

Buy (old: Buy)

Price target: EUR 4.00 (old: EUR 5.50)

Price:	EUR 3.02	Next result:	Q3 Nov. 16
Bloomberg:	MSAG GR	Market cap:	EUR 90.6 m
Reuters:	MSAG.DE	Enterprise Value:	EUR 159.1 m

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Christian Glowa
Analyst

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

Guidance reduction triggered by US plant closure; cut in est. & PT

MS Industries (MS) reported sound Q2 results which largely met our expectations. However, **management reduced its FY16E guidance** now targeting adj. sales (excl. sales charged for real estate services) of about € 255m (*old* € 270m) while all relevant adj. earnings figures should be slightly down yoy (*old* adj. earnings figures should grow yoy). The guidance has been mainly revised because of a **weaker than initially expected US Powertrain Technology business** (c. 30% of total sales) in an overall contracting US truck market (US truck class 8 market is seen to be down by 27% yoy in FY16E accord. to ACT7).

Q2 sales increased moderately by 3.3% yoy to € 66.2m (eH&A € 70m) benefitting from its core business in Europe (Powertrain Technology Europe 50% of total sales) thanks to the ongoing release of pent-up demand (new heavy commercial vehicles over 16 tonnes +18% yoy as per H1 2016). Moreover, sales should have enjoyed a catch-up effect following a rundown of stocks of the Ultrasonic special machines (produced in Q1 but due to delivery in Mai to August). In contrast, the US truck business should have further contracted due to the weak overall market development.

Q2 EBIT increased by 19% yoy to € 2.8m (eH&A € 2.5m) benefitting from c. € 1m non-recurring gains while Q2 2015 was subdued by one-off costs (FX, supplier insolvency and relocation costs in total of about € -0.6m). However, the underlying business (adj. for one-offs) dropped sharply primarily due to a weak utilisation (Q2 adj. EBIT -41% yoy to € 1.7m; H1 -33% yoy to € 4.5m).

Outlook: In the short term the earnings look set to remain muted due to:

- US – temporary plant closure in Q3:** Daimler intends to close US production facilities in Q3 (eH&A about 3 weeks) reacting to the sluggish truck market development. This should adversely affect MS's top line (eH&A FY16E US Weltmotor - 22% yoy to 70k units) and profitability given a weaker fix cost absorption and a negative product mix effect (usually MS generates higher Powertrain margins in the US compared to Europe). Positively, **the weaker utilisation is seen to be only temporary** as we expect MS to adjust its US headcount respectively.

–continued–

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	174.8	179.8	218.5	274.4	255.1	262.8	271.0
Sales growth	13 %	3 %	22 %	26 %	-7 %	3 %	3 %
EBITDA	16.3	17.3	21.2	21.0	21.9	24.8	26.2
EBIT	6.0	6.7	9.9	9.1	9.6	12.1	13.2
Net income	2.1	2.0	4.1	3.5	4.6	6.9	7.5
Net debt	81.8	84.9	66.4	58.8	66.9	62.1	53.2
Net gearing	237.5 %	237.9 %	158.7 %	124.6 %	131.8 %	107.8 %	81.7 %
Net Debt/EBITDA	5.0	4.9	3.1	2.8	3.1	2.5	2.0
EPS pro forma	0.09	0.08	0.14	0.12	0.15	0.23	0.25
CPS	0.03	0.04	-0.04	0.46	0.15	0.30	0.33
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 %	42.0 %	42.5 %	42.8 %
EBITDA margin	9.3 %	9.6 %	9.7 %	7.7 %	8.6 %	9.4 %	9.7 %
EBIT margin	3.4 %	3.7 %	4.5 %	3.3 %	3.8 %	4.6 %	4.9 %
ROCE	4.6 %	5.0 %	7.9 %	7.6 %	7.6 %	9.0 %	9.2 %
EV/sales	1.0	1.0	0.7	0.6	0.6	0.6	0.5
EV/EBITDA	10.5	10.1	7.4	7.2	7.3	6.2	5.5
EV/EBIT	28.4	25.9	15.8	16.6	16.5	12.7	11.0
PER	34.1	40.0	21.9	26.2	19.9	13.1	12.1
Adjusted FCF yield	6.9 %	6.5 %	8.4 %	7.2 %	7.8 %	9.1 %	10.2 %

Source: Company data, Hauck & Aufhäuser Close price as of: 18.08.2016



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 4.67 / 2.79

Price/Book Ratio: 1.8

Relative performance (SDAX):

3 months -3.0 %

6 months -17.5 %

12 months -39.2 %

Changes in estimates

		Sales	EBIT	EPS
2016	<i>old:</i>	278.0	13.3	0.24
	Δ	-8.3%	-28.0%	-36.1%
2017	<i>old:</i>	296.3	16.4	0.33
	Δ	-11.3%	-26.0%	-29.7%
2018	<i>old:</i>	310.3	18.0	0.36
	Δ	-12.7%	-26.7%	-30.0%

Key share data:

Number of shares: (in m pcs) 30.0

Authorised capital: (in € m) 9.7

Book value per share: (in €) 1.7

Ø trading volume: (12 months) 52,941

Major shareholders:

Free Float	57.0 %
MS ProActive	20.0 %
Andreas Aufschneider	6.2 %
Universal-Investment GmbH	5.0 %
AGI	4.5 %
Bennjamin Mayer	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.

- **Europe – economies of scale eaten up by higher personnel expenses:** The powertrain business in Europe looks set to remain the key growth driver in the short term (eH&A FY16E Europe Weltmotor + 23% yoy to 92k units). However, the production in Germany looks set to be still affected by inefficiencies after the relocation of the production plant. Consequently, MS will have to rely on expensive overtime and add additional staff (personnel expenses were up +12% yoy to € 30.3m in H1 2016).

Importantly, the **truck market in Europe should continue to grow dynamically** driven by ongoing release of pent-up demand as new heavy truck registrations are still below the peak level of 2008 (eH&A Weltmotor units +8.7% yoy to 100k). Furthermore, we expect **MS to further streamline its production set-up with a higher degree of automation**. This should help the company to reduce the headcount by 40-50 (eH&A) employees by mid of 2017 (+74 after H1 2016). Hence, **efficiency gains and economies of scale should become fully visible in H2 2017**.

Action: We cut our sales and earnings estimates reflecting the planned plant closure in the US of about 3 weeks in Q3. Moreover, we trim our assumptions for the US output of the Weltmotor units in 2017E and 2018E respectively. Furthermore, we reflect an elevated fix cost base mainly for additional staff capacity in Germany.

Even at trimmed estimates the stock looks too cheap to ignore trading at a PER of 13.1x 2017E. Most importantly, **the short term disruptions are seen to be temporary and MS should return to growth in 2017** (order intake group +6% yoy as per H1 2016; Ultrasonic +36% yoy). This should be supported by the **launch of a new welding machine** in Q4 2016 allowing MS to increasingly benefit from (1) cross selling opportunities as well as (2) a positive product mix effect (the Ultrasonic business and components business is seen to carry an EBITDA-margin > 20% vs 9.0% on group level).

Moreover, the news flow should improve with MS gradually realising **economies of scale and efficiency gains** based on a **streamlined production with a higher a degree of automation**. Hence, the current share price level is seen as a **buying opportunity**, in our view.

The stock remains a BUY with a new PT of € 4.00 (old € 5.50) based on FCFY 2017E (The FCFY 2018E would yield a fair value per share of € 4.60).

MS Industrie reported key figures (EUR m)				MS Industrie underlying key figures (EUR m)				
	Q2 2016	Q2 2015	yoy		Q2 2016	Q2 2015	yoy	
Total sales	66.2	64.1	3.3%	Adj. sales*	126.8	122.8	3.2%	
EBITDA	5.8	5.2	12.1%	Adj. EBITDA	4.8	12.3	-61.1%	
	EBITDA-margin	8.8%	8.1%	0.7 pp	Adj. EBITDA-margin	3.8%	10.0%	-6.3 pp
EBIT	2.8	2.3	19.2%	Adj. EBIT	1.7	6.7	-74.6%	
	EBIT-margin	4.2%	3.7%	0.6 pp	Adj. EBIT-margin	1.3%	5.5%	-4.1 pp
EPS	0.04	0.05	-20.0%	Adj. EPS	0.07	0.1	-41.7%	

Source: Company data; Hauck & Aufhäuser

*excl. sales charged for the agreement of the service contract for the construction of real estate

MS Industrie reported key figures (EUR m)				MS Industrie underlying key figures (EUR m)				
	H1 2016	H1 2015	yoy		H1 2016	H1 2015	yoy	
Sales	128.6	128.3	0.2%	Adj. sales*	126.8	122.8	3.2%	
EBITDA	10.7	11.0	-2.7%	Adj. EBITDA	10.7	12.3	-13.6%	
	EBITDA-margin	8.3%	8.6%	-0.2 pp	Adj. EBITDA-margin	8.4%	10.0%	-1.6 pp
EBIT	4.5	5.4	-17.2%	Adj. EBIT	4.5	6.7	-33.1%	
	EBIT-margin	3.5%	4.2%	-0.7 pp	Adj. EBIT-margin	3.5%	5.5%	-1.9 pp
EPS	0.07	0.08	-12.5%	Adj. EPS	0.07	0.12	-41.7%	

Source: Company data; Hauck & Aufhäuser

*excl. sales charged for the agreement of the service contract for the construction of real estate

Financials

Profit and loss (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Net sales	174.8	179.8	218.5	274.4	255.1	262.8	271.0
<i>Sales growth</i>	13.3 %	2.8 %	21.5 %	25.6 %	-7.0 %	3.0 %	3.1 %
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	255.1	262.8	271.0
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	148.0	151.1	155.0
Personnel expenses	38.0	42.1	47.7	56.2	56.1	56.8	58.5
Other operating expenses	25.8	28.3	28.4	35.7	33.2	34.2	35.2
Total operating expenses	158.0	164.8	199.0	256.0	233.2	238.1	244.8
EBITDA	16.3	17.3	21.2	21.0	21.9	24.8	26.2
Depreciation	7.4	7.8	9.3	9.9	11.5	12.4	12.8
EBITA	8.9	9.4	11.9	11.1	10.3	12.3	13.4
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	9.6	12.1	13.2
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	6.6	10.1	11.2
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	6.6	10.1	11.2
Taxes	-1.3	0.2	1.4	2.9	2.0	3.2	3.7
Net income from continuing operations	2.1	2.3	4.1	3.4	4.6	6.9	7.5
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	4.6	6.9	7.5
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	4.6	6.9	7.5
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	0.15	0.23	0.25

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 %	1.6 %	1.5 %	1.5 %
Material expenses	57.6 %	55.0 %	58.3 %	61.5 %	58.0 %	57.5 %	57.2 %
Personnel expenses	21.7 %	23.4 %	21.8 %	20.5 %	22.0 %	21.6 %	21.6 %
Other operating expenses	14.8 %	15.7 %	13.0 %	13.0 %	13.0 %	13.0 %	13.0 %
Total operating expenses	90.4 %	91.7 %	91.1 %	93.3 %	91.4 %	90.6 %	90.3 %
EBITDA	9.3 %	9.6 %	9.7 %	7.7 %	8.6 %	9.4 %	9.7 %
Depreciation	4.3 %	4.4 %	4.3 %	3.6 %	4.5 %	4.7 %	4.7 %
EBITA	5.1 %	5.2 %	5.5 %	4.0 %	4.0 %	4.7 %	4.9 %
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 %	3.8 %	4.6 %	4.9 %
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 %	1.2 %	0.8 %	0.7 %
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 %	-1.2 %	-0.8 %	-0.7 %
Recurring pretax income from continuing operations	0.4 %	1.4 %	2.6 %	2.3 %	2.6 %	3.9 %	4.1 %
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 %	2.6 %	3.9 %	4.1 %
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 %	1.8 %	2.6 %	2.8 %
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 %	1.8 %	2.6 %	2.8 %
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 %	1.8 %	2.6 %	2.8 %

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	67.4	64.6
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	85.1	82.1
Inventories	23.7	28.4	31.8	39.8	39.9	42.4	43.7
Accounts receivable	22.7	23.1	27.0	25.5	28.0	28.8	29.7
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	0.5	7.3	16.2
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	73.3	83.4	94.6
TOTAL ASSETS	153.3	155.5	138.3	149.6	158.0	168.5	176.7
SHAREHOLDERS EQUITY	34.4	35.7	41.8	47.2	50.8	57.7	65.2
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	17.8	19.4	20.0
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	48.1	49.7	50.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	153.3	155.5	138.3	149.6	158.0	168.5	176.7

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	5.0 %	4.0 %	3.3 %	2.8 %	2.2 %	1.9 %	1.7 %
Property, plant and equipment	41.2 %	39.7 %	35.0 %	39.0 %	42.3 %	40.0 %	36.6 %
Financial assets	9.3 %	14.9 %	11.6 %	9.7 %	9.1 %	8.6 %	8.2 %
FIXED ASSETS	55.5 %	58.6 %	50.0 %	51.5 %	53.6 %	50.5 %	46.5 %
Inventories	15.5 %	18.3 %	23.0 %	26.6 %	25.2 %	25.2 %	24.7 %
Accounts receivable	14.8 %	14.9 %	19.5 %	17.1 %	17.7 %	17.1 %	16.8 %
Other current assets	6.8 %	5.5 %	4.4 %	2.8 %	2.6 %	2.5 %	2.4 %
Liquid assets	6.8 %	2.3 %	2.5 %	1.6 %	0.3 %	4.3 %	9.2 %
Deferred taxes	0.6 %	0.4 %	0.6 %	0.5 %	0.5 %	0.5 %	0.5 %
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 %	46.4 %	49.5 %	53.5 %
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 %	32.1 %	34.2 %	36.9 %
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 %	29.2 %	28.6 %	27.3 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	1.1 %	1.0 %	0.9 %	0.9 %
Other provisions	4.6 %	5.8 %	4.2 %	7.6 %	7.2 %	6.8 %	6.4 %
Non-current liabilities	54.1 %	54.0 %	47.0 %	43.4 %	37.4 %	36.3 %	34.6 %
short-term liabilities to banks	10.6 %	8.8 %	7.7 %	6.2 %	13.4 %	12.6 %	12.0 %
Accounts payable	6.7 %	9.1 %	8.2 %	12.8 %	11.3 %	11.5 %	11.3 %
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)	4.3 %	3.8 %	5.9 %	4.3 %	4.1 %	3.8 %	3.6 %
Deferred taxes	1.0 %	0.7 %	1.0 %	1.8 %	1.7 %	1.6 %	1.5 %
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 %	29.5 %	28.5 %
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	4.6	6.9	7.5
Depreciation of fixed assets (incl. leases)	7.4	7.8	9.3	9.9	11.5	12.4	12.8
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	16.8	19.5	20.5
Increase/decrease in inventory	-0.7	-2.9	-3.4	-8.0	-0.1	-2.5	-1.3
Increase/decrease in accounts receivable	0.0	0.0	-3.9	1.5	-2.4	-0.8	-0.9
Increase/decrease in accounts payable	-2.5	-1.8	0.4	7.8	-1.3	1.6	0.6
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	-3.3	-4.6	-6.9	1.3	-3.8	-1.8	-1.6
Cash flow from operating activities	7.6	8.2	6.8	22.2	13.0	17.8	18.9
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	-7.0	4.8	8.9
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	-0.8	6.8	8.9
Liquid assets at end of period	10.5	3.6	3.5	1.3	0.5	7.3	16.2

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 %	-7.0 %	3.0 %	3.1 %
EBITDA growth	-22.2 %	6.1 %	22.7 %	-0.9 %	4.0 %	13.3 %	5.9 %
EBIT growth	-34.4 %	11.8 %	47.3 %	-8.2 %	5.7 %	26.4 %	8.8 %
EPS growth	-1.8 %	-2.1 %	96.6 %	-16.2 %	31.9 %	51.3 %	8.9 %
Efficiency							
Total operating costs / sales	90.4 %	91.7 %	91.1 %	93.3 %	91.4 %	90.6 %	90.3 %
Sales per employee	177.5	173.9	203.8	245.6	223.0	229.8	236.9
EBITDA per employee	16.5	16.7	19.8	18.8	19.1	21.6	22.9
Balance sheet analysis							
Avg. working capital / sales	20.7 %	20.4 %	19.4 %	17.1 %	18.8 %	19.4 %	19.4 %
Inventory turnover (sales/inventory)	7.4	6.3	6.9	6.9	6.4	6.2	6.2
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	25.5	27.0	27.0
Cash conversion cycle (days)	96.1	99.4	103.8	78.5	94.4	95.4	95.7
Cash flow analysis							
Free cash flow	-9.7	0.7	1.2	2.4	-7.0	4.8	8.9
Free cash flow/sales	-5.5 %	0.4 %	0.5 %	0.9 %	-2.8 %	1.8 %	3.3 %
FCF / net profit	-463.6 %	35.3 %	28.7 %	69.8 %	-154.4 %	68.9 %	118.7 %
Capex / depre	176.9 %	114.6 %	50.7 %	165.9 %	163.3 %	103.0 %	76.9 %
Capex / maintenance capex	272.7 %	113.0 %	71.4 %	236.9 %	233.3 %	147.2 %	109.8 %
Capex / sales	9.9 %	6.6 %	2.6 %	7.2 %	7.8 %	4.9 %	3.7 %
Security							
Net debt	81.8	84.9	66.4	58.8	66.9	62.1	53.2
Net Debt/EBITDA	5.0	4.9	3.1	2.8	3.1	2.5	2.0
Net debt / equity	2.4	2.4	1.6	1.2	1.3	1.1	0.8
Interest cover	0.9	1.5	2.2	2.4	3.2	6.1	6.6
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	1.9	1.9	1.8
Operating assets turnover	1.8	1.8	2.3	2.6	2.2	2.2	2.3
Plant turnover	2.8	2.9	4.5	4.7	3.8	3.9	4.2
Inventory turnover (sales/inventory)	7.4	6.3	6.9	6.9	6.4	6.2	6.2
Returns							
ROCE	4.6 %	5.0 %	7.9 %	7.6 %	7.6 %	9.0 %	9.2 %
ROE	6.1 %	5.5 %	9.9 %	7.3 %	9.0 %	12.0 %	11.5 %
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	0.15	0.23	0.25
Valuation ratios							
P/BV	2.6	2.5	2.2	1.9	1.8	1.6	1.4
EV/sales	1.0	1.0	0.7	0.6	0.6	0.6	0.5
EV/EBITDA	10.5	10.1	7.4	7.2	7.3	6.2	5.5
EV/EBITA	19.3	18.4	13.2	13.6	15.4	12.5	10.8
EV/EBIT	28.4	25.9	15.8	16.6	16.5	12.7	11.0
EV/FCF	-17.6	249.7	132.7	62.5	-22.6	32.5	16.3
Adjusted FCF yield	6.9 %	6.5 %	8.4 %	7.2 %	7.8 %	9.1 %	10.2 %
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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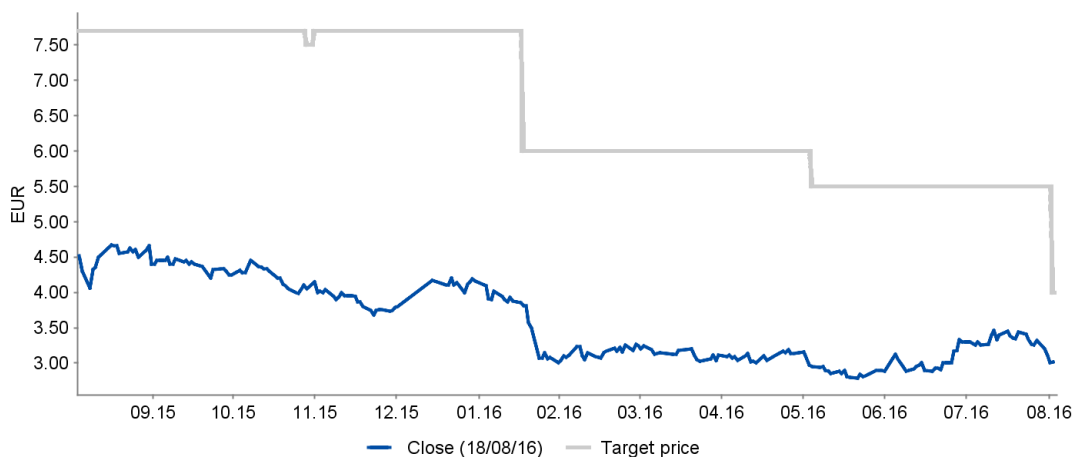
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Price and Rating History
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Contacts: Hauck&Aufhäuser Privatbankiers KGaA

Hauck & Aufhäuser Research

Hauck & Aufhäuser
Privatbankiers KGaA
Mittelweg 16/17

20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 - 93
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 Gehrmann
Analyst
Tel.: +49 (0)40 414 3885 - 86
E-Mail: nils-peter.gehrmann@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) 69 2161-1299
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

Quinn Raftery
Sales
Tel.: +1 231 649 4998
E-Mail: quinn.raftery@haa-na.com

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

Joseph Kaselak
Trading
Tel.: +49 (0)40 450 6342 3093
E-Mail: joseph.kaselak@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

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