

**Buy** (old: Buy)

**Price target: EUR 3.00** (old: EUR 3.00)

**Price:** EUR 1.82      **Next result:** FY 2012 01.04.13  
**Bloomberg:** MSAG GR      **Market cap:** EUR 53.8 m  
**Reuters:** MSAG.DE      **Enterprise Value:** EUR 137.2 m

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## FY 2012 figures show a sound underlying development

MS Industrie released its annual report for FY'12 on Tuesday morning.

On an annual basis, **sales were up 13% yoy to € 175m** (eH&A: € 173m) on the back of 1) the increasing penetration of the Weltmotor and 2) a healthy development in the NAFTA region driven by a recovery of the truck market after several years of investment backlog.

At the same time, EBITDA was down 22% yoy to € 16.3m (eH&A: € 17.7m). However, a positive one-off of € 5.3m related to the release of a provision was included in the previous year's figure. Adjusting for that, the **underlying EBITDA was up 4.5% yoy**. Still the under proportionate development is due to the fact that 1) the company had to invest in additional personnel in order to be able to meet the high level of demand and 2) a further penetration of the Weltmotor came with higher material expenses due to the complexity of the valve train system compared to the elements (rocker arms, valve trains) that MS Industrie principally delivered in the past and was not fully compensated by the work down of high gross margin orders from welding technology.

**Net income came in at € 2.1m** (eH&A: € 3.2m), stable yoy reflecting **higher than anticipated interest expenses offset by a positive effect on taxes** due to remaining tax loss carry forwards.

MS Industrie key figures (EUR m)	Q4 12	Q4 12 est.	Q4 11	yoy	Q3 12	qoq	FY 12	FY 12 est.	FY 11	yoy
Total sales	42.1	41.1	52.2	-19.4%	45.3	-7.1%	174.3	173.3	155.2	12.3%
EBITDA	4.1	5.5	8.9	-54.3%	4.1	-1.3%	16.3	17.7	20.9	-22.1%
% of total sales	9.7%	13.3%	17.1%		9.1%		9.3%	10.2%	13.5%	
EBIT	1.0	2.7	4.6	-77.7%	1.8	-44.3%	6.0	7.7	9.2	-34.6%
% of total sales	2.4%	6.5%	8.8%		4.0%		3.5%	4.4%	5.9%	
Net income	0.1	1.2	1.2	-92.5%	0.2	-53.6%	2.1	3.2	2.1	-0.7%
% of total sales	0.2%	2.8%	2.3%		0.4%		1.2%	1.8%	1.4%	
EPS	0.00	0.04	0.04	-100.0%	0.01	-100.0%	0.07	0.11	0.07	0.0%

Source: Company data; Hauck & Aufhäuser

**Cash flow from operations amounted to € 7.6m** (vs. € -7.1m in FY'11, eH&A: € 8.6m), mainly due to a **strong improvement in w/c management** (inventories down 7% despite sales up 13%).

Trading at a PER'14E of 7.3x adj. for PPA, **the valuation looks undemanding**, especially bearing in mind the growth potential stemming from the penetration of the Weltmotor (top line CAGR '12-15E: 11%). **BUY. PT of € 3.00 based on FCFY'14E.**

Y/E 31.12 (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Sales	102.5	116.7	154.3	174.8	190.3	212.7	240.6
Sales growth	-47 %	14 %	32 %	13 %	9 %	12 %	13 %
EBITDA	6.2	15.9	20.9	16.3	17.9	22.0	27.8
EBIT	-4.0	5.6	9.2	6.0	7.7	11.6	17.5
Net income	-7.6	0.8	2.1	2.1	2.4	5.5	9.6
Net debt	45.6	49.5	74.3	81.8	83.4	67.1	57.2
Net gearing	175.9 %	156.3 %	218.8 %	237.5 %	225.1 %	176.9 %	119.8 %
Net Debt/EBITDA	7.3	3.1	3.5	5.0	4.7	3.0	2.1
EPS fully diluted	-0.35	0.03	0.07	0.07	0.08	0.19	0.33
CPS	-0.03	-0.36	-0.52	-0.01	0.04	0.10	0.20
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	48.7 %	42.6 %	42.5 %	42.2 %	42.5 %	42.6 %	42.7 %
EBITDA margin	6.1 %	13.6 %	13.6 %	9.3 %	9.4 %	10.4 %	11.5 %
EBIT margin	-4.0 %	4.8 %	6.0 %	3.4 %	4.1 %	5.5 %	7.3 %
ROCE	-3.6 %	5.4 %	7.9 %	4.6 %	5.5 %	8.4 %	12.7 %
EV/sales	0.9	0.9	0.8	0.8	0.7	0.6	0.5
EV/EBITDA	14.2	6.3	6.2	8.3	7.7	5.5	4.0
EV/EBIT	-21.8	17.9	14.2	22.5	17.8	10.4	6.4
PER	-5.5	59.7	13.0	20.8	22.1	9.8	5.6
Adjusted FCF yield	2.1 %	8.9 %	11.3 %	8.1 %	7.0 %	9.7 %	14.2 %

Source: Company data, Hauck & Aufhäuser Close price as of: 30.04.2013



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 2.04 / 1.41  
**Price/Book Ratio:** 1.5  
**Relative performance (SDAX):**  
3 months -0.7 %  
6 months -1.5 %  
12 months 5.5 %

### Changes in estimates

	Sales	EBIT	EPS
2013	<b>old:</b> 190.3	7.7	0.08
	Δ	-	-
2014	<b>old:</b> 212.7	11.6	0.19
	Δ	-	-
2015	<b>old:</b> 240.6	17.5	0.33
	Δ	-	-

### Key share data:

Number of shares: (in m pcs) 29.5  
Authorised capital: (in € m) 9.7  
Book value per share: (in €) 1.3  
Ø trading volume: (12 months) 52,941

### Major shareholders:

Free Float 54.0 %  
MS ProActive 20.0 %  
Dreyer Ventures & Management 10.0 %  
Management 10.0 %  
MM Vermögensverw. / Paladin 6.0 %

### Company description:

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

## Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Net sales</b>	<b>102.5</b>	<b>116.7</b>	<b>154.3</b>	<b>174.8</b>	<b>190.3</b>	<b>212.7</b>	<b>240.6</b>
<i>Sales growth</i>	-46.8 %	13.9 %	32.2 %	13.3 %	8.8 %	11.8 %	13.1 %
Increase/decrease in finished goods and work-in-process	0.0	3.1	0.9	-0.6	0.0	0.0	0.0
<b>Total sales</b>	<b>102.5</b>	<b>119.8</b>	<b>155.2</b>	<b>174.3</b>	<b>190.3</b>	<b>212.7</b>	<b>240.6</b>
Other operating income	4.6	11.5	10.9	6.4	5.1	4.1	3.1
Material expenses	52.6	68.7	89.2	100.7	109.4	122.1	137.9
Personnel expenses	27.9	29.3	33.2	38.0	42.1	44.9	48.1
Other operating expenses	20.4	17.4	22.8	25.8	26.0	27.8	30.0
Total operating expenses	96.2	103.9	134.3	158.0	172.4	190.7	212.9
<b>EBITDA</b>	<b>6.2</b>	<b>15.9</b>	<b>20.9</b>	<b>16.3</b>	<b>17.9</b>	<b>22.0</b>	<b>27.8</b>
Depreciation	7.6	7.7	7.5	7.4	8.2	8.4	8.3
<b>EBITA</b>	<b>-1.4</b>	<b>8.2</b>	<b>13.5</b>	<b>8.9</b>	<b>9.7</b>	<b>13.6</b>	<b>19.5</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.2	2.6	2.3	2.3	2.0	2.0	2.0
Impairment charges	0.5	0.0	2.0	0.5	0.0	0.0	0.0
<b>EBIT</b>	<b>-4.0</b>	<b>5.6</b>	<b>9.2</b>	<b>6.0</b>	<b>7.7</b>	<b>11.6</b>	<b>17.5</b>
Interest income	6.9	0.5	0.1	1.4	0.0	0.0	0.0
Interest expenses	13.8	4.8	7.5	6.7	4.1	3.7	3.5
Other financial result	0.0	-0.6	0.0	0.0	0.0	0.0	0.0
Financial result	-6.9	-4.9	-7.4	-5.3	-4.1	-3.7	-3.5
<b>Recurring pretax income from continuing operations</b>	<b>-10.9</b>	<b>0.7</b>	<b>1.8</b>	<b>0.7</b>	<b>3.6</b>	<b>8.0</b>	<b>13.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-10.9</b>	<b>0.7</b>	<b>1.8</b>	<b>0.7</b>	<b>3.6</b>	<b>8.0</b>	<b>13.9</b>
Taxes	-2.2	-0.2	-0.4	-1.3	1.1	2.5	4.3
<b>Net income from continuing operations</b>	<b>-8.7</b>	<b>0.9</b>	<b>2.2</b>	<b>2.1</b>	<b>2.5</b>	<b>5.5</b>	<b>9.6</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-8.7</b>	<b>0.9</b>	<b>2.2</b>	<b>2.1</b>	<b>2.5</b>	<b>5.5</b>	<b>9.6</b>
Minority interest	-1.2	0.1	0.0	0.0	0.0	0.0	0.0
<b>Net income (net of minority interest)</b>	<b>-7.6</b>	<b>0.8</b>	<b>2.1</b>	<b>2.1</b>	<b>2.4</b>	<b>5.5</b>	<b>9.6</b>
Average number of shares	21.4	26.4	28.9	29.5	29.5	29.5	29.5
<b>EPS reported</b>	<b>-0.35</b>	<b>0.03</b>	<b>0.07</b>	<b>0.07</b>	<b>0.08</b>	<b>0.19</b>	<b>0.33</b>

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	0.0 %	2.7 %	0.6 %	-0.3 %	0.0 %	0.0 %	0.0 %
<b>Total sales</b>	<b>100.0 %</b>	<b>102.7 %</b>	<b>100.6 %</b>	<b>99.7 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Other operating income	4.5 %	9.9 %	7.1 %	3.7 %	2.7 %	1.9 %	1.3 %
Material expenses	51.3 %	58.9 %	57.8 %	57.6 %	57.5 %	57.4 %	57.3 %
Personnel expenses	27.2 %	25.2 %	21.5 %	21.7 %	22.1 %	21.1 %	20.0 %
Other operating expenses	19.9 %	14.9 %	14.8 %	14.8 %	13.6 %	13.1 %	12.5 %
Total operating expenses	93.9 %	89.0 %	87.0 %	90.4 %	90.6 %	89.6 %	88.5 %
<b>EBITDA</b>	<b>6.1 %</b>	<b>13.6 %</b>	<b>13.6 %</b>	<b>9.3 %</b>	<b>9.4 %</b>	<b>10.4 %</b>	<b>11.5 %</b>
Depreciation	7.4 %	6.6 %	4.8 %	4.3 %	4.3 %	3.9 %	3.4 %
<b>EBITA</b>	<b>-1.3 %</b>	<b>7.1 %</b>	<b>8.7 %</b>	<b>5.1 %</b>	<b>5.1 %</b>	<b>6.4 %</b>	<b>8.1 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.1 %	2.3 %	1.5 %	1.3 %	1.1 %	0.9 %	0.8 %
Impairment charges	0.5 %	0.0 %	1.3 %	0.3 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>-4.0 %</b>	<b>4.8 %</b>	<b>6.0 %</b>	<b>3.4 %</b>	<b>4.1 %</b>	<b>5.5 %</b>	<b>7.3 %</b>
Interest income	6.8 %	0.4 %	0.1 %	0.8 %	0.0 %	0.0 %	0.0 %
Interest expenses	13.5 %	4.1 %	4.9 %	3.8 %	2.2 %	1.7 %	1.5 %
Other financial result	0.0 %	-0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-6.7 %	-4.2 %	-4.8 %	-3.0 %	-2.2 %	-1.7 %	-1.5 %
<b>Recurring pretax income from continuing operations</b>	<b>-10.7 %</b>	<b>0.6 %</b>	<b>1.2 %</b>	<b>0.4 %</b>	<b>1.9 %</b>	<b>3.7 %</b>	<b>5.8 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>-10.7 %</b>	<b>0.6 %</b>	<b>1.2 %</b>	<b>0.4 %</b>	<b>1.9 %</b>	<b>3.7 %</b>	<b>5.8 %</b>
Tax rate	20.0 %	-34.6 %	-20.4 %	-177.6 %	31.0 %	31.0 %	31.0 %
<b>Net income from continuing operations</b>	<b>-8.5 %</b>	<b>0.8 %</b>	<b>1.4 %</b>	<b>1.2 %</b>	<b>1.3 %</b>	<b>2.6 %</b>	<b>4.0 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>-8.5 %</b>	<b>0.8 %</b>	<b>1.4 %</b>	<b>1.2 %</b>	<b>1.3 %</b>	<b>2.6 %</b>	<b>4.0 %</b>
Minority interest	-1.1 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>-7.4 %</b>	<b>0.7 %</b>	<b>1.4 %</b>	<b>1.2 %</b>	<b>1.3 %</b>	<b>2.6 %</b>	<b>4.0 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>12.6</b>	<b>11.3</b>	<b>9.6</b>	<b>7.7</b>	<b>5.7</b>	<b>3.7</b>	<b>1.7</b>
Property, plant and equipment	61.0	56.8	52.9	63.1	65.9	58.5	54.4
Financial assets	5.3	13.1	11.1	14.3	14.3	3.5	3.5
<b>FIXED ASSETS</b>	<b>78.8</b>	<b>81.3</b>	<b>73.5</b>	<b>85.1</b>	<b>85.9</b>	<b>65.7</b>	<b>59.6</b>
Inventories	13.9	20.5	25.6	23.7	25.4	28.4	32.1
Accounts receivable	14.1	19.1	21.8	22.7	25.0	28.0	31.6
Other current assets	4.1	11.4	16.1	10.4	10.4	10.4	10.4
Liquid assets	8.1	7.1	5.1	10.5	15.8	18.1	30.0
Deferred taxes	3.1	1.9	0.2	1.0	0.9	0.9	0.8
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>43.3</b>	<b>60.1</b>	<b>68.7</b>	<b>68.2</b>	<b>77.5</b>	<b>85.7</b>	<b>105.0</b>
<b>TOTAL ASSETS</b>	<b>122.2</b>	<b>141.4</b>	<b>142.2</b>	<b>153.3</b>	<b>163.4</b>	<b>151.4</b>	<b>164.5</b>
SHAREHOLDERS EQUITY	25.9	31.7	34.0	34.4	37.0	37.9	47.7
MINORITY INTEREST	3.3	2.1	1.5	1.3	1.3	1.3	1.3
Long-term debt	46.7	50.9	59.1	76.0	83.0	69.0	71.0
Provisions for pensions and similar obligations	3.5	3.1	3.2	0.0	0.0	0.0	0.0
Other provisions	13.1	13.6	6.2	7.0	7.0	7.0	7.0
<b>Non-current liabilities</b>	<b>63.3</b>	<b>67.6</b>	<b>68.5</b>	<b>83.0</b>	<b>90.0</b>	<b>76.0</b>	<b>78.0</b>
short-term liabilities to banks	7.0	5.7	20.2	16.2	16.2	16.2	16.2
Accounts payable	7.0	11.9	11.1	10.3	10.9	12.2	13.8
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)	8.0	16.3	3.7	6.5	6.5	6.5	6.5
Deferred taxes	7.6	6.2	3.3	1.6	1.4	1.2	0.9
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Current liabilities</b>	<b>29.6</b>	<b>40.0</b>	<b>38.3</b>	<b>34.6</b>	<b>35.1</b>	<b>36.1</b>	<b>37.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>122.2</b>	<b>141.4</b>	<b>142.2</b>	<b>153.3</b>	<b>163.4</b>	<b>151.4</b>	<b>164.5</b>

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>10.3 %</b>	<b>8.0 %</b>	<b>6.7 %</b>	<b>5.0 %</b>	<b>3.5 %</b>	<b>2.4 %</b>	<b>1.0 %</b>
Property, plant and equipment	49.9 %	40.2 %	37.2 %	41.2 %	40.3 %	38.6 %	33.0 %
Financial assets	4.3 %	9.3 %	7.8 %	9.3 %	8.7 %	2.3 %	2.1 %
<b>FIXED ASSETS</b>	<b>64.5 %</b>	<b>57.5 %</b>	<b>51.7 %</b>	<b>55.5 %</b>	<b>52.6 %</b>	<b>43.4 %</b>	<b>36.2 %</b>
Inventories	11.3 %	14.5 %	18.0 %	15.5 %	15.5 %	18.7 %	19.5 %
Accounts receivable	11.6 %	13.5 %	15.3 %	14.8 %	15.3 %	18.5 %	19.2 %
Other current assets	3.4 %	8.1 %	11.3 %	6.8 %	6.3 %	6.8 %	6.3 %
Liquid assets	6.6 %	5.0 %	3.6 %	6.8 %	9.7 %	11.9 %	18.3 %
Deferred taxes	2.5 %	1.4 %	0.2 %	0.6 %	0.6 %	0.6 %	0.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>35.5 %</b>	<b>42.5 %</b>	<b>48.3 %</b>	<b>44.5 %</b>	<b>47.4 %</b>	<b>56.6 %</b>	<b>63.8 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	21.2 %	22.4 %	23.9 %	22.5 %	22.7 %	25.1 %	29.0 %
MINORITY INTEREST	2.7 %	1.5 %	1.0 %	0.8 %	0.8 %	0.8 %	0.8 %
Long-term debt	38.2 %	36.0 %	41.6 %	49.6 %	50.8 %	45.6 %	43.2 %
Provisions for pensions and similar obligations	2.8 %	2.2 %	2.3 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	10.7 %	9.6 %	4.4 %	4.6 %	4.3 %	4.6 %	4.3 %
<b>Non-current liabilities</b>	<b>51.8 %</b>	<b>47.8 %</b>	<b>48.2 %</b>	<b>54.1 %</b>	<b>55.1 %</b>	<b>50.2 %</b>	<b>47.4 %</b>
short-term liabilities to banks	5.8 %	4.0 %	14.2 %	10.6 %	9.9 %	10.7 %	9.8 %
Accounts payable	5.8 %	8.4 %	7.8 %	6.7 %	6.7 %	8.1 %	8.4 %
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 %	11.5 %	2.6 %	4.3 %	4.0 %	4.3 %	4.0 %
Deferred taxes	6.2 %	4.4 %	2.3 %	1.0 %	0.8 %	0.8 %	0.6 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Current liabilities</b>	<b>24.3 %</b>	<b>28.3 %</b>	<b>26.9 %</b>	<b>22.6 %</b>	<b>21.5 %</b>	<b>23.9 %</b>	<b>22.8 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	-8.7	0.9	2.2	2.1	2.5	5.5	9.6
Depreciation of fixed assets (incl. leases)	7.6	7.7	7.5	7.4	8.2	8.4	8.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.2	2.6	2.3	2.3	2.0	2.0	2.0
Others	-1.0	-4.7	-1.0	-1.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	0.1	6.5	10.9	10.8	12.7	15.9	19.9
Increase/decrease in inventory	17.2	-13.1	-11.4	-0.7	-1.7	-3.0	-3.7
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	-2.3	-2.9	-3.7
Increase/decrease in accounts payable	-10.0	5.5	-6.7	-2.5	0.7	1.3	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	7.2	-7.6	-18.0	-3.3	-3.3	-4.6	-5.8
<b>Cash flow from operating activities</b>	<b>7.3</b>	<b>-1.2</b>	<b>-7.1</b>	<b>7.6</b>	<b>9.4</b>	<b>11.3</b>	<b>14.1</b>
CAPEX	9.2	3.8	11.0	17.2	11.0	6.0	4.2
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	2.8	2.0	3.7	1.4	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-6.3</b>	<b>-2.0</b>	<b>-7.3</b>	<b>-15.9</b>	<b>-11.0</b>	<b>-6.0</b>	<b>-4.2</b>
Cash flow before financing	0.9	-3.2	-14.5	-8.4	-1.6	5.3	10.0
Increase/decrease in debt position	-5.4	0.5	13.7	14.2	7.0	-3.0	2.0
Purchase of own shares	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Capital measures	-0.1	2.6	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	-1.8	-1.0	-0.9	-0.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	-2.0	0.0	0.0	-0.4	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-7.2</b>	<b>2.2</b>	<b>12.5</b>	<b>14.1</b>	<b>7.0</b>	<b>-3.0</b>	<b>2.0</b>
Increase/decrease in liquid assets	-8.3	-1.0	-2.0	5.4	5.4	2.3	12.0
<b>Liquid assets at end of period</b>	<b>8.1</b>	<b>7.1</b>	<b>5.1</b>	<b>10.5</b>	<b>15.8</b>	<b>18.1</b>	<b>30.0</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Domestic	63.8	72.9	78.3	0.0	0.0	0.0	0.0
yoy change	n/a	14.4 %	7.4 %	n/a	n/a	n/a	n/a
Rest of Europe	5.9	5.4	15.5	0.0	0.0	0.0	0.0
yoy change	n/a	-7.6 %	185.6 %	n/a	n/a	n/a	n/a
NAFTA	31.1	35.2	55.7	0.0	0.0	0.0	0.0
yoy change	n/a	13.4 %	58.1 %	n/a	n/a	n/a	n/a
Asia Pacific	0.6	0.2	0.1	0.0	0.0	0.0	0.0
yoy change	n/a	-69.0 %	-45.8 %	n/a	n/a	n/a	n/a
Rest of world	1.1	2.9	4.6	0.0	0.0	0.0	0.0
yoy change	n/a	156.7 %	61.4 %	n/a	n/a	n/a	n/a
<b>TTL</b>	<b>102.5</b>	<b>116.7</b>	<b>154.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
yoy change	n/a	13.9 %	32.2 %	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>P&amp;L growth analysis</b>							
Sales growth	-46.8 %	13.9 %	32.2 %	13.3 %	8.8 %	11.8 %	13.1 %
EBITDA growth	-3.4 %	155.8 %	31.6 %	-22.2 %	10.1 %	22.9 %	26.0 %
EBIT growth	-86.0 %	-238.7 %	63.4 %	-34.4 %	28.3 %	50.6 %	50.1 %
EPS growth	-85.1 %	-108.6 %	138.2 %	-2.6 %	16.6 %	125.0 %	75.1 %
<b>Efficiency</b>							
Total operating costs / sales	93.9 %	89.0 %	87.0 %	90.4 %	90.6 %	89.6 %	88.5 %
Sales per employee	93.1	171.6	208.2	177.5	184.1	198.4	215.3
EBITDA per employee	5.7	23.4	28.3	16.5	17.3	20.6	24.8
<b>Balance sheet analysis</b>							
Avg. working capital / sales	20.7 %	20.9 %	20.8 %	20.7 %	19.9 %	19.6 %	19.5 %
Inventory turnover (sales/inventory)	7.4	5.7	6.0	7.4	7.5	7.5	7.5
Trade debtors in days of sales	50.3	59.9	51.6	47.4	48.0	48.0	48.0
A/P turnover [(A/P*365)/sales]	25.0	37.2	26.3	21.5	21.0	21.0	21.0
Cash conversion cycle (days)	97.7	105.8	110.8	96.1	96.1	96.2	96.3
<b>Cash flow analysis</b>							
Free cash flow	-1.9	-5.0	-18.2	-9.7	-1.6	5.3	10.0
Free cash flow/sales	-1.8 %	-4.3 %	-11.8 %	-5.5 %	-0.9 %	2.5 %	4.1 %
FCF / net profit	24.6 %	-618.6 %	-862.2 %	-463.6 %	-66.8 %	95.7 %	103.7 %
FCF yield	-4.8 %	-10.4 %	-34.4 %	-18.0 %	-3.0 %	9.8 %	18.5 %
Capex / depre	93.6 %	39.5 %	113.1 %	176.9 %	107.8 %	57.7 %	40.3 %
Capex / maintenance capex	117.0 %	46.2 %	143.5 %	237.7 %	134.8 %	73.5 %	50.9 %
Capex / sales	8.9 %	3.5 %	7.2 %	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	45.6	49.5	74.3	81.8	83.4	67.1	57.2
Net Debt/EBITDA	7.3	3.1	3.5	5.0	4.7	3.0	2.1
Net debt / equity	1.8	1.6	2.2	2.4	2.3	1.8	1.2
Interest cover	0.0	1.2	1.2	0.9	1.9	3.2	4.9
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Asset utilisation</b>							
Capital employed turnover	1.0	1.1	1.2	1.3	1.3	1.6	1.7
Operating assets turnover	1.3	1.4	1.7	1.8	1.8	2.1	2.3
Plant turnover	1.7	2.1	2.9	2.8	2.9	3.6	4.4
Inventory turnover (sales/inventory)	7.4	5.7	6.0	7.4	7.5	7.5	7.5
<b>Returns</b>							
ROCE	-3.6 %	5.4 %	7.9 %	4.6 %	5.5 %	8.4 %	12.7 %
ROE	-29.1 %	2.5 %	6.2 %	6.1 %	6.6 %	14.5 %	20.1 %
<b>Other</b>							
Interest paid / avg. debt	23.5 %	8.7 %	11.1 %	7.8 %	4.3 %	4.0 %	4.1 %
No. employees (average)	1100	680	741	985	1034	1072	1118
Number of shares	21.4	26.4	28.9	29.5	29.5	29.5	29.5
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.35	0.03	0.07	0.07	0.08	0.19	0.33
<b>Valuation ratios</b>							
P/BV	1.5	1.5	1.6	1.6	1.5	1.4	1.1
EV/sales	0.9	0.9	0.8	0.8	0.7	0.6	0.5
EV/EBITDA	14.2	6.3	6.2	8.3	7.7	5.5	4.0
EV/EBITA	-64.4	12.2	9.7	15.3	14.1	8.9	5.7
EV/EBIT	-21.8	17.9	14.2	22.5	17.8	10.4	6.4
EV/FCF	-47.3	-20.2	-7.2	-14.0	-84.2	23.0	11.1
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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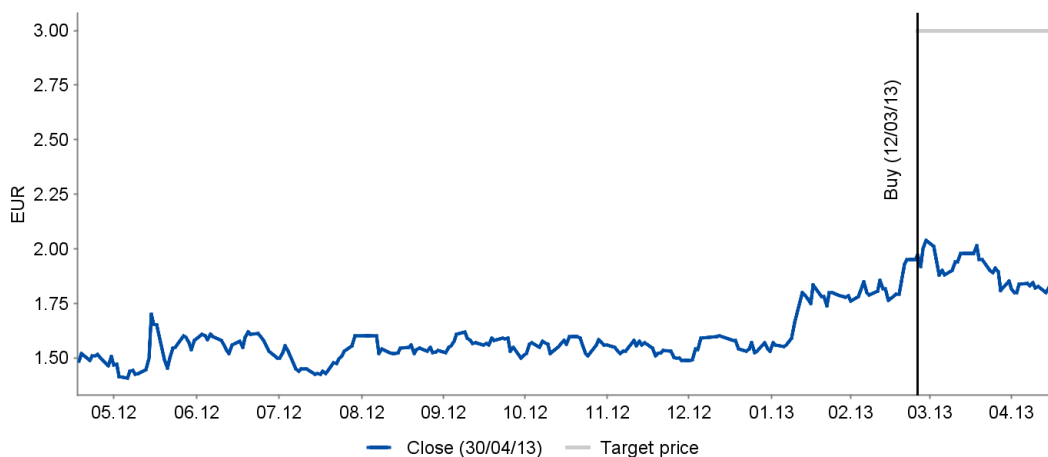
Company	Disclosure
MS Industrie AG	5, 8

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#### Price and Rating History MS Industrie AG as of 02/05/13

**Initiation coverage**  
12-March-13



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<b>Buy</b>	61.39 %	100.00 %
<b>Sell</b>	11.88 %	0.00 %
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### Valuation basis/rating key

**Buy:** Sustainable upside potential of more than 10% within 12 months.

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