MS Industrie AG
Germany - Automobile

HAUCK & AUFHÄUSER
PRIVATBANKIERS SEIT 1796

Buy (old: Buy)

Price target: EUR 7.00 (old: EUR 7.00)

Price:	EUR 3.33	**Next result:**	Q3 Nov.
Bloomberg:	MSAG@GR	**Market cap:**	EUR 99.9 m
Reuters:	MSAG.DE	**Enterprise Value:**	EUR 149.5 m

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Poised for profitable expansion

MS Industrie reported a sound set of H1 results evidentially proving that the company should **continue its dynamic top line expansion** (eH&A 6% sales CAGR 2017-20E) alongside with **disproportionate earnings growths** (eH&A 25% EBIT CAGR 2017-20E) thanks to scale effects, a favorable product mix and efficiency gains.

MS Industrie reported *key figures (EUR m)*	Q2 2018	Q2 2017	yoy
Total sales	**73.8**	**65.4**	12.8%
EBITDA	**6.2**	**6.9**	-9.6%
EBITDA-margin	*8.4%*	*10.5%*	*-2.1 pp*
EBIT	**3.2**	**3.5**	-8.3%
EBIT-margin	*4.4%*	*5.4%*	*-1.0 pp*
EPS	**0.07**	**0.08**	-12.5%

MS Industrie reported *key figures (EUR m)*	H1 2018	H1 2017	yoy
Total sales	**140.3**	**123.9**	13.2%
EBITDA	**11.9**	**10.5**	12.8%
EBITDA-margin	*8.4%*	*8.5%*	*0.0 pp*
EBIT	**6.1**	**3.9**	55.1%
EBIT-margin	*4.4%*	*3.2%*	*1.2 pp*
EPS	**0.12**	**0.08**	50.0%

Acceleration of earnings expected in H2. The Q2 profitability development is nothing to worry about and merely reflects (1) additional personnel expenses for the expansion of the Ultrasonic business and (2) an adverse product mix due to a back-end loaded delivery of Ultrasonic machines. Delivery schedules indicate that MS will deliver a large portion of total 2018 Ultrasonic output in H2. This should result in an acceleration of earnings given the superior earnings profile of the Ultrasonic business (eH&A Ultraonic systems & components incl. new standard machinery 15-20% EBIT margins vs c. 8% in Powertrain). Consequently, MS looks well on track to reach our FY18E estimates.

The H1 order backlog increased by 16% yoy to € 148m carried by both business divisions providing high visibility into dynamic growth and full utilization beyond Q1 2019.

Poised for profitable expansion. The US truck market recovery seems to be in full swing (July order intake class 8 +187% yoy to 52k) providing confidence into a strong H2. Moreover, we expect MS to win new milestone orders from further truck OEMs worth € 100-140m sustainable sales p.a. not yet reflected in our estimates. These orders would not require substantial expansion capex and thus fuel earnings quickly. Furthermore, the ramp-up of sales force in Ultrasonic should allow management to continue to push its expansion targeting c. € 100m Utrasonic sales in the mid-term.

Against this background **valuation looks undemanding** trading at 10x PER 2019E. **The stock remains a BUY with a PT of € 7.**

Y/E 31.12 (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Sales	218.5	274.4	237.5	250.6	270.6	285.5	297.0
Sales growth	22 %	26 %	-13 %	6 %	8 %	6 %	4 %
EBITDA	21.2	21.0	18.8	22.0	24.1	26.8	29.7
EBIT	9.9	9.1	6.4	9.0	12.7	15.4	17.7
Net income	4.1	3.5	4.5	7.0	7.9	9.9	11.6
Net debt	66.4	49.6	60.5	52.9	47.9	42.1	34.4
Net gearing	158.7 %	105.0 %	116.6 %	93.1 %	75.0 %	59.0 %	43.0 %
Net Debt/EBITDA	3.1	2.4	3.2	2.4	2.0	1.6	1.2
EPS pro forma	0.14	0.12	0.15	0.23	0.26	0.33	0.39
CPS	-0.04	0.46	-0.05	-0.11	0.23	0.34	0.42
DPS	0.00	0.00	0.00	0.03	0.08	0.10	0.12
Dividend yield	0.0 %	0.0 %	0.0 %	0.9 %	2.4 %	3.0 %	3.6 %
Gross profit margin	42.1 %	39.1 %	46.1 %	46.8 %	47.8 %	48.6 %	48.5 %
EBITDA margin	9.7 %	7.7 %	7.9 %	8.8 %	8.9 %	9.4 %	10.0 %
EBIT margin	4.5 %	3.3 %	2.7 %	3.6 %	4.7 %	5.4 %	5.9 %
ROCE	7.9 %	7.9 %	5.3 %	7.1 %	9.7 %	11.2 %	12.4 %
EV/sales	0.8	0.6	0.7	0.6	0.6	0.5	0.5
EV/EBITDA	7.8	7.2	8.6	7.0	6.2	5.4	4.6
EV/EBIT	16.8	16.6	25.5	17.2	11.8	9.3	7.7
PER	24.2	28.9	22.1	14.2	12.6	10.1	8.6
Adjusted FCF yield	7.9 %	7.2 %	6.8 %	8.3 %	10.2 %	12.4 %	14.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 23.08.2018

Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	4.45 / 3.20
Price/Book Ratio:	1.7
Relative performance (SDAX):	
3 months	-
6 months	-
12 months	-

Changes in estimates

		Sales	EBIT	EPS
2018	*old:*	270.6	12.7	0.26
	Δ	-	-	-
2019	*old:*	285.5	15.4	0.33
	Δ	-	-	-
2020	*old:*	297.0	17.7	0.39
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	30.0
Authorised capital: (in € m)	9.7
Book value per share: (in €)	2.1
Ø trading volume: (12 months)	52,941

Major shareholders:

Free Float	57.0 %
MS ProActive	20.0 %
Andreas Aufschnaiter	6.2 %
Universal-Investment GmbH	5.0 %
AGI	5.0 %
Kreissparkasse Biberach	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.

Financials

Profit and loss (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Net sales	**218.5**	**274.4**	**237.5**	**250.6**	**270.6**	**285.5**	**297.0**
Sales growth	*21.5 %*	*25.6 %*	*-13.5 %*	*5.5 %*	*8.0 %*	*5.5 %*	*4.0 %*
Increase/decrease in finished goods and work-in-process	1.8	2.6	0.4	2.6	2.5	2.5	2.5
Total sales	**220.2**	**277.1**	**237.9**	**253.2**	**273.1**	**288.0**	**299.5**
Other operating income	4.5	4.7	5.5	5.6	4.0	4.0	4.0
Material expenses	127.4	168.8	128.3	134.8	142.5	148.2	154.1
Personnel expenses	47.7	56.2	60.5	63.6	69.9	74.2	75.1
Other operating expenses	28.4	35.7	35.9	38.3	40.6	42.8	44.6
Total operating expenses	199.0	256.0	219.1	231.2	249.0	261.2	269.8
EBITDA	**21.2**	**21.0**	**18.8**	**22.0**	**24.1**	**26.8**	**29.7**
Depreciation	9.3	9.9	11.7	12.9	11.2	11.2	11.8
EBITA	**11.9**	**11.1**	**7.1**	**9.2**	**12.9**	**15.6**	**17.9**
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.0	2.0	0.7	0.2	0.2	0.2	0.2
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	**9.9**	**9.1**	**6.4**	**9.0**	**12.7**	**15.4**	**17.7**
Interest income	0.3	1.0	1.2	1.6	0.0	0.0	0.0
Interest expenses	4.6	3.8	2.9	2.1	2.0	2.0	2.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-4.3	-2.8	-1.7	-0.5	-2.0	-2.0	-2.0
Recurring pretax income from continuing operations	**5.6**	**6.3**	**4.6**	**8.5**	**10.7**	**13.4**	**15.7**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	**5.6**	**6.3**	**4.6**	**8.5**	**10.7**	**13.4**	**15.7**
Taxes	1.4	2.9	0.2	1.5	2.8	3.5	4.1
Net income from continuing operations	**4.1**	**3.4**	**4.5**	**7.0**	**7.9**	**9.9**	**11.6**
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**4.1**	**3.4**	**4.5**	**7.0**	**7.9**	**9.9**	**11.6**
Minority interest	0.0	0.0	-0.1	-0.1	0.0	0.0	0.0
Net profit (reported)	**4.1**	**3.5**	**4.5**	**7.0**	**7.9**	**9.9**	**11.6**
Average number of shares	30.0	30.0	30.0	30.0	30.0	30.0	30.0
EPS reported	**0.14**	**0.12**	**0.15**	**0.23**	**0.26**	**0.33**	**0.39**

Profit and loss (common size)	2014	2015	2016	2017	2018E	2019E	2020E
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	0.8 %	1.0 %	0.2 %	1.0 %	0.9 %	0.9 %	0.8 %
Total sales	**100.8 %**	**101.0 %**	**100.2 %**	**101.0 %**	**100.9 %**	**100.9 %**	**100.8 %**
Other operating income	2.1 %	1.7 %	2.3 %	2.2 %	1.5 %	1.4 %	1.3 %
Material expenses	58.3 %	61.5 %	54.0 %	53.8 %	52.7 %	51.9 %	51.9 %
Personnel expenses	21.8 %	20.5 %	25.5 %	25.4 %	25.9 %	26.0 %	25.3 %
Other operating expenses	13.0 %	13.0 %	15.1 %	15.3 %	15.0 %	15.0 %	15.0 %
Total operating expenses	91.1 %	93.3 %	92.3 %	92.2 %	92.0 %	91.5 %	90.9 %
EBITDA	**9.7 %**	**7.7 %**	**7.9 %**	**8.8 %**	**8.9 %**	**9.4 %**	**10.0 %**
Depreciation	4.3 %	3.6 %	4.9 %	5.1 %	4.1 %	3.9 %	4.0 %
EBITA	**5.5 %**	**4.0 %**	**3.0 %**	**3.7 %**	**4.8 %**	**5.5 %**	**6.0 %**
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.9 %	0.7 %	0.3 %	0.1 %	0.1 %	0.1 %	0.1 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	**4.5 %**	**3.3 %**	**2.7 %**	**3.6 %**	**4.7 %**	**5.4 %**	**5.9 %**
Interest income	0.1 %	0.4 %	0.5 %	0.6 %	0.0 %	0.0 %	0.0 %
Interest expenses	2.1 %	1.4 %	1.2 %	0.8 %	0.7 %	0.7 %	0.7 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	**2.6 %**	**2.3 %**	**2.0 %**	**3.4 %**	**3.9 %**	**4.7 %**	**5.3 %**
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	**2.6 %**	**2.3 %**	**2.0 %**	**3.4 %**	**3.9 %**	**4.7 %**	**5.3 %**
Tax rate	25.8 %	45.3 %	4.0 %	18.2 %	26.0 %	26.0 %	26.0 %
Net income from continuing operations	**1.9 %**	**1.3 %**	**1.9 %**	**2.8 %**	**2.9 %**	**3.5 %**	**3.9 %**
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	**1.9 %**	**1.3 %**	**1.9 %**	**2.8 %**	**2.9 %**	**3.5 %**	**3.9 %**
Minority interest	0.0 %	neg.	neg.	neg.	0.0 %	0.0 %	0.0 %
Net profit (reported)	**1.9 %**	**1.3 %**	**1.9 %**	**2.8 %**	**2.9 %**	**3.5 %**	**3.9 %**

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	**4.6**	**4.2**	**4.3**	**3.5**	**3.3**	**3.1**	**2.9**
Property, plant and equipment	48.4	58.4	63.1	51.2	49.0	47.7	46.3
Financial assets	16.1	14.4	15.6	17.4	17.4	17.4	17.4
FIXED ASSETS	**69.1**	**77.0**	**83.1**	**72.1**	**69.7**	**68.3**	**66.7**
Inventories	31.8	39.8	37.7	41.8	45.2	47.7	49.6
Accounts receivable	27.0	25.5	25.1	27.5	29.7	31.3	32.6
Other current assets	6.1	4.2	3.0	2.8	2.8	2.8	2.8
Liquid assets	3.5	2.4	4.1	8.4	13.4	19.2	26.9
Deferred taxes	0.9	0.8	0.8	0.1	0.1	0.1	0.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	69.2	72.6	70.7	80.6	91.2	101.0	111.9
TOTAL ASSETS	**138.3**	**149.6**	**153.8**	**152.7**	**160.9**	**169.3**	**178.6**
SHAREHOLDERS EQUITY	41.8	47.2	51.9	56.8	63.8	71.3	80.0
MINORITY INTEREST	0.0	0.0	-0.1	-0.1	-0.1	-0.1	-0.1
Long-term debt	59.2	42.8	44.9	34.3	34.3	34.3	34.3
Provisions for pensions and similar obligations	0.0	1.6	1.8	1.7	1.7	1.7	1.7
Other provisions	5.8	11.4	7.6	7.4	7.4	7.4	7.4
Non-current liabilities	**64.9**	**55.7**	**54.3**	**43.5**	**43.5**	**43.5**	**43.5**
short-term liabilities to banks	10.7	9.2	19.7	27.0	27.0	27.0	27.0
Accounts payable	11.3	19.1	12.0	14.9	16.1	17.0	17.7
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)	8.2	15.7	14.0	9.7	9.7	9.7	9.7
Deferred taxes	1.3	2.7	1.9	0.9	0.9	0.9	0.9
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	**31.5**	**46.7**	**47.7**	**52.6**	**53.8**	**54.7**	**55.3**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**138.3**	**149.6**	**153.8**	**152.7**	**160.9**	**169.3**	**178.6**

Balance sheet (common size)	2014	2015	2016	2017	2018E	2019E	2020E
Intangible assets	**3.3 %**	**2.8 %**	**2.8 %**	**2.3 %**	**2.1 %**	**1.8 %**	**1.6 %**
Property, plant and equipment	35.0 %	39.0 %	41.0 %	33.5 %	30.4 %	28.2 %	25.9 %
Financial assets	11.6 %	9.7 %	10.2 %	11.4 %	10.8 %	10.3 %	9.8 %
FIXED ASSETS	**50.0 %**	**51.5 %**	**54.0 %**	**47.2 %**	**43.3 %**	**40.3 %**	**37.3 %**
Inventories	23.0 %	26.6 %	24.5 %	27.4 %	28.1 %	28.2 %	27.8 %
Accounts receivable	19.5 %	17.1 %	16.3 %	18.0 %	18.5 %	18.5 %	18.2 %
Other current assets	4.4 %	2.8 %	2.0 %	1.8 %	1.7 %	1.6 %	1.6 %
Liquid assets	2.5 %	1.6 %	2.7 %	5.5 %	8.3 %	11.3 %	15.0 %
Deferred taxes	0.6 %	0.5 %	0.5 %	0.1 %	0.1 %	0.1 %	0.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	50.0 %	48.6 %	46.0 %	52.8 %	56.7 %	59.7 %	62.6 %
TOTAL ASSETS	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**	**100.0 %**
SHAREHOLDERS EQUITY	30.3 %	31.6 %	33.7 %	37.2 %	39.7 %	42.1 %	44.8 %
MINORITY INTEREST	0.0 %	neg.	neg.	neg.	neg.	neg.	neg.
Long-term debt	42.8 %	28.6 %	29.2 %	22.5 %	21.3 %	20.3 %	19.2 %
Provisions for pensions and similar obligations	0.0 %	1.1 %	1.2 %	1.1 %	1.1 %	1.0 %	1.0 %
Other provisions	4.2 %	7.6 %	4.9 %	4.9 %	4.6 %	4.4 %	4.2 %
Non-current liabilities	**47.0 %**	**37.3 %**	**35.3 %**	**28.5 %**	**27.0 %**	**25.7 %**	**24.3 %**
short-term liabilities to banks	7.7 %	6.2 %	12.8 %	17.7 %	16.8 %	15.9 %	15.1 %
Accounts payable	8.2 %	12.8 %	7.8 %	9.8 %	10.0 %	10.1 %	9.9 %
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)	5.9 %	10.5 %	9.1 %	6.4 %	6.1 %	5.8 %	5.5 %
Deferred taxes	1.0 %	1.8 %	1.3 %	0.6 %	0.6 %	0.5 %	0.5 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	**22.8 %**	**31.2 %**	**31.0 %**	**34.4 %**	**33.4 %**	**32.3 %**	**31.0 %**
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)	2014	2015	2016	2017	2018E	2019E	2020E
Net profit/loss	4.1	3.4	4.5	7.0	7.9	9.9	11.6
Depreciation of fixed assets (incl. leases)	9.3	9.9	11.7	12.9	11.2	11.2	11.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.0	2.0	0.7	0.2	0.2	0.2	0.2
Others	-1.7	5.5	-5.2	-10.4	0.0	0.0	0.0
Cash flow from operations before changes in w/c	13.7	20.8	11.7	9.6	19.3	21.3	23.6
Increase/decrease in inventory	-3.4	-8.0	2.1	-4.2	-3.3	-2.5	-1.9
Increase/decrease in accounts receivable	-3.9	1.5	0.4	-2.4	-2.2	-1.6	-1.3
Increase/decrease in accounts payable	0.4	7.8	-7.1	2.9	1.2	0.9	0.7
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	-6.9	1.3	-4.6	-3.7	-4.3	-3.2	-2.5
Cash flow from operating activities	**6.8**	**22.2**	**7.2**	**5.9**	**15.0**	**18.1**	**21.1**
CAPEX	5.6	19.8	8.1	7.1	9.0	10.0	10.4
Payments for acquisitions	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.1	0.0	0.4	0.0	0.0	0.0	0.0
Income from asset disposals	5.2	0.3	1.0	8.1	0.0	0.0	0.0
Cash flow from investing activities	**-0.4**	**-19.5**	**-7.5**	**1.0**	**-9.0**	**-10.0**	**-10.4**
Cash flow before financing	6.4	2.7	-0.3	6.9	6.0	8.1	10.7
Increase/decrease in debt position	-6.6	-17.9	12.7	-3.4	0.0	0.0	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	0.9	2.4	3.0
Others	0.0	14.1	-13.1	0.7	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.1	-0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	**-6.6**	**-3.8**	**-0.4**	**-2.7**	**-0.9**	**-2.4**	**-3.0**
Increase/decrease in liquid assets	-0.1	-1.2	-0.8	4.2	5.1	5.7	7.7
Liquid assets at end of period	**3.5**	**2.4**	**4.1**	**8.4**	**13.5**	**19.2**	**26.9**

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2014	2015	2016	2017	2018E	2019E	2020E
P&L growth analysis							
Sales growth	21.5 %	25.6 %	-13.5 %	5.5 %	8.0 %	5.5 %	4.0 %
EBITDA growth	22.7 %	-0.9 %	-10.6 %	17.3 %	9.4 %	11.3 %	23.2 %
EBIT growth	47.3 %	-8.2 %	-30.1 %	41.1 %	41.5 %	21.4 %	39.2 %
EPS growth	96.6 %	-16.2 %	30.8 %	55.2 %	12.6 %	25.4 %	46.6 %
Efficiency							
Total operating costs / sales	91.1 %	93.3 %	92.3 %	92.2 %	92.0 %	91.5 %	90.9 %
Sales per employee	203.8	245.6	207.6	219.1	236.5	249.6	259.6
EBITDA per employee	19.8	18.8	16.4	19.3	21.1	23.4	25.9
Balance sheet analysis							
Avg. working capital / sales	19.4 %	17.1 %	20.4 %	21.0 %	20.9 %	21.1 %	20.7 %
Inventory turnover (sales/inventory)	6.9	6.9	6.3	6.0	6.0	6.0	6.0
Trade debtors in days of sales	45.1	33.9	38.5	40.1	40.1	40.1	40.1
A/P turnover [(A/P*365)/sales]	18.9	25.5	18.5	21.8	21.8	21.8	21.8
Cash conversion cycle (days)	103.8	78.5	111.5	112.9	114.5	115.5	115.5
Cash flow analysis							
Free cash flow	1.2	2.4	-0.9	-1.2	6.0	8.1	10.7
Free cash flow/sales	0.5 %	0.9 %	-0.4 %	-0.5 %	2.2 %	2.8 %	3.6 %
FCF / net profit	28.7 %	69.8 %	neg.	neg.	75.5 %	81.5 %	92.3 %
Capex / depn	50.7 %	165.9 %	68.3 %	54.5 %	78.9 %	87.7 %	86.6 %
Capex / maintenance capex	71.4 %	236.9 %	92.9 %	77.9 %	112.8 %	125.2 %	123.8 %
Capex / sales	2.6 %	7.2 %	3.6 %	2.8 %	3.3 %	3.5 %	3.5 %
Security							
Net debt	66.4	49.6	60.5	52.9	47.9	42.1	34.4
Net Debt/EBITDA	3.1	2.4	3.2	2.4	2.0	1.6	1.2
Net debt / equity	1.6	1.1	1.2	0.9	0.8	0.6	0.4
Interest cover	2.2	2.4	2.2	4.3	6.3	7.7	8.8
Dividend payout ratio	0.0 %	0.0 %	0.0 %	12.8 %	30.0 %	30.0 %	31.1 %
Asset utilisation							
Capital employed turnover	1.9	2.4	1.9	2.0	2.0	2.0	2.0
Operating assets turnover	2.3	2.6	2.1	2.4	2.5	2.6	2.7
Plant turnover	4.5	4.7	3.8	4.9	5.5	6.0	6.4
Inventory turnover (sales/inventory)	6.9	6.9	6.3	6.0	6.0	6.0	6.0
Returns							
ROCE	7.9 %	7.9 %	5.3 %	7.1 %	9.7 %	11.2 %	12.4 %
ROE	9.9 %	7.3 %	8.7 %	12.4 %	12.4 %	13.9 %	14.5 %
Other							
Interest paid / avg. debt	5.8 %	6.2 %	4.9 %	3.3 %	3.3 %	3.3 %	3.3 %
No. employees (average)	1072	1118	1144	1144	1144	1144	1144
Number of shares	30.0	30.0	30.0	30.0	30.0	30.0	30.0
DPS	0.0	0.0	0.0	0.0	0.1	0.1	0.1
EPS reported	0.14	0.12	0.15	0.23	0.26	0.33	0.39
Valuation ratios							
P/BV	2.4	2.1	1.9	1.8	1.6	1.4	1.2
EV/sales	0.8	0.6	0.7	0.6	0.6	0.5	0.5
EV/EBITDA	7.8	7.2	8.6	7.0	6.2	5.4	4.6
EV/EBITA	14.0	13.6	23.0	16.9	11.6	9.2	7.6
EV/EBIT	16.8	16.6	25.5	17.2	11.8	9.3	7.7
EV/FCF	140.6	62.6	-176.5	-129.0	25.0	17.8	12.7
Adjusted FCF yield	7.9 %	7.2 %	6.8 %	8.3 %	10.2 %	12.4 %	14.9 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.9 %	2.4 %	3.0 %	3.6 %

Source: Company data, Hauck & Aufhäuser

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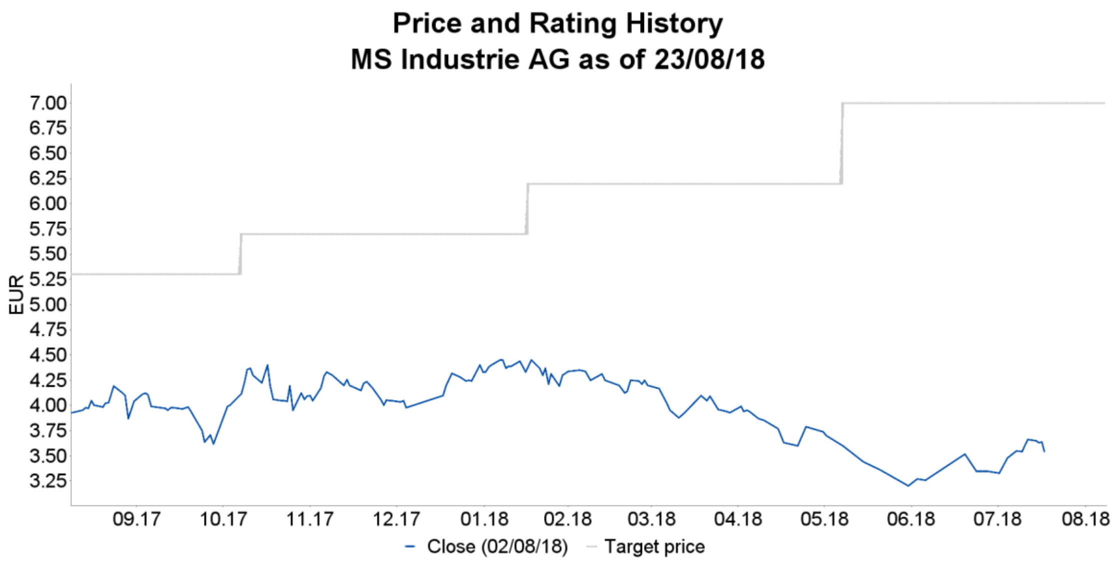
Company	Disclosure
MS Industrie AG	6

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



Initiation coverage

12-March-13

Company	Date	Analyst	Rating	Target price	Close
MS Industrie AG	11.07.2018	Glowa, Christian	Buy	EUR 7,00	EUR 3,35
	24.05.2018	Glowa, Christian	Buy	EUR 7,00	EUR 3,60
	02.02.2018	Glowa, Christian	Buy	EUR 6,20	EUR 4,45
	21.11.2017	Glowa, Christian	Buy	EUR 5,70	EUR 4,29
	23.10.2017	Glowa, Christian	Buy	EUR 5,70	EUR 4,12

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