

Buy (old: Buy)

Price target: EUR 5.00 (old: EUR 5.10)

Price:	EUR 3.42	Next result:	Q3 2014 15.11.14
Bloomberg:	MSAG GR	Market cap:	EUR 102.6 m
Reuters:	MSAG.DE	Enterprise Value:	EUR 162.0 m

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Solid underlying development somewhat distorted by one-offs – chg. in est. & PT

Yesterday, MS Industrie reported Q2 figures which were solid but slightly below our expectations.

Q2'14 sales were up 14% yoy to € 55.3m (eH&A: € 51.0m) including € 3.8m of proceeds from the deconsolidation of Beno (the booking of the fair value during a deconsolidation is a relic of MS Industrie's former business model). Adjusting for that, sales were up 6.2% yoy to € 51.5m driven by further increasing demand for trucks on the back of a strong economic development in the US while Europe stagnated following the pre-buy in Q4'13.

Several factors explain why Q2'14 EBITDA was down 3.5% yoy to € 4.8m (eH&A: € 5.1m). (1) The deconsolidation of Beno brought € 3.3m of incremental material expenses (book value of assets) while (2) a negative one-off of € -0.5m related to the Pfaff insolvency had to be recognised which offset the positive one-off from Beno's deconsolidation. (3) Furthermore, the special machinery segment (Welding) invested strongly in R&D (no capitalisation of costs) which resulted in a 0.6pp increase in R&D / group sales ratio. (4) Finally, the company faced a weaker mix towards powertrain sales. Adjusting for the one-offs (Beno + Pfaff + incremental R&D), the EBITDA margin came in at c. 10% meeting our expectations.

Outlook: Following the solid start into the year, **MS Industrie confirmed its forecast** expecting around € 200m of sales as well as a significant increase in EBITDA and EBIT. This looks well underpinned by the fact that the company was very positive in its wording regarding the development of the order book (+17% yoy to c. € 110m at the end of June, Welding reaching well into FY'15). Growth is continuously driven by the increasing penetration of the Weltmotor in Daimler's heavy duty engine portfolio.

Change in estimates: Following the release of Q2 figures and discussions with the management, we slightly reduce our EBITDA estimates for FY'14E by 2% reflecting the € -0.5m one-off while our D&A estimates are slightly increased. Our FY'14E EPS estimate remains unchanged on the back of a lower tax rate than formerly anticipated.

As we expect MS Industrie to continue its dynamic development the stock's valuation looks still undemanding with a **PER'15E of 9.9x adjusted for PPA** (vs. 12.3x for our automotive coverage). Hence, **we confirm our BUY rating. New PT of € 5.00** (old: € 5.10) **is based on FCFY'15E.**

Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	116.7	154.3	174.8	179.8	212.1	237.3	267.8
Sales growth	14 %	32 %	13 %	3 %	18 %	12 %	13 %
EBITDA	15.9	20.9	16.3	17.3	21.2	26.6	32.1
EBIT	5.6	9.2	6.0	6.7	10.5	16.1	23.0
Net income	0.8	2.1	2.1	2.0	5.3	9.0	13.9
Net debt	49.5	74.3	81.8	84.9	59.3	49.4	37.0
Net gearing	156.3 %	218.8 %	237.5 %	237.9 %	161.6 %	107.9 %	61.9 %
Net Debt/EBITDA	3.1	3.5	5.0	4.9	2.8	1.9	1.2
EPS pro forma	0.03	0.14	0.09	0.08	0.18	0.30	0.46
CPS	-0.36	-0.52	-0.01	0.00	0.12	0.19	0.27
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	42.6 %	42.5 %	42.2 %	45.7 %	43.7 %	43.6 %	43.1 %
EBITDA margin	13.6 %	13.6 %	9.3 %	9.6 %	10.0 %	11.2 %	12.0 %
EBIT margin	4.8 %	6.0 %	3.4 %	3.7 %	4.9 %	6.8 %	8.6 %
ROCE	5.4 %	7.9 %	4.6 %	5.0 %	8.3 %	13.2 %	18.7 %
EV/sales	1.2	1.1	1.0	1.0	0.8	0.6	0.5
EV/EBITDA	9.0	8.4	11.2	10.8	7.7	5.7	4.3
EV/EBIT	25.4	19.2	30.3	27.6	15.5	9.5	6.1
PER	111.9	24.3	38.6	45.4	19.2	11.4	7.4
Adjusted FCF yield	6.0 %	8.1 %	5.8 %	5.3 %	7.4 %	9.9 %	12.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 19.08.2014



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 4.20 / 1.76

Price/Book Ratio: 2.8

Relative performance (SDAX):

3 months 1.2 %

6 months 12.5 %

12 months 67.9 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	212.1	11.2	0.18
	Δ	-	-6.5%	-
2015	old:	237.3	16.3	0.31
	Δ	-	-1.7%	-2.2%
2016	old:	267.8	23.2	0.47
	Δ	-	-0.6%	-0.7%

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 64.0 %

MS ProActive 20.0 %

Management 10.0 %

Dreyer Ventures & Management 6.0 %

Ruffer * 5.4 %

Allianz GI * 4.2 %

* included in free float

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 – Q2 / H1 results

MS Industrie key figures (EUR m)	Q2 14	Q2 14 adj.*	Q2 14 est.	Q2 13	yoy	Q1 14	qoq	H1 14	H1 14 adj.*	H1 14 est.	H1 13	yoy
Sales	55.3	51.5	51.0	48.5	14.1%	49.3	0.1	104.6	100.8	100.3	84.9	23.3%
EBITDA	4.8	4.8	5.1	5.0	-3.5%	5.4	-0.1	10.2	10.2	10.5	9.2	11.1%
<i>margin</i>	8.7%	9.3%	10.0%	10.3%	-1.6pp	11.0%	-2.2pp	9.8%	10.1%	10.5%	10.9%	-1.1pp
EBIT	2.1	2.0	2.3	2.5	-16.9%	2.6	-20.9%	4.7	4.6	4.9	4.2	11.6%
<i>margin</i>	3.7%	3.9%	4.5%	5.1%	-1.4pp	5.3%	-1.6pp	4.5%	4.6%	4.9%	4.9%	-0.5pp
Net income	1.6	1.6	1.8	1.5	11.2%	0.8	na	2.4	2.4	2.6	1.4	77.8%
<i>margin</i>	2.9%	3.1%	3.5%	3.0%	-0.1pp	1.6%	1.3pp	2.3%	2.4%	2.6%	1.6%	0.7pp
EPS	0.05	0.05	0.06	0.05	0.0%	0.03	na	0.08	0.08	0.09	0.05	60.0%

Source: Company data; Hauck & Aufhäuser

* Adjusted for the disposal of Beno (sales: € 3.8m, cost of material: € 3.3m) and the one-off linked to Pfaff (€ -0.5m)

Incremental R&D expenses represented 0.6% of sales in Q2 vs. Q2'13

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net sales	116.7	154.3	174.8	179.8	212.1	237.3	267.8
<i>Sales growth</i>	13.9 %	32.2 %	13.3 %	2.8 %	18.0 %	11.9 %	12.9 %
Increase/decrease in finished goods and work-in-process	3.1	0.9	-0.6	2.3	0.0	0.0	0.0
Total sales	119.8	155.2	174.3	182.1	212.1	237.3	267.8
Other operating income	11.5	10.9	6.4	4.5	3.3	2.5	2.0
Material expenses	68.7	89.2	100.7	98.9	119.4	133.8	152.4
Personnel expenses	29.3	33.2	38.0	42.1	46.8	49.6	53.6
Other operating expenses	17.4	22.8	25.8	28.3	28.1	29.8	31.7
Total operating expenses	103.9	134.3	158.0	164.8	191.0	210.7	235.7
EBITDA	15.9	20.9	16.3	17.3	21.2	26.6	32.1
Depreciation	7.7	7.5	7.4	7.8	8.7	8.5	8.4
EBITA	8.2	13.5	8.9	9.4	12.5	18.1	23.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.6	2.3	2.3	2.5	2.0	2.0	0.7
Impairment charges	0.0	2.0	0.5	0.3	0.0	0.0	0.0
EBIT	5.6	9.2	6.0	6.7	10.5	16.1	23.0
Interest income	0.5	0.1	1.4	0.3	0.0	0.0	0.0
Interest expenses	4.8	7.5	6.7	4.6	4.0	3.5	2.8
Other financial result	-0.6	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-4.9	-7.4	-5.3	-4.3	-4.0	-3.5	-2.8
Recurring pretax income from continuing operations	0.7	1.8	0.7	2.4	6.5	12.5	20.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.7	1.8	0.7	2.4	6.5	12.5	20.2
Taxes	-0.2	-0.4	-1.3	0.2	1.2	3.5	6.3
Net income from continuing operations	0.9	2.2	2.1	2.3	5.3	9.0	13.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.9	2.2	2.1	2.3	5.3	9.0	13.9
Minority interest	0.1	0.0	0.0	0.3	0.0	0.0	0.0
Net income (net of minority interest)	0.8	2.1	2.1	2.0	5.3	9.0	13.9
Average number of shares	26.4	28.9	29.3	29.5	30.0	30.0	30.0
EPS reported	0.03	0.07	0.07	0.07	0.18	0.30	0.46

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
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	2.7 %	0.6 %	-0.3 %	1.3 %	0.0 %	0.0 %	0.0 %
Total sales	102.7 %	100.6 %	99.7 %	101.3 %	100.0 %	100.0 %	100.0 %
Other operating income	9.9 %	7.1 %	3.7 %	2.5 %	1.6 %	1.1 %	0.7 %
Material expenses	58.9 %	57.8 %	57.6 %	55.0 %	56.3 %	56.4 %	56.9 %
Personnel expenses	25.2 %	21.5 %	21.7 %	23.4 %	22.1 %	20.9 %	20.0 %
Other operating expenses	14.9 %	14.8 %	14.8 %	15.7 %	13.2 %	12.5 %	11.8 %
Total operating expenses	89.0 %	87.0 %	90.4 %	91.7 %	90.0 %	88.8 %	88.0 %
EBITDA	13.6 %	13.6 %	9.3 %	9.6 %	10.0 %	11.2 %	12.0 %
Depreciation	6.6 %	4.8 %	4.3 %	4.4 %	4.1 %	3.6 %	3.1 %
EBITA	7.1 %	8.7 %	5.1 %	5.2 %	5.9 %	7.6 %	8.9 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.3 %	1.5 %	1.3 %	1.4 %	0.9 %	0.8 %	0.3 %
Impairment charges	0.0 %	1.3 %	0.3 %	0.1 %	0.0 %	0.0 %	0.0 %
EBIT	4.8 %	6.0 %	3.4 %	3.7 %	4.9 %	6.8 %	8.6 %
Interest income	0.4 %	0.1 %	0.8 %	0.2 %	0.0 %	0.0 %	0.0 %
Interest expenses	4.1 %	4.9 %	3.8 %	2.5 %	1.9 %	1.5 %	1.0 %
Other financial result	-0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-4.2 %	-4.8 %	-3.0 %	-2.4 %	-1.9 %	-1.5 %	-1.0 %
Recurring pretax income from continuing operations	0.6 %	1.2 %	0.4 %	1.4 %	3.1 %	5.3 %	7.5 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	0.6 %	1.2 %	0.4 %	1.4 %	3.1 %	5.3 %	7.5 %
Tax rate	-34.6 %	-20.4 %	-177.6 %	6.5 %	18.0 %	28.0 %	31.0 %
Net income from continuing operations	0.8 %	1.4 %	1.2 %	1.3 %	2.5 %	3.8 %	5.2 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	0.8 %	1.4 %	1.2 %	1.3 %	2.5 %	3.8 %	5.2 %
Minority interest	0.1 %	0.0 %	0.0 %	0.2 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	0.7 %	1.4 %	1.2 %	1.1 %	2.5 %	3.8 %	5.2 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	11.3	9.6	7.7	6.2	4.2	2.2	1.5
Property, plant and equipment	56.8	52.9	63.1	61.8	50.1	45.8	41.6
Financial assets	13.1	11.1	14.3	23.2	4.0	4.0	4.0
FIXED ASSETS	81.3	73.5	85.1	91.1	58.2	52.0	47.1
Inventories	20.5	25.6	23.7	28.4	30.3	33.9	38.3
Accounts receivable	19.1	21.8	22.7	23.1	27.3	30.5	34.4
Other current assets	11.4	16.1	10.4	8.5	8.5	8.5	8.5
Liquid assets	7.1	5.1	10.5	3.6	11.5	23.4	12.1
Deferred taxes	1.9	0.2	1.0	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	60.1	68.7	68.2	64.3	78.2	97.0	94.0
TOTAL ASSETS	141.4	142.2	153.3	155.5	136.5	149.0	141.1
SHAREHOLDERS EQUITY	31.7	34.0	34.4	35.7	36.7	45.8	59.7
MINORITY INTEREST	2.1	1.5	1.3	0.9	0.0	0.0	0.0
Long-term debt	50.9	59.1	76.0	74.9	57.2	59.2	33.5
Provisions for pensions and similar obligations	3.1	3.2	0.0	0.0	0.0	0.0	0.0
Other provisions	13.6	6.2	7.0	9.1	9.1	9.1	9.1
Non-current liabilities	67.6	68.5	83.0	84.0	66.3	68.3	42.6
short-term liabilities to banks	5.7	20.2	16.2	13.6	13.6	13.6	15.6
Accounts payable	11.9	11.1	10.3	14.2	12.8	14.3	16.1
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)	16.3	3.7	6.5	5.9	5.9	5.9	5.9
Deferred taxes	6.2	3.3	1.6	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	40.0	38.3	34.6	34.9	33.5	35.0	38.8
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	141.4	142.2	153.3	155.5	136.5	149.0	141.1

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	8.0 %	6.7 %	5.0 %	4.0 %	3.0 %	1.4 %	1.0 %
Property, plant and equipment	40.2 %	37.2 %	41.2 %	39.7 %	36.7 %	30.7 %	29.5 %
Financial assets	9.3 %	7.8 %	9.3 %	14.9 %	2.9 %	2.7 %	2.8 %
FIXED ASSETS	57.5 %	51.7 %	55.5 %	58.6 %	42.7 %	34.9 %	33.4 %
Inventories	14.5 %	18.0 %	15.5 %	18.3 %	22.2 %	22.8 %	27.1 %
Accounts receivable	13.5 %	15.3 %	14.8 %	14.9 %	20.0 %	20.5 %	24.4 %
Other current assets	8.1 %	11.3 %	6.8 %	5.5 %	6.3 %	5.7 %	6.1 %
Liquid assets	5.0 %	3.6 %	6.8 %	2.3 %	8.4 %	15.7 %	8.6 %
Deferred taxes	1.4 %	0.2 %	0.6 %	0.4 %	0.5 %	0.4 %	0.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	42.5 %	48.3 %	44.5 %	41.4 %	57.3 %	65.1 %	66.6 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	22.4 %	23.9 %	22.5 %	23.0 %	26.9 %	30.7 %	42.3 %
MINORITY INTEREST	1.5 %	1.0 %	0.8 %	0.6 %	0.0 %	0.0 %	0.0 %
Long-term debt	36.0 %	41.6 %	49.6 %	48.2 %	41.9 %	39.7 %	23.7 %
Provisions for pensions and similar obligations	2.2 %	2.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	9.6 %	4.4 %	4.6 %	5.8 %	6.6 %	6.1 %	6.4 %
Non-current liabilities	47.8 %	48.2 %	54.1 %	54.0 %	48.6 %	45.8 %	30.2 %
short-term liabilities to banks	4.0 %	14.2 %	10.6 %	8.8 %	10.0 %	9.1 %	11.1 %
Accounts payable	8.4 %	7.8 %	6.7 %	9.1 %	9.4 %	9.6 %	11.4 %
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)	11.5 %	2.6 %	4.3 %	3.8 %	4.4 %	4.0 %	4.2 %
Deferred taxes	4.4 %	2.3 %	1.0 %	0.7 %	0.8 %	0.8 %	0.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	28.3 %	26.9 %	22.6 %	22.4 %	24.5 %	23.5 %	27.5 %
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)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	0.9	2.2	2.1	2.3	5.3	9.0	13.9
Depreciation of fixed assets (incl. leases)	7.7	7.5	7.4	7.8	8.7	8.5	8.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.6	2.3	2.3	2.5	2.0	2.0	0.7
Others	-4.7	-1.0	-1.0	0.3	0.0	0.0	0.0
Cash flow from operations before changes in w/c	6.5	10.9	10.8	12.9	16.0	19.5	23.0
Increase/decrease in inventory	-13.1	-11.4	-0.7	-2.9	-1.9	-3.6	-4.4
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	-4.2	-3.2	-3.9
Increase/decrease in accounts payable	5.5	-6.7	-2.5	-1.8	1.8	1.5	1.8
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	-7.6	-18.0	-3.3	-4.6	-4.2	-5.3	-6.4
Cash flow from operating activities	-1.2	-7.1	7.6	8.2	11.8	14.2	16.6
CAPEX	3.8	11.0	17.2	7.5	6.0	4.3	4.2
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.3	0.0	0.0	4.3	0.0	0.0	0.0
Income from asset disposals	2.0	3.7	1.4	0.5	0.0	0.0	0.0
Cash flow from investing activities	-2.0	-7.3	-15.9	-11.3	-6.0	-4.3	-4.2
Cash flow before financing	-3.2	-14.5	-8.4	-3.0	5.8	10.0	12.4
Increase/decrease in debt position	0.5	13.7	14.2	-3.7	2.0	2.0	-23.7
Purchase of own shares	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Capital measures	2.6	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	-1.0	-0.9	-0.1	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	-0.4	-0.1	0.0	0.0	0.0
Cash flow from financing activities	2.2	12.5	14.1	-3.7	2.0	2.0	-23.7
Increase/decrease in liquid assets	-1.0	-2.0	5.4	-6.8	7.8	12.0	-11.3
Liquid assets at end of period	7.1	5.1	10.5	3.6	11.5	23.4	12.1

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Domestic	72.9	78.3	88.0	96.2	0.0	0.0	0.0
yoy change	14.4 %	7.4 %	12.3 %	9.3 %	n/a	n/a	n/a
Rest of Europe	5.4	15.5	9.4	11.4	0.0	0.0	0.0
yoy change	-7.6 %	185.6 %	-39.4 %	20.6 %	n/a	n/a	n/a
NAFTA	35.2	55.7	74.1	66.1	0.0	0.0	0.0
yoy change	13.4 %	58.1 %	33.1 %	-10.8 %	n/a	n/a	n/a
Asia Pacific	0.2	0.1	0.9	0.2	0.0	0.0	0.0
yoy change	-69.0 %	-45.8 %	796.2 %	-76.0 %	n/a	n/a	n/a
Rest of world	2.9	4.6	2.4	5.9	0.0	0.0	0.0
yoy change	156.7 %	61.4 %	-48.0 %	143.2 %	n/a	n/a	n/a
TTL	116.7	154.3	174.8	179.8	0.0	0.0	0.0
yoy change	13.9 %	32.2 %	13.3 %	2.8 %	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
P&L growth analysis							
Sales growth	13.9 %	32.2 %	13.3 %	2.8 %	18.0 %	11.9 %	12.9 %
EBITDA growth	155.8 %	31.6 %	-22.2 %	6.1 %	22.5 %	25.5 %	20.9 %
EBIT growth	-238.7 %	63.4 %	-34.4 %	11.8 %	55.5 %	53.5 %	43.2 %
EPS growth	-108.6 %	138.2 %	-1.8 %	-2.1 %	154.2 %	69.1 %	54.5 %
Efficiency							
Total operating costs / sales	89.0 %	87.0 %	90.4 %	91.7 %	90.0 %	88.8 %	88.0 %
Sales per employee	171.6	208.2	177.5	173.9	197.9	212.4	234.1
EBITDA per employee	23.4	28.3	16.5	16.7	19.7	23.8	28.1
Balance sheet analysis							
Avg. working capital / sales	20.9 %	20.8 %	20.7 %	20.4 %	19.4 %	20.0 %	19.9 %
Inventory turnover (sales/inventory)	5.7	6.0	7.4	6.3	7.0	7.0	7.0
Trade debtors in days of sales	59.9	51.6	47.4	46.9	46.9	46.9	46.9
A/P turnover [(A/P*365)/sales]	37.2	26.3	21.5	28.8	22.0	22.0	22.0
Cash conversion cycle (days)	105.8	110.8	96.1	99.4	100.5	100.4	99.9
Cash flow analysis							
Free cash flow	-5.0	-18.2	-9.7	0.7	5.8	10.0	12.4
Free cash flow/sales	-4.3 %	-11.8 %	-5.5 %	0.4 %	2.8 %	4.2 %	4.6 %
FCF / net profit	-618.6 %	-862.2 %	-463.6 %	35.3 %	109.3 %	110.3 %	88.9 %
Capex / depre	39.5 %	113.1 %	176.9 %	114.6 %	56.1 %	40.5 %	46.2 %
Capex / maintenance capex	46.2 %	143.5 %	237.7 %	96.1 %	72.8 %	50.6 %	48.8 %
Capex / sales	3.5 %	7.2 %	9.9 %	6.6 %	2.8 %	1.8 %	1.6 %
Security							
Net debt	49.5	74.3	81.8	84.9	59.3	49.4	37.0
Net Debt/EBITDA	3.1	3.5	5.0	4.9	2.8	1.9	1.2
Net debt / equity	1.6	2.2	2.4	2.4	1.6	1.1	0.6
Interest cover	1.2	1.2	0.9	1.5	2.6	4.6	8.2
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	1.1	1.2	1.3	1.3	1.8	1.9	2.3
Operating assets turnover	1.4	1.7	1.8	1.8	2.2	2.5	2.7
Plant turnover	2.1	2.9	2.8	2.9	4.2	5.2	6.4
Inventory turnover (sales/inventory)	5.7	6.0	7.4	6.3	7.0	7.0	7.0
Returns							
ROCE	5.4 %	7.9 %	4.6 %	5.0 %	8.3 %	13.2 %	18.7 %
ROE	2.5 %	6.2 %	6.1 %	5.5 %	14.5 %	19.7 %	23.4 %
Other							
Interest paid / avg. debt	8.7 %	11.1 %	7.8 %	5.1 %	5.0 %	4.9 %	4.6 %
No. employees (average)	680	741	985	1034	1072	1118	1144
Number of shares	26.4	28.9	29.3	29.5	30.0	30.0	30.0
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	0.03	0.07	0.07	0.07	0.18	0.30	0.46
Valuation ratios							
P/BV	2.9	2.9	2.9	2.8	2.8	2.2	1.7
EV/sales	1.2	1.1	1.0	1.0	0.8	0.6	0.5
EV/EBITDA	9.0	8.4	11.2	10.8	7.7	5.7	4.3
EV/EBITA	17.3	13.1	20.6	19.7	13.0	8.4	5.9
EV/EBIT	25.4	19.2	30.3	27.6	15.5	9.5	6.1
EV/FCF	-28.6	-9.7	-18.8	266.7	27.8	15.3	11.3
Adjusted FCF yield	6.0 %	8.1 %	5.8 %	5.3 %	7.4 %	9.9 %	12.7 %
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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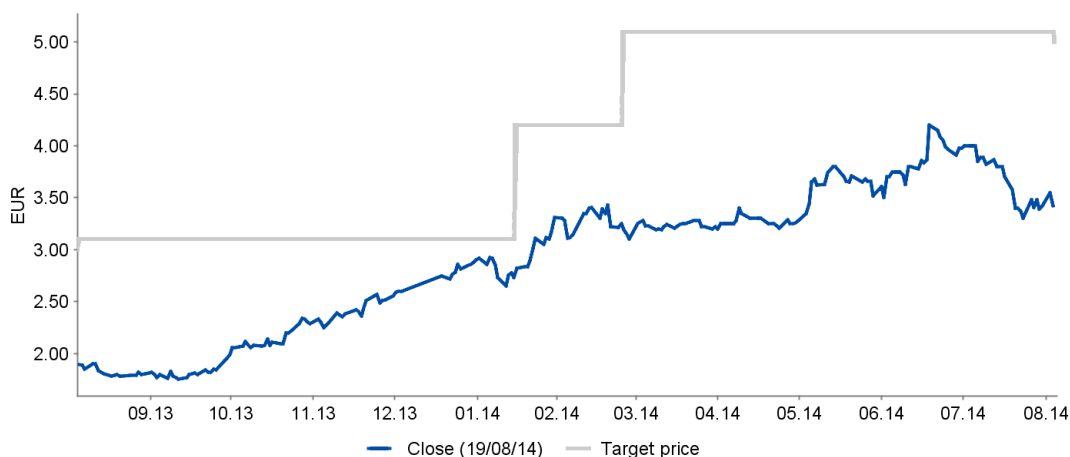
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Company	Disclosure
MS Industrie AG	5

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

Price and Rating History
MS Industrie AG as of 20/08/14

Initiation coverage
12-March-13



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