

Buy (old: Buy)

Price target: EUR 7.70 (old: EUR 7.70)

Price:	EUR 4.06	Next result:	Q4 01.03.16
Bloomberg:	MSAG GR	Market cap:	EUR 121.7 m
Reuters:	MSAG.DE	Enterprise Value:	EUR 189.1 m

16-November-15

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Solid Q3 results / sales outlook increased - chg. in est.

MS Industrie reported solid Q3 results. Overall, the figures show an **ongoing strong development of the operating business** which was however concealed by one-off costs (€ 0.4m Q3 / € 1.9m 9M). Importantly, **Management increased its FY15E sales guidance** now targeting to slightly exceed sales of € 250m (previously sales of about € 250m) while all profitability figures should improve yoy.

Q3 sales increased strongly by c. 32% yoy to € 70.5m. Organic sales (excl. real estate sales) increased by 20% yoy to € 64.2m largely carried by the company's core business (Powertrain Technology c. 73% of total industrial sales) benefiting from the positive underlying truck market development in the US and Europe fuelled by the ramp-up of Daimler's Weltmotor respectively.

Q3 EBITDA increased less than proportionately by 8.3% yoy to € 6.5m which is mainly seen due to the strong demand in the Powertrain Technology Division which carries lower gross margins. Importantly, the operating performance is concealed by € 0.4m one-off costs (€ 0.3m FX effects plus € 0.1m additional cost related to the change of supplier). Hence, **adjusted Q3 EBITDA increased by 15% yoy to € 6.9m.**

The concealment of the operating performance becomes even more visible considering the 9M results. In the first 3 quarters in 2015 MS Industrie faced € 1.9m one-off costs (€ 1.3m FX plus € 0.6m additional cost related to the change of supplier) while the company benefitted from a net gain of € 1.4m in Q2 2014 due to the deconsolidation of the real estate portfolio. Overall, **the 9M adjusted EBITDA grew disproportionately by c. 24% yoy to € 19.4m** in relation to the industrial sales despite the fact that this year's efficiency is somewhat distorted by the relocation of the production plant in Germany.

Q3 EPS increased dynamically by c. 21% yoy to € 0.06 largely driven by reduced D&A and an improved net financial result. **Adjusted EPS was boosted disproportionately by c. 41% yoy to € 0.07**

-continued-



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	4.93 / 2.95
Price/Book Ratio:	2.6
Relative performance (SDAX):	
3 months	-12.7 %
6 months	1.5 %
12 months	5.4 %

Changes in estimates

		Sales	EBIT	EPS
2015	old:	248.1	11.6	0.19
	Δ	1.5%	0.2%	0.4%
2016	old:	270.0	16.8	0.32
	Δ	8.5%	3.9%	4.7%
2017	old:	295.0	24.6	0.52
	Δ	9.1%	2.5%	2.7%

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.

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	1.3	1.2	1.1	0.9	0.8	0.6	0.5
EV/EBITDA	9.3	12.4	11.8	8.9	8.4	6.1	4.6
EV/EBIT	21.2	33.4	30.4	19.0	16.3	10.4	6.7
PER	28.8	45.8	53.8	29.5	21.0	12.2	7.6
Adjusted FCF yield	8.0 %	5.8 %	5.4 %	5.9 %	6.1 %	8.6 %	12.6 %

Source: Company data, Hauck & Aufhäuser Close price as of: 13.11.2015

The outlook should remain positive which is also reflected again in the highest order backlog since the past 5 years. Especially the ongoing pent-up demand for trucks in Europe is seen to materialise in higher than initially expected sales in 2016E (old eH&A € 270m). Due to this, MS Industrie announced to increase its FY15 capex by c. € 4m to expand their capacity in technical equipment and machinery.

Even more importantly, in subsequent years the bottom line should continue to develop disproportionately benefitting from reduced D&A (gradual fade out of PPA) and an improved net financial result after the refinancing of the high yield bond which matures mid of 2016 (interest rate 7.25% vs c. 2% after the refinancing). Moreover, further efficiency improvements should become fully visible in 2017E after the relocation of the production plant (not yet reflected in our estimates).

Action: We increase our sales estimates to reflect higher than initially expected demand for the Powertrain Technology Division. Incremental sales should not fully translate into higher earnings given the deterioration of efficiency due to the relocation of the production plant. Moreover, we increase our capex & D&A for 2015E and subsequent years respectively.

Valuation looks undemanding trading at 6.7x EV / EBIT 2017E adjusted for PPA. **We confirm our BUY rating with a PT of € 7.70 based on FCFY 2017E.**

MS Industrie key figures (EUR m)	Q3 15	Q3 14	yoy	9M 2015	9M 2014	yoy	FY 15 est.	FY 14	yoy
Total sales	70.5	53.5	31.8%	198.9	158.1	25.8%	251.8	218.5	13.6%
Industrial sales*	64.2	53.5	20.0%	187.1	158.1	18.3%	-	-	-
EBITDA	6.5	6.0	8.3%	17.5	17.1	2.3%	22.6	21.2	6.6%
EBITDA-margin	9.2%	11.2%	-2.0 pp	8.8%	10.8%	-2.0 pp	9.0%	9.7%	-0.6 pp
EBIT	3.7	3.2	15.6%	9.0	8.8	2.3%	11.6	9.9	17.1%
EBIT-margin	5.2%	6.0%	-0.7 pp	4.5%	5.6%	-1.0 pp	4.6%	4.5%	0.1 pp
EBT	2.5	2.1	19.0%	6.5	5.0	30.0%	8.0	5.6	43.7%
EBT-marge	3.5%	3.9%	-0.4 pp	3.3%	3.2%	0.1 pp	3.2%	2.6%	0.7 pp
EPS	0.06	0.05	21.4%	0.14	0.15	-4.7%	0.19	0.14	39.0%

Source: Company data; Hauck & Aufhäuser

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

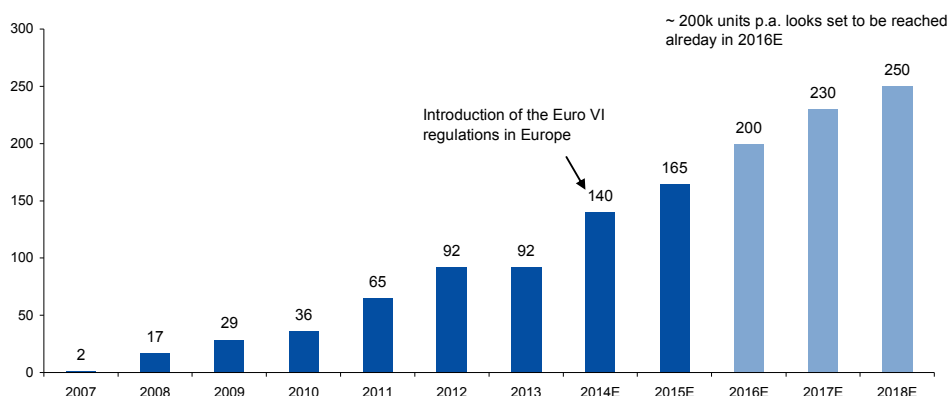
MS Industrie underlying key figures (EUR m)	Q3 15	Q3 14	yoy	9M 2015	9M 2014	yoy	FY 15 est.**	FY 14	yoy
Total sales	70.5	53.5	31.8%	198.9	158.1	25.8%	251.8	218.5	13.6%
Industrial sales*	64.2	53.5	20.0%	187.1	158.1	18.3%	-	-	-
Adj. EBITDA	6.9	6.0	15.0%	19.4	15.7	23.6%	22.6	21.2	6.6%
Adj. EBITDA-margin	9.8%	11.2%	-1.4 pp	9.8%	9.9%	-0.2 pp	9.0%	9.7%	-0.6 pp
Adj. EBIT	4.1	3.2	28.1%	10.9	7.4	47.3%	11.6	9.9	17.1%
Adj. EBIT-margin	5.8%	6.0%	-0.2 pp	5.5%	4.7%	0.8 pp	4.6%	4.5%	0.1 pp
Adj. EBT	2.9	2.1	38.1%	8.4	3.6	133.3%	8.0	5.6	43.7%
Adj. EBT-marge	4.1%	3.9%	0.2 pp	4.2%	2.3%	1.9 pp	3.2%	2.6%	0.7 pp
Adj. EPS**	0.07	0.05	41.4%	0.19	0.11	63.6%	0.19	0.14	39.0%

Source: Company data; Hauck & Aufhäuser

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

**underlying tax rate is 30%

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



Source: Company data; 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	3.5	3.4	3.4	2.9	2.6	2.1	1.7
EV/sales	1.3	1.2	1.1	0.9	0.8	0.6	0.5
EV/EBITDA	9.3	12.4	11.8	8.9	8.4	6.1	4.6
EV/EBITA	14.5	22.7	21.7	15.8	13.9	10.0	6.6
EV/EBIT	21.2	33.4	30.4	19.0	16.3	10.4	6.7
EV/FCF	-10.7	-20.8	293.5	159.0	-163.6	22.9	12.5
Adjusted FCF yield	8.0 %	5.8 %	5.4 %	5.9 %	6.1 %	8.6 %	12.6 %
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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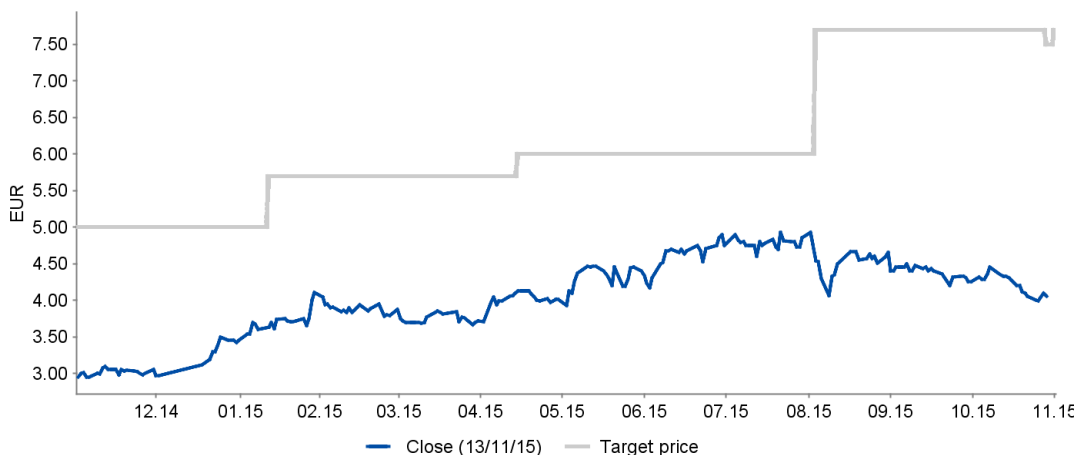
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Company	Disclosure
MS Industrie AG	5

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

Price and Rating History
MS Industrie AG as of 16/11/15

Initiation coverage
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