sales per employee	177.5	173.9	203.8	245.6	243.0	259.0	271.3
EBITDA per employee	16.5	16.7	19.8	18.8	22.4	26.0	28.0
Balance sheet analysis							
Avg. working capital / sales	20.7 %	20.4 %	19.4 %	17.1 %	17.6 %	17.8 %	17.6 %
Inventory turnover (sales/inventory)	7.4	6.3	6.9	6.9	6.9	6.9	6.9
Trade debtors in days of sales	47.4	46.9	45.1	33.9	40.0	40.0	40.0
A/P turnover [(A/P*365)/sales]	21.5	28.8	18.9	25.5	25.0	27.0	27.0
Cash conversion cycle (days)	96.1	99.4	103.8	78.5	89.1	85.3	85.3
Cash flow analysis							
Free cash flow	-9.7	0.7	1.2	2.4	-6.2	8.4	12.2
Free cash flow/sales	-5.5 %	0.4 %	0.5 %	0.9 %	-2.2 %	2.8 %	3.9 %
FCF / net profit	-463.6 %	35.3 %	28.7 %	69.8 %	-87.0 %	85.4 %	113.3 %
Capex / depre	176.9 %	114.6 %	50.7 %	165.9 %	163.5 %	97.5 %	71.6 %
Capex / maintenance capex	272.7 %	113.0 %	71.4 %	236.9 %	233.5 %	139.3 %	102.3 %
Capex / sales	9.9 %	6.6 %	2.6 %	7.2 %	7.2 %	4.4 %	3.2 %
Security							
Net debt	81.8	84.9	66.4	58.8	66.1	57.7	45.5
Net Debt/EBITDA	5.0	4.9	3.1	2.8	2.6	1.9	1.4
Net debt / equity	2.4	2.4	1.6	1.2	1.2	0.9	0.6
Interest cover	0.9	1.5	2.2	2.4	4.4	8.2	9.0
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	1.3	1.3	1.9	2.3	2.1	2.0	2.0
Operating assets turnover	1.8	1.8	2.3	2.6	2.3	2.5	2.6
Plant turnover	2.8	2.9	4.5	4.7	4.2	4.4	4.9
Inventory turnover (sales/inventory)	7.4	6.3	6.9	6.9	6.9	6.9	6.9
Returns							
ROCE	4.6 %	5.0 %	7.9 %	7.6 %	10.5 %	11.8 %	11.9 %
ROE	6.1 %	5.5 %	9.9 %	7.3 %	13.4 %	15.5 %	14.5 %
Other							
Interest paid / avg. debt	7.8 %	5.1 %	5.8 %	5.8 %	4.7 %	2.9 %	2.9 %
No. employees (average)	985	1034	1072	1118	1144	1144	1144
Number of shares	29.3	29.5	30.0	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	0.14	0.12	0.24	0.33	0.36
Valuation ratios							
P/BV	2.4	2.4	2.0	1.8	1.6	1.4	1.2
EV/sales	0.9	0.9	0.7	0.5	0.6	0.5	0.4
EV/EBITDA	10.2	9.8	7.2	7.0	6.0	4.9	4.2
EV/EBITA	18.8	17.9	12.8	13.2	10.9	8.7	7.3
EV/EBIT	27.6	25.1	15.3	16.1	11.5	8.8	7.4
EV/FCF	-17.1	242.7	128.6	60.5	-24.7	17.3	10.9
Adjusted FCF yield	7.1 %	6.7 %	8.7 %	7.5 %	9.9 %	12.1 %	14.3 %
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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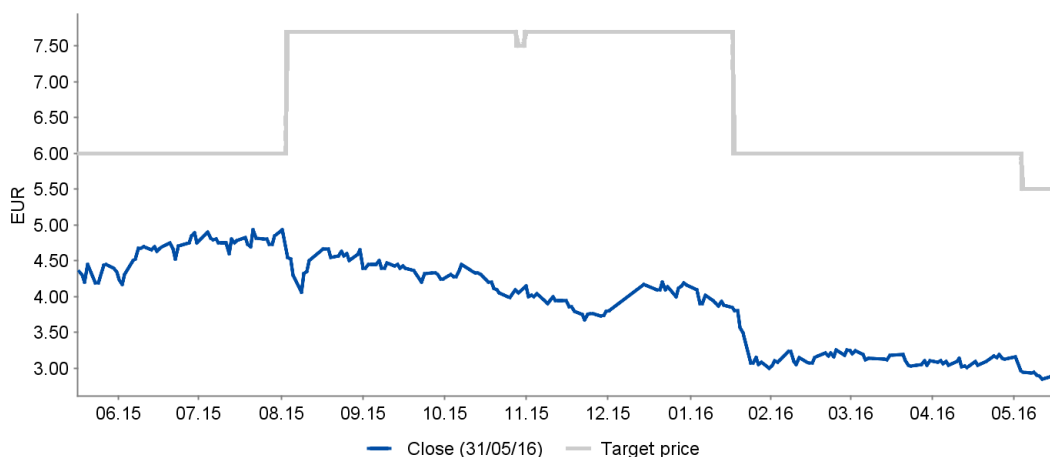
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Company	Disclosure
MS Industrie AG	5

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

Price and Rating History
MS Industrie AG as of 01/06/16

Initiation coverage
12-March-13



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Contacts: Hauck&Aufhäuser Privatbankiers KGaA

Hauck & Aufhäuser Research

Hauck & Aufhäuser
Privatbankiers KGaA
Mittelweg 16/17

20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 - 70
Fax: +49 (0) 40 414 3885 - 71
Email: info@ha-research.de
www.ha-research.de

Sascha Berresch, CFA
Head of Research
Tel.: +49 (0)40 414 3885 - 85
E-Mail: sascha.berresch@ha-research.de

Leonhard Bayer
Analyst
Tel.: +49 (0)40 414 3885 - 79
E-Mail: leonhard.bayer@ha-research.de

Henning Breiter
Analyst
Tel.: +49 (0)40 414 3885 - 73
E-Mail: henning.breiter@ha-research.de

Lars Dannenberg
Analyst
Tel.: +49 (0)40 414 3885 - 92
E-Mail: lars.dannenberg@ha-research.de

Nils-Peter Gehrman
Analyst
Tel.: +49 (0)40 414 3885 - 86
E-Mail: nils-peter.gehrman@ha-research.de

Christian Glowa
Analyst
Tel.: +49 (0)40 414 3885 - 95
E-Mail: christian.glowa@ha-research.de

Aliaksandr Halitsa
Analyst
Tel.: +49 (0)40 414 3885 - 83
E-Mail: aliaksandr.halitsa@ha-research.de

Christian Schwenkenbecher
Analyst
Tel.: +49 (0)40 414 3885 - 76
E-Mail: christian.schwenkenbecher@ha-research.de

Torben Teichler
Analyst
Tel.: +49 (0)40 414 3885 - 74
E-Mail: torben.teichler@ha-research.de

Tim Wunderlich, CFA
Analyst
Tel.: +49 (0)40 414 3885 - 81
E-Mail: tim.wunderlich@ha-research.de

Hauck & Aufhäuser Sales

Christian Alisch
Sales
Tel.: +49 (0)40 414 3885 - 99
E-Mail: christian.alisch@ha-research.de

Oliver Anderson
Sales
Tel.: +44 207 408 1100
E-Mail: oliver.anderson@ha-research.de

Vincent Bischoff
Sales
Tel.: +49 (0)40 414 3885 - 88
E-Mail: vincent.bischoff@ha-research.de

Georgina Harrold
Sales
Tel.: +49 (0)40 414 3885 - 70
E-Mail: georgina.harrold@ha-research.de

Alexander Lachmann
Sales
Tel.: +41 43 497 30 23
E-Mail: alexander.lachmann@ha-research.de

Hugues Madelin
Sales
Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-research.de

Jan Neynaber
Sales
Tel.: +49 (0) 69 2161-1268
E-Mail: jan.neynaber@hauck-aufhaeuser.de

Marco Schumann
Sales
Tel.: +49 (0) 69 2161-1250
E-Mail: marco.schumann@hauck-aufhaeuser.de

Markus Weiss
Sales
Tel.: +49 (0)40 414 3885 - 89
E-Mail: markus.weiss@ha-research.de

Toby Woods
Sales
Tel.: +44 207 408 1100
E-Mail: toby.woods@ha-research.de

Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser
Privatbankiers KGaA
Mittelweg 16/17

20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 - 75
Fax: +49 (0) 40 414 3885 - 71
Email: info@hauck-aufhaeuser.de
www.hauck-aufhaeuser.de

Mirko Brueggemann
Trading
Tel.: +49 (0)40 414 3885 75
E-Mail: mirko.brueggemann@hauck-aufhaeuser.de

Christian von Schuler
Trading
Tel.: +49 (0)40 414 3885 77
E-Mail: christian.schuler@hauck-aufhaeuser.de

Fin Schaffer
Trading
Tel.: +49 (0)40 414 3885 98
E-Mail: fin.schaffer@hauck-aufhaeuser.de

Olga Bochenek
Middle-Office
Tel.: +49 (0)40 414 3885 97
E-Mail: olga.bochenek@hauck-aufhaeuser.de

Carolin Weber
Middle-Office
Tel.: +49 (0)40 414 3885 87
E-Mail: carolin.weber@hauck-aufhaeuser.de