

Buy (old: Buy)

Price target: EUR 7.70 (old: EUR 7.70)

Price:	EUR 3.86	Next result:	Q4 01.03.16
Bloomberg:	MSAG GR	Market cap:	EUR 115.8 m
Reuters:	MSAG.DE	Enterprise Value:	EUR 183.3 m

04-December-15

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Weltmotor not affected by US truck market slowdown

The US market of class 8 trucks (>16t) is seen to normalise in 2016E after an all time peak in 2015. Total unit sales are seen to reduce by about 10% yoy to 300k heavy trucks (c. 338k in 2015 accord. to ACT). However, the overall US market volume is seen to be still above the level of 2014 (c. 297k units), which has been a record year for MS (US Weltmotor unit sales were boosted by 50% yoy to c. 78k).

MS's core business (c. 74% of total sales) should further develop dynamically given that:

- (1) Daimler is expected to largely compensate a US truck market slowdown by **gaining further market share** (c. 31% in the US, 23% in Europe for heavy trucks) based on its innovative edge as Daimler Weltmotor is benchmark in terms of efficiency. Hence, it allows fleet managers to realise the lowest cost of ownership.
- (2) **MS is still benefiting from a catch-up effect** following the flat development of the Weltmotor unit sales in 2013 (one of Daimlers suppliers had delivery problems causing Daimler to partly assemble third party engines).
- (3) **The truck market in Europe should still be driven by the ongoing release of pent-up demand.** The market volume is still below the pre-crisis level of 2008.

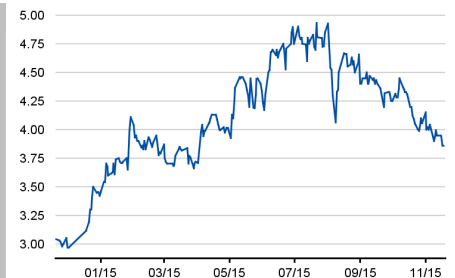
Moreover, the **dynamic growth of the core business** (eH&A Powertrain Technology +21% yoy to € 223m sales in FY16E) **should be fuelled by the expansion of the Ultrasonic Technology business** (c. 20% of tot sales). From Q4 2016E onwards MS will offer new products in the field of ultrasonic welding systems for the packing industry which are currently in the development stage. That is seen to attract new customers but should also improve the cross selling potential for special welding applications.

Even though our estimates conservatively do not yet reflect the launch of new Ultrasonic applications, sales are seen to grow dynamically by 13% CAGR 2015- 17E to € 322m mainly driven by the core business. Furthermore, MS should be able to realise further efficiency improvements after the relocation of the German production plant. The new production facility is seen to allow for an elimination of several insufficiencies within the old building (not yet reflected in our estimates). EBIT should grow disproportionately by 47% CAGR 2015-17E.

Against this backdrop, **valuation looks undemanding trading at 6.4x EV/ EBIT 2017E** (vs 9.4x EV/ EBIT 2017E adj. for PPA of our automotive coverage). Hence, **we confirm our BUY rating with a PT of € 7.70.**

Y/E 31.12 (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	154.3	174.8	179.8	218.5	251.8	293.1	322.0
Sales growth	32 %	13 %	3 %	22 %	15 %	16 %	10 %
EBITDA	20.9	16.3	17.3	21.2	22.6	29.5	36.2
EBIT	9.2	6.0	6.7	9.9	11.6	17.5	25.2
Net income	2.1	2.1	2.0	4.1	5.8	10.0	16.0
Net debt	74.3	81.8	84.9	66.4	67.5	59.6	46.2
Net gearing	218.8 %	237.5 %	237.9 %	158.7 %	141.5 %	103.3 %	62.7 %
Net Debt/EBITDA	3.5	5.0	4.9	3.1	3.0	2.0	1.3
EPS pro forma	0.14	0.09	0.08	0.14	0.19	0.33	0.53
CPS	-0.47	0.03	0.04	-0.09	0.13	0.24	0.45
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	42.5 %	42.2 %	45.7 %	42.1 %	42.1 %	42.8 %	43.4 %
EBITDA margin	13.6 %	9.3 %	9.6 %	9.7 %	9.0 %	10.1 %	11.2 %
EBIT margin	6.0 %	3.4 %	3.7 %	4.5 %	4.6 %	6.0 %	7.8 %
ROCE	7.9 %	4.6 %	5.0 %	7.9 %	9.6 %	14.0 %	18.9 %
EV/sales	1.2	1.1	1.1	0.8	0.7	0.6	0.5
EV/EBITDA	9.0	12.0	11.5	8.6	8.1	5.9	4.5
EV/EBIT	20.6	32.5	29.5	18.4	15.8	10.0	6.4
PER	27.4	43.6	51.2	28.1	20.0	11.6	7.2
Adjusted FCF yield	8.2 %	6.0 %	5.6 %	6.1 %	6.3 %	8.9 %	13.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 03.12.2015



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 4.93 / 2.97

Price/Book Ratio: 2.4

Relative performance (SDAX):

3 months -20.5 %

6 months -11.1 %

12 months -0.5 %

Changes in estimates

		Sales	EBIT	EPS
2015	old:	251.8	11.6	0.19
	Δ	-	-	-
2016	old:	293.1	17.5	0.33
	Δ	-	-	-
2017	old:	322.0	25.2	0.53
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 30.0

Authorised capital: (in € m) 9.7

Book value per share: (in €) 1.6

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 %

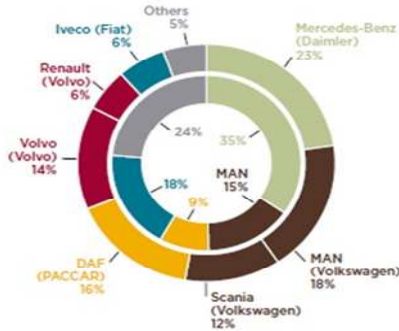
Dreyer Ventures & Management 3.0 %

Company description:

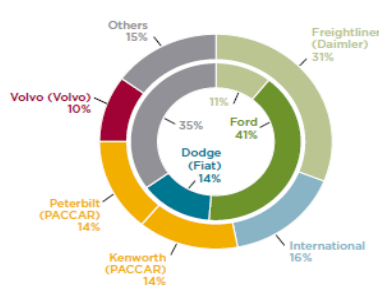
Supplier of Diesel motor parts and systems for truck OEMs, of electric motors and of welding machines for the automotive and packaging industries.

(1) The outer circle shows the market share of the relevant heavy trucks (>15t). Daimler has c. 23% market share in the EU and c. 31% in the US

Market share in the EU



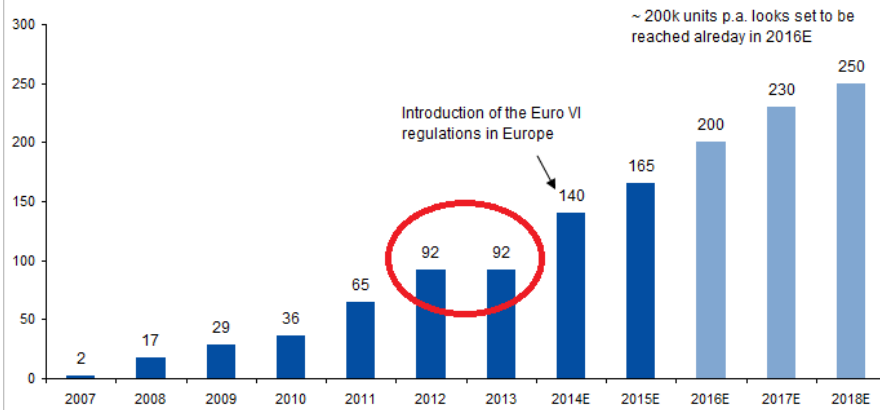
Market share in the US



Source: Company data; Hauck & Aufhäuser

(2) MS Industrie still benefits from a catch-up effect after flat sales in 2013

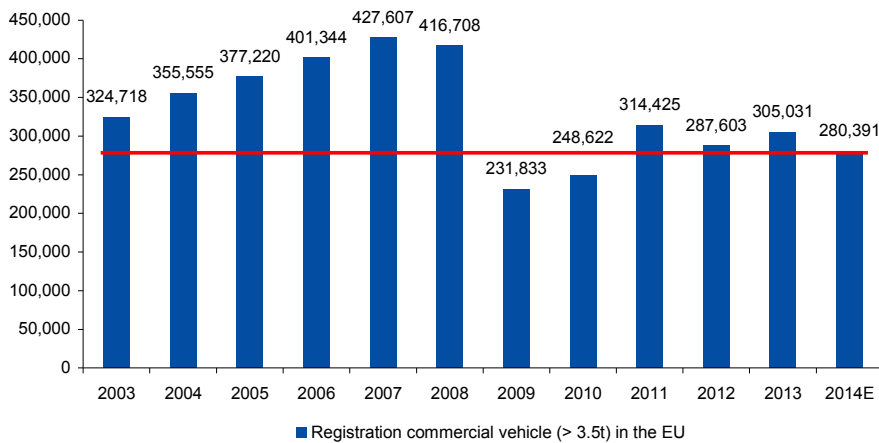
Development number of units (in thousand) Daimler "Weltmotor"



Source: Company data; Hauck & Aufhäuser

(3) Ongoing pent-up demand in Europe

Registration of commercial vehicle (> 3.5t) in the EU



Source: ACEA; Hauck & Aufhäuser

Financials

Profit and loss (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Net sales	154.3	174.8	179.8	218.5	251.8	293.1	322.0
<i>Sales growth</i>	32.2 %	13.3 %	2.8 %	21.5 %	15.3 %	16.4 %	9.9 %
Increase/decrease in finished goods and work-in-process	0.9	-0.6	2.3	1.8	0.0	0.0	0.0
Total sales	155.2	174.3	182.1	220.2	251.8	293.1	322.0
Other operating income	10.9	6.4	4.5	4.5	4.0	4.0	4.0
Material expenses	89.2	100.7	98.9	127.4	145.8	167.6	182.3
Personnel expenses	33.2	38.0	42.1	47.7	54.9	62.4	66.7
Other operating expenses	22.8	25.8	28.3	28.4	32.5	37.5	40.9
Total operating expenses	134.3	158.0	164.8	199.0	229.2	263.6	285.8
EBITDA	20.9	16.3	17.3	21.2	22.6	29.5	36.2
Depreciation	7.5	7.4	7.8	9.3	9.0	11.3	10.8
EBITA	13.5	8.9	9.4	11.9	13.6	18.2	25.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.3	2.3	2.5	2.0	2.0	0.7	0.2
Impairment charges	2.0	0.5	0.3	0.0	0.0	0.0	0.0
EBIT	9.2	6.0	6.7	9.9	11.6	17.5	25.2
Interest income	0.1	1.4	0.3	0.3	0.0	0.0	0.0
Interest expenses	7.5	6.7	4.6	4.6	3.6	3.0	2.0
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-7.4	-5.3	-4.3	-4.3	-3.6	-3.0	-2.0
Recurring pretax income from continuing operations	1.8	0.7	2.4	5.6	8.0	14.5	23.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	1.8	0.7	2.4	5.6	8.0	14.5	23.2
Taxes	-0.4	-1.3	0.2	1.4	2.2	4.5	7.2
Net income from continuing operations	2.2	2.1	2.3	4.1	5.8	10.0	16.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.2	2.1	2.3	4.1	5.8	10.0	16.0
Minority interest	0.0	0.0	0.3	0.0	0.0	0.0	0.0
Net income (net of minority interest)	2.1	2.1	2.0	4.1	5.8	10.0	16.0
Average number of shares	28.9	29.3	29.5	30.0	30.0	30.0	30.0
EPS reported	0.07	0.07	0.07	0.14	0.19	0.33	0.53

Profit and loss (common size)	2011	2012	2013	2014	2015E	2016E	2017E
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	0.6 %	-0.3 %	1.3 %	0.8 %	0.0 %	0.0 %	0.0 %
Total sales	100.6 %	99.7 %	101.3 %	100.8 %	100.0 %	100.0 %	100.0 %
Other operating income	7.1 %	3.7 %	2.5 %	2.1 %	1.6 %	1.4 %	1.2 %
Material expenses	57.8 %	57.6 %	55.0 %	58.3 %	57.9 %	57.2 %	56.6 %
Personnel expenses	21.5 %	21.7 %	23.4 %	21.8 %	21.8 %	21.3 %	20.7 %
Other operating expenses	14.8 %	14.8 %	15.7 %	13.0 %	12.9 %	12.8 %	12.7 %
Total operating expenses	87.0 %	90.4 %	91.7 %	91.1 %	91.0 %	89.9 %	88.8 %
EBITDA	13.6 %	9.3 %	9.6 %	9.7 %	9.0 %	10.1 %	11.2 %
Depreciation	4.8 %	4.3 %	4.4 %	4.3 %	3.6 %	3.9 %	3.4 %
EBITA	8.7 %	5.1 %	5.2 %	5.5 %	5.4 %	6.2 %	7.9 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.5 %	1.3 %	1.4 %	0.9 %	0.8 %	0.2 %	0.1 %
Impairment charges	1.3 %	0.3 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	6.0 %	3.4 %	3.7 %	4.5 %	4.6 %	6.0 %	7.8 %
Interest income	0.1 %	0.8 %	0.2 %	0.1 %	0.0 %	0.0 %	0.0 %
Interest expenses	4.9 %	3.8 %	2.5 %	2.1 %	1.4 %	1.0 %	0.6 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-4.8 %	-3.0 %	-2.4 %	-2.0 %	-1.4 %	-1.0 %	-0.6 %
Recurring pretax income from continuing operations	1.2 %	0.4 %	1.4 %	2.6 %	3.2 %	4.9 %	7.2 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	1.2 %	0.4 %	1.4 %	2.6 %	3.2 %	4.9 %	7.2 %
Tax rate	-20.4 %	-177.6 %	6.5 %	25.8 %	28.0 %	31.0 %	31.0 %
Net income from continuing operations	1.4 %	1.2 %	1.3 %	1.9 %	2.3 %	3.4 %	5.0 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	1.4 %	1.2 %	1.3 %	1.9 %	2.3 %	3.4 %	5.0 %
Minority interest	0.0 %	0.0 %	0.2 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	1.4 %	1.2 %	1.1 %	1.9 %	2.3 %	3.4 %	5.0 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	9.6	7.7	6.2	4.6	2.6	1.9	1.7
Property, plant and equipment	52.9	63.1	61.8	48.4	54.4	53.1	52.3
Financial assets	11.1	14.3	23.2	16.1	16.1	16.1	16.1
FIXED ASSETS	73.5	85.1	91.1	69.1	73.1	71.1	70.1
Inventories	25.6	23.7	28.4	31.8	36.6	42.5	46.7
Accounts receivable	21.8	22.7	23.1	27.0	29.7	32.1	35.3
Other current assets	16.1	10.4	8.5	6.1	6.1	6.1	6.1
Liquid assets	5.1	10.5	3.6	3.5	4.4	1.2	16.6
Deferred taxes	0.2	1.0	0.6	0.9	0.9	0.9	0.9
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	68.7	68.2	64.3	69.2	77.6	82.7	105.5
TOTAL ASSETS	142.2	153.3	155.5	138.3	150.7	153.8	175.6
SHAREHOLDERS EQUITY	34.0	34.4	35.7	41.8	47.7	57.7	73.7
MINORITY INTEREST	1.5	1.3	0.9	0.0	0.0	0.0	0.0
Long-term debt	59.1	76.0	74.9	59.2	61.2	50.1	52.1
Provisions for pensions and similar obligations	3.2	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	6.2	7.0	9.1	5.8	5.8	5.8	5.8
Non-current liabilities	68.5	83.0	84.0	64.9	66.9	55.8	57.8
short-term liabilities to banks	20.2	16.2	13.6	10.7	10.7	10.7	10.7
Accounts payable	11.1	10.3	14.2	11.3	15.9	20.1	23.8
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)	3.7	6.5	5.9	8.2	8.2	8.2	8.2
Deferred taxes	3.3	1.6	1.1	1.3	1.3	1.3	1.3
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	38.3	34.6	34.9	31.5	36.1	40.3	44.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	142.2	153.3	155.5	138.3	150.7	153.8	175.6

Balance sheet (common size)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	6.7 %	5.0 %	4.0 %	3.3 %	1.7 %	1.2 %	1.0 %
Property, plant and equipment	37.2 %	41.2 %	39.7 %	35.0 %	36.1 %	34.5 %	29.8 %
Financial assets	7.8 %	9.3 %	14.9 %	11.6 %	10.7 %	10.5 %	9.2 %
FIXED ASSETS	51.7 %	55.5 %	58.6 %	50.0 %	48.5 %	46.2 %	39.9 %
Inventories	18.0 %	15.5 %	18.3 %	23.0 %	24.3 %	27.6 %	26.6 %
Accounts receivable	15.3 %	14.8 %	14.9 %	19.5 %	19.7 %	20.9 %	20.1 %
Other current assets	11.3 %	6.8 %	5.5 %	4.4 %	4.0 %	4.0 %	3.5 %
Liquid assets	3.6 %	6.8 %	2.3 %	2.5 %	2.9 %	0.8 %	9.4 %
Deferred taxes	0.2 %	0.6 %	0.4 %	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 %
CURRENT ASSETS	48.3 %	44.5 %	41.4 %	50.0 %	51.5 %	53.8 %	60.1 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	23.9 %	22.5 %	23.0 %	30.3 %	31.6 %	37.5 %	42.0 %
MINORITY INTEREST	1.0 %	0.8 %	0.6 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	41.6 %	49.6 %	48.2 %	42.8 %	40.6 %	32.6 %	29.7 %
Provisions for pensions and similar obligations	2.3 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	4.4 %	4.6 %	5.8 %	4.2 %	3.8 %	3.7 %	3.3 %
Non-current liabilities	48.2 %	54.1 %	54.0 %	47.0 %	44.4 %	36.3 %	32.9 %
short-term liabilities to banks	14.2 %	10.6 %	8.8 %	7.7 %	7.1 %	6.9 %	6.1 %
Accounts payable	7.8 %	6.7 %	9.1 %	8.2 %	10.5 %	13.0 %	13.6 %
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)	2.6 %	4.3 %	3.8 %	5.9 %	5.4 %	5.3 %	4.7 %
Deferred taxes	2.3 %	1.0 %	0.7 %	1.0 %	0.9 %	0.9 %	0.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	26.9 %	22.6 %	22.4 %	22.8 %	23.9 %	26.2 %	25.1 %
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)	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	2.2	2.1	2.3	4.1	5.8	10.0	16.0
Depreciation of fixed assets (incl. leases)	7.5	7.4	7.8	9.3	9.0	11.3	10.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.3	2.3	2.5	2.0	2.0	0.7	0.2
Others	-1.0	-1.0	0.3	-1.7	0.0	0.0	0.0
Cash flow from operations before changes in w/c	10.9	10.8	12.9	13.7	16.8	22.0	27.0
Increase/decrease in inventory	-11.4	-0.7	-2.9	-3.4	-4.9	-5.8	-4.2
Increase/decrease in accounts receivable	0.0	0.0	0.0	-3.9	-2.7	-2.5	-3.2
Increase/decrease in accounts payable	-6.7	-2.5	-1.8	0.4	4.6	4.2	3.7
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	-18.0	-3.3	-4.6	-6.9	-2.9	-4.1	-3.6
Cash flow from operating activities	-7.1	7.6	8.2	6.8	13.8	17.9	23.4
CAPEX	11.0	17.2	7.5	5.6	15.0	10.0	10.0
Payments for acquisitions	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Financial investments	0.0	0.0	4.3	0.1	0.0	0.0	0.0
Income from asset disposals	3.7	1.4	0.5	5.2	0.0	0.0	0.0
Cash flow from investing activities	-7.3	-15.9	-11.3	-0.4	-15.0	-10.0	-10.0
Cash flow before financing	-14.5	-8.4	-3.0	6.4	-1.2	7.9	13.4
Increase/decrease in debt position	13.7	14.2	-3.7	-6.6	2.0	-11.1	2.0
Purchase of own shares	0.3	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	-0.9	-0.1	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	-0.4	-0.1	0.1	0.0	0.0	0.0
Cash flow from financing activities	12.5	14.1	-3.7	-6.6	2.0	-11.1	2.0
Increase/decrease in liquid assets	-2.0	5.4	-6.8	-0.1	0.8	-3.2	15.4
Liquid assets at end of period	5.1	10.5	3.6	3.5	4.4	1.2	16.6

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Domestic	78.3	88.0	96.2	0.0	0.0	0.0	0.0
yoy change	7.4 %	12.3 %	9.3 %	n/a	n/a	n/a	n/a
Rest of Europe	15.5	9.4	11.4	0.0	0.0	0.0	0.0
yoy change	185.6 %	-39.4 %	20.6 %	n/a	n/a	n/a	n/a
NAFTA	55.7	74.1	66.1	0.0	0.0	0.0	0.0
yoy change	58.1 %	33.1 %	-10.8 %	n/a	n/a	n/a	n/a
Asia Pacific	0.1	0.9	0.2	0.0	0.0	0.0	0.0
yoy change	-45.8 %	796.2 %	-76.0 %	n/a	n/a	n/a	n/a
Rest of world	4.6	2.4	5.9	0.0	0.0	0.0	0.0
yoy change	61.4 %	-48.0 %	143.2 %	n/a	n/a	n/a	n/a
TTL	154.3	174.8	179.8	0.0	0.0	0.0	0.0
yoy change	32.2 %	13.3 %	2.8 %	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
P&L growth analysis							
Sales growth	32.2 %	13.3 %	2.8 %	21.5 %	15.3 %	16.4 %	9.9 %
EBITDA growth	31.6 %	-22.2 %	6.1 %	22.7 %	6.8 %	30.3 %	22.7 %
EBIT growth	63.4 %	-34.4 %	11.8 %	47.3 %	17.4 %	50.4 %	44.0 %
EPS growth	138.2 %	-1.8 %	-2.1 %	96.6 %	40.1 %	72.9 %	60.0 %
Efficiency							
Total operating costs / sales	87.0 %	90.4 %	91.7 %	91.1 %	91.0 %	89.9 %	88.8 %
Sales per employee	208.2	177.5	173.9	203.8	225.3	256.2	281.5
EBITDA per employee	28.3	16.5	16.7	19.8	20.3	25.8	31.6
Balance sheet analysis							
Avg. working capital / sales	20.8 %	20.7 %	20.4 %	19.4 %	19.4 %	17.9 %	17.5 %
Inventory turnover (sales/inventory)	6.0	7.4	6.3	6.9	6.9	6.9	6.9
Trade debtors in days of sales	51.6	47.4	46.9	45.1	43.0	40.0	40.0
A/P turnover [(A/P*365)/sales]	26.3	21.5	28.8	18.9	23.0	25.0	27.0
Cash conversion cycle (days)	110.8	96.1	99.4	103.8	95.0	88.8	85.8
Cash flow analysis							
Free cash flow	-18.2	-9.7	0.7	1.2	-1.2	7.9	13.4
Free cash flow/sales	-11.8 %	-5.5 %	0.4 %	0.5 %	-0.5 %	2.7 %	4.2 %
FCF / net profit	-862.2 %	-463.6 %	35.3 %	28.7 %	-20.0 %	79.1 %	83.7 %
Capex / depre	113.1 %	176.9 %	114.6 %	50.7 %	136.4 %	83.3 %	90.9 %
Capex / maintenance capex	170.5 %	272.7 %	113.0 %	58.8 %	151.5 %	92.6 %	101.0 %
Capex / sales	7.2 %	9.9 %	6.6 %	2.6 %	6.0 %	3.4 %	3.1 %
Security							
Net debt	74.3	81.8	84.9	66.4	67.5	59.6	46.2
Net Debt/EBITDA	3.5	5.0	4.9	3.1	3.0	2.0	1.3
Net debt / equity	2.2	2.4	2.4	1.6	1.4	1.0	0.6
Interest cover	1.2	0.9	1.5	2.2	3.2	5.8	12.6
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	1.2	1.3	1.3	1.9	2.0	2.4	2.3
Operating assets turnover	1.7	1.8	1.8	2.3	2.4	2.7	2.9
Plant turnover	2.9	2.8	2.9	4.5	4.6	5.5	6.2
Inventory turnover (sales/inventory)	6.0	7.4	6.3	6.9	6.9	6.9	6.9
Returns							
ROCE	7.9 %	4.6 %	5.0 %	7.9 %	9.6 %	14.0 %	18.9 %
ROE	6.2 %	6.1 %	5.5 %	9.9 %	12.1 %	17.3 %	21.7 %
Other							
Interest paid / avg. debt	11.1 %	7.8 %	5.1 %	5.8 %	5.1 %	4.5 %	3.2 %
No. employees (average)	741	985	1034	1072	1118	1144	1144
Number of shares	28.9	29.3	29.5	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	0.07	0.14	0.19	0.33	0.53
Valuation ratios							
P/BV	3.3	3.3	3.2	2.8	2.4	2.0	1.6
EV/sales	1.2	1.1	1.1	0.8	0.7	0.6	0.5
EV/EBITDA	9.0	12.0	11.5	8.6	8.1	5.9	4.5
EV/EBITA	14.1	22.1	21.1	15.3	13.4	9.6	6.4
EV/EBIT	20.6	32.5	29.5	18.4	15.8	10.0	6.4
EV/FCF	-10.4	-20.2	285.3	154.0	-158.6	22.2	12.1
Adjusted FCF yield	8.2 %	6.0 %	5.6 %	6.1 %	6.3 %	8.9 %	13.1 %
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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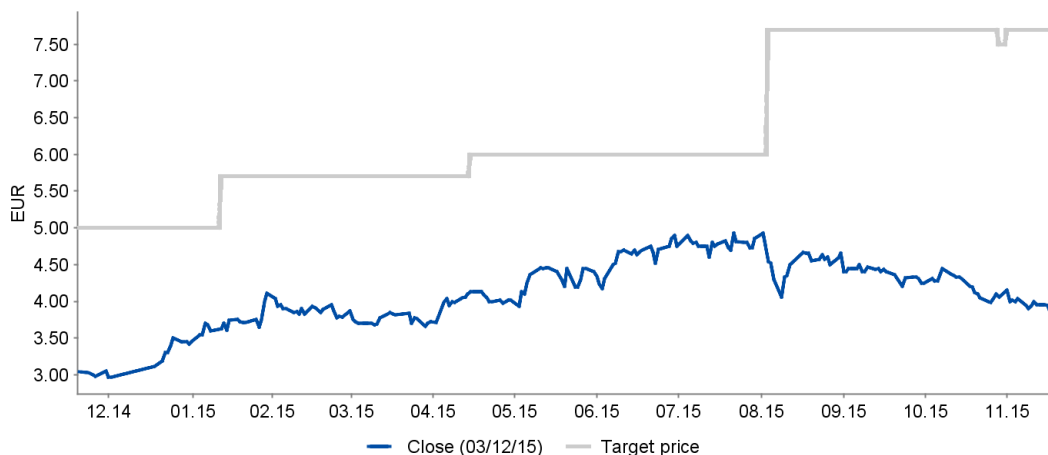
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Company	Disclosure
MS Industrie AG	5

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

Price and Rating History
MS Industrie AG as of 04/12/15

Initiation coverage
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