

Buy (old: Hold)

PT EUR 30.00 (old: 35.00)

Price EUR 20.84
Bloomberg M3V GR
Reuters M3VG
Sector Software

Leading software provider of equipment for the image-based medicine



Share data: 25.05.2009 / Closing price

Market cap: EUR 37.9 m
Enterprise Value (EV): EUR 26.0 m
Book value: EUR 34.3 m
No. of shares: 1.8 m
Trading volume Ø: EUR 0.1 m

Shareholders:
 Freefloat 36.6 %
 Professor Dr. Heinz-Otto Peitgen 19.5 %
 Dr. Carl J. G. Evertsz 19.5 %
 Dr. Hartmut Jürgens 16.5 %
 MeVis Medical Solutions AG 5.0 %
 Pathfinder 2.9 %
 Vermögensverwaltung GmbH

Calendar:
 AGM 06/30/2009
 Figures Q2 08/28/2009
 Figures Q3 11/11/2009

Change	2008E		2009E		2010E	
	old	Δ	old	Δ	old	Δ
Sales	10.7	0	14.1	0	17.7	0
EBIT	1.0	0	2.0	0	3.3	0
EPS	0.67	0	1.25	0	1.73	0

Analysis: SES Research
 Date of publication: 27.05.2009
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Good Q1

On May 26, 2009, MeVis Medical Solutions AG released the Q1 figures. The company was able to exceed sales and earnings (EBIT) expectations.

It is true that particularly the US market continued to be weak in Q1 as the investment retention remains high here, however, this burdened sales to a lesser extent than expected. This is due to strong sales figures of the newer product line "DynacAD", which partially compensated for the burdens of the core business. The revenues of the Other Diagnostics segment consequently increased organically by almost 75% to EUR 1.15 m compared to the previous year's quarter and now represent already roughly 33% of sales. (previous year 27%). In line with the good sales development the EBIT was better than anticipated. A successful cost management contributed to this in addition to the strong top line. As reaction in response to the development in the US market MeVis had considerably reduced the recruiting amongst others. Only the financial result was considerably below the expectations, which is mainly due to currency hedging. However, this relates to the reporting date. From today's point of view the situation is already more advantageous, so the estimate of the financial result for the full year (EUR 0.4 m) remains unchanged.

It is true that sales from the new product introductions are expected in H2 (e.g. 3D breast ultrasound and DynaCad Prostate), however, it seems too early to increase the estimates as a result of the unchanged low visibility. Thus, the estimates for sales and EBIT are not adjusted either yet.

MeVis Medical Solutions - Q1 2009

Figures in EUR m	Q1/09	Q1/09e	Q1/08	yoy
Sales	3.5	3.0	2.4	42.4%
EBITDA	1.0	0.5	0.4	126.3%
<i>margin</i>	29.4%	17.0%	18.5%	
EBIT	0.4	0.1	0.3	40.5%
<i>margin</i>	12.6%	5.0%	12.8%	
EPS in EUR	0.08	0.09	0.37	-78.4%

Sources: MeVis Medical Solutions (historical data), SES Research (estimates)

As the share price level has, however, decreased since the downgrading at the beginning of the year, the share is now attractive again. In an adjusted DCF model a lower margin increase is anticipated in the long term owing to ongoing uncertainties in the US market. This leads to a slightly lower PT, but the share seems considerably undervalued again. **At a PT of EUR 30, the share is upgraded to BUY again (old: Hold).**

Fiscal year ending: 31.12.	2004	2005	2006	2007	2008E	2009E	2010E
Sales	1.8	4.0	8.3	7.9	10.7	14.1	17.7
<i>Change Sales yoy</i>	n.a.	125.6%	111.0%	-5.4%	35.6%	32.0%	25.0%
Gross profit	1.6	3.8	7.9	7.2	10.6	13.0	16.2
<i>Gross margin</i>	93.2%	95.9%	94.9%	91.8%	99.0%	92.0%	92.0%
EBITDA	0.4	1.7	5.0	0.9	2.1	4.7	7.0
<i>EBITDA-margin</i>	21.1%	42.0%	59.9%	11.9%	19.7%	33.3%	39.7%
EBIT	0.2	1.5	4.7	0.5	1.0	2.0	3.3
<i>EBIT-margin</i>	13.0%	37.2%	56.8%	6.3%	9.2%	14.4%	18.6%
Net income	0.1	-0.9	2.9	0.1	1.2	2.3	3.2
EPS	1.20	-16.92	5.44	0.17	0.67	1.25	1.73
Free Cash Flow per share	1.82	27.30	7.68	-5.00	-0.35	0.25	1.22
Dividend	0.00	0.00	0.00	0.00	0.00	0.42	0.58
<i>Dividend Yield</i>	n.a.	n.a.	n.a.	n.a.	n.a.	2.0%	2.8%
EV/Sales	7.0	3.1	1.5	1.6	2.4	1.8	1.4
EV/EBITDA	33.5	7.4	2.5	13.2	12.3	5.4	3.4
EV/EBIT	54.4	8.4	2.6	24.9	26.4	12.5	7.3
PER	17.4	-1.2	3.8	122.6	31.1	16.7	12.0
ROCE	20.8%	66.2%	117.3%	2.6%	2.4%	4.1%	6.4%
Adj. Free Cash Flow Yield	3.0%	-1.4%	38.9%	6.1%	7.3%	17.6%	28.0%

Per Share figures in EUR, other figures in EUR m., price: EUR 20.84

Consolidated Profit & Loss MeVis Medical Solutions							
in EUR m							
	2004	2005	2006	2007	2008E	2009E	2010E
Sales	1.8	4.0	8.3	7.9	10.7	14.1	17.7
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	1.8	4.0	8.3	7.9	10.7	14.1	17.7
Material Expenses	0.1	0.2	0.4	0.7	0.1	1.1	1.4
Gross profit	1.6	3.8	7.9	7.2	10.6	13.0	16.2
Personnel expenses	1.1	1.4	2.3	4.2	5.0	6.5	6.9
Other operating income	0.4	0.2	0.9	1.2	1.1	1.3	1.6
Other operating expenses	0.6	0.9	1.5	3.3	4.6	3.1	3.9
EBITDA	0.4	1.7	5.0	0.9	2.1	4.7	7.0
Depreciation of fixed assets	0.1	0.1	0.1	0.2	0.1	0.3	0.2
EBITA	0.3	1.6	4.9	0.7	2.0	4.4	6.8
Amortisation of intangible fixed assets	0.1	0.1	0.1	0.2	1.0	2.4	3.5
Impairment charges and amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.2	1.5	4.7	0.5	1.0	2.0	3.3
Interest income	0.0	0.0	0.1	0.2	1.1	1.3	1.3
Interest expenses	0.1	0.4	0.3	0.1	0.1	0.1	0.1
Financial result	-0.1	-0.4	-0.3	0.0	1.1	1.2	1.2
Recurring pretax income from cont. operations	0.1	1.1	4.5	0.5	2.0	3.2	4.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	0.1	1.1	4.5	0.5	2.0	3.2	4.5
Taxes total	0.0	0.1	1.5	0.4	0.8	1.0	1.4
Net income from continuing operations	0.1	1.0	2.9	0.1	1.2	2.3	3.2
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	0.1	1.0	2.9	0.1	1.2	2.3	3.2
Minority interest	0.0	1.8	0.0	0.0	0.0	0.0	0.0
Net income	0.1	-0.8	2.9	0.1	1.2	2.3	3.2

Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

Consolidated Profit & Loss MeVis Medical Solutions							
in % of Sales							
	2004	2005	2006	2007	2008E	2009E	2010E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase / decrease in inventory	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Own work capitalised	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Material Expenses	6.9 %	4.1 %	5.1 %	8.2 %	1.0 %	8.0 %	8.0 %
Gross profit	93.2 %	95.9 %	94.9 %	91.8 %	99.0 %	92.0 %	92.0 %
Personnel expenses	62.7 %	35.3 %	27.9 %	53.2 %	46.7 %	45.8 %	39.3 %
Other operating income	23.1 %	4.7 %	10.8 %	15.0 %	10.4 %	9.1 %	9.0 %
Other operating expenses	32.5 %	23.3 %	17.9 %	41.6 %	43.0 %	22.0 %	22.0 %
EBITDA	21.1 %	42.0 %	59.9 %	11.9 %	19.7 %	33.3 %	39.7 %
Depreciation of fixed assets	3.3 %	1.9 %	1.5 %	2.8 %	1.0 %	1.9 %	1.1 %
EBITA	17.8 %	40.1 %	58.4 %	9.1 %	18.7 %	31.4 %	38.6 %
Amortisation of intangible fixed assets	4.8 %	2.8 %	1.5 %	2.8 %	9.5 %	17.0 %	20.0 %
Impairment charges and amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	13.0 %	37.2 %	56.8 %	6.3 %	9.2 %	14.4 %	18.6 %
Interest income	0.7 %	0.2 %	0.8 %	2.5 %	10.3 %	8.9 %	7.2 %
Interest expenses	7.6 %	9.9 %	4.0 %	1.7 %	0.5 %	0.4 %	0.3 %
Financial result	-6.9 %	-10.0 %	-3.2 %	-0.1 %	9.8 %	8.5 %	6.9 %
Recurring pretax income from cont. operations	6.1 %	27.2 %	53.7 %	6.2 %	19.0 %	22.9 %	25.5 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	6.1 %	27.2 %	53.7 %	6.2 %	19.0 %	22.9 %	25.5 %
Taxes total	2.6 %	2.2 %	18.5 %	4.5 %	7.6 %	6.9 %	7.7 %
Net income from continuing operations	3.4 %	25.0 %	35.2 %	1.7 %	11.4 %	16.1 %	17.9 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income before minorities	3.4 %	25.0 %	35.2 %	1.7 %	11.4 %	16.1 %	17.9 %
Minority interest	0.0 %	46.4 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.4 %	-21.4 %	35.2 %	1.7 %	11.4 %	16.1 %	17.9 %

Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

Balance sheet MeVis Medical Solutions

in EUR m

	2004	2005	2006	2007	2008E	2009E	2010E
Assets							
Intangible assets	0.1	0.3	0.4	1.4	16.2	17.4	17.5
thereof other intangible assets	0.1	0.3	0.4	1.2	3.0	4.2	4.4
thereof Goodwill	0.0	0.0	0.0	0.1	13.1	13.1	13.1
Property, plant and equipment	0.1	0.1	0.3	0.4	0.6	0.6	0.8
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	0.3	0.4	0.7	1.8	16.8	18.0	18.4
Inventories	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Accounts receivable	0.2	1.0	1.9	2.6	2.3	3.1	3.9
Other Assets	0.4	0.6	1.1	2.7	2.7	2.7	2.7
Liquid assets	0.7	2.0	5.4	28.5	27.8	28.3	29.8
Current assets	1.3	3.7	8.4	33.8	32.9	34.2	36.4
Total assets	1.5	4.1	9.1	35.6	49.7	52.2	54.8
Liabilities and shareholders' equity							
Subscribed capital	0.0	0.0	0.1	1.8	1.8	1.8	1.8
Additional paid-in capital	0.0	0.0	0.0	28.3	28.3	28.3	28.3
Surplus capital	0.0	0.0	0.0	0.0	1.2	3.5	6.6
Other equity components	-1.3	-0.3	2.6	0.7	0.7	0.7	-0.1
Book value	-1.3	-0.3	2.7	30.8	32.0	34.3	36.6
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	-1.3	-0.3	2.7	30.8	32.0	34.3	36.6
Provision for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.4	0.1	0.1	0.1	0.1	0.1
Financial liabilities	2.3	3.2	2.0	2.9	15.9	15.9	15.9
Accounts payable	0.2	0.3	0.4	0.7	0.6	0.8	1.0
Other liabilities	0.3	0.4	3.9	1.2	1.2	1.2	1.2
Liabilities	2.8	4.4	6.5	4.8	17.8	18.0	18.2
Total liabilities and shareholders equity	1.5	4.1	9.1	35.6	49.7	52.2	54.8

Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

Balance sheet MeVis Medical Solutions

in % of Balance Sheet Total

	2004	2005	2006	2007	2008E	2009E	2010E
Assets							
Intangible assets	8.3 %	7.9 %	4.3 %	3.9 %	32.5 %	33.3 %	32.0 %
thereof other intangible assets	8.3 %	7.9 %	4.3 %	3.5 %	6.1 %	8.1 %	8.0 %
thereof Goodwill	0.0 %	0.0 %	0.0 %	0.4 %	26.5 %	25.2 %	24.0 %
Property, plant and equipment	8.5 %	3.0 %	3.2 %	1.1 %	1.2 %	1.2 %	1.5 %
Financial assets	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %	0.1 %
Fixed assets	16.7 %	10.9 %	7.4 %	5.1 %	33.8 %	34.6 %	33.5 %
Inventories	1.7 %	0.4 %	0.3 %	0.0 %	0.2 %	0.2 %	0.2 %
Accounts receivable	13.3 %	24.4 %	20.6 %	7.3 %	4.6 %	5.9 %	7.1 %
Other Assets	25.5 %	14.9 %	12.0 %	7.5 %	5.4 %	5.1 %	4.9 %
Liquid assets	44.7 %	49.4 %	59.7 %	80.0 %	56.0 %	54.2 %	54.3 %
Current assets	85.2 %	89.1 %	92.6 %	94.8 %	66.3 %	65.5 %	66.5 %
Total assets	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Liabilities and shareholders' equity							
Subscribed capital	0.0 %	0.0 %	0.6 %	5.1 %	3.7 %	3.5 %	3.3 %
Additional paid-in capital	0.0 %	0.0 %	0.0 %	79.4 %	56.9 %	54.2 %	51.6 %
Surplus capital	0.0 %	0.0 %	0.0 %	0.0 %	2.5 %	6.7 %	12.1 %
Other equity components	-84.6 %	-6.9 %	28.6 %	1.9 %	1.4 %	1.3 %	-0.2 %
Book value	-84.6 %	-6.9 %	29.2 %	86.4 %	64.4 %	65.6 %	66.9 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total equity	-84.6 %	-6.9 %	29.2 %	86.4 %	64.4 %	65.6 %	66.9 %
Provision for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions	1.7 %	10.7 %	0.8 %	0.1 %	0.1 %	0.1 %	0.1 %
Financial liabilities	155.5 %	78.2 %	21.9 %	8.1 %	32.0 %	30.5 %	29.0 %
Accounts payable	10.7 %	7.3 %	4.8 %	1.8 %	1.2 %	1.5 %	1.8 %
Other liabilities	18.6 %	10.7 %	43.3 %	3.4 %	2.4 %	2.3 %	2.2 %
Liabilities	186.5 %	106.8 %	70.9 %	13.5 %	35.7 %	34.4 %	33.1 %
Total liabilities and shareholders equity	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

Statement of Cash Flows MeVis Medical Solutions

in EUR m

	2004	2005	2006	2007	2008E	2009E	2010E
Net income	0.1	1.4	4.5	-2.7	1.2	2.3	3.2
Depreciation of fixed assets	0.1	0.1	0.1	0.2	0.1	0.3	0.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.1	0.1	0.1	0.2	1.0	2.4	3.5
Increase/decrease in long-term provisions	-0.1	0.2	-0.2	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	0.0	-0.3	0.0	0.0	0.0	0.0
Cash Flow	0.2	1.8	4.2	-2.3	2.3	4.9	6.9
Increase / decrease in inventory	0.0	0.0	0.0	0.0	-0.1	0.0	0.0
Increase / decrease in accounts receivable	0.1	-0.9	-0.3	-1.2	0.3	-0.8	-0.8
Increase / decrease in accounts payable	-0.1	0.9	0.7	1.0	-0.1	0.2	0.2
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	0.0	-0.1	0.4	-0.2	0.1	-0.6	-0.6
Cash flow from operating activities	0.2	1.8	4.6	-2.5	2.5	4.3	6.3
CAPEX	-0.1	-0.4	-0.4	-1.4	-3.1	-3.9	-4.1
Payments for acquisitions	0.0	0.0	0.1	-0.2	-13.0	0.0	0.0
Financial investments	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Income from asset disposals	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.1	-0.4	-0.3	-1.6	-16.1	-3.9	-4.1
Change in financial liabilities	0.0	0.0	-0.9	-0.3	13.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	-0.8
Purchase of own shares	0.0	0.0	0.0	-2.2	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	27.7	0.0	0.0	0.0
Others	0.0	0.0	0.0	2.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	-0.9	27.1	13.0	0.0	-0.8
Change in liquid funds	0.3	1.4	3.4	23.0	-0.6	0.4	1.5
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets at end of period	0.7	2.0	5.4	28.5	27.8	28.3	29.8

Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

Financial Ratios MeVis Medical Solutions

	2004	2005	2006	2007	2008E	2009E	2010E
Operational Efficiency							
Total Operating Costs / Sales	78.9 %	58.0 %	40.1 %	88.1 %	80.3 %	66.7 %	60.3 %
Sales per Employee	97,333	152,039	157,396	85,783	62,209	68,430	77,762
EBITDA per Employee	20,500	63,808	94,226	10,207	12,243	22,771	30,859
EBIT-margin	13.0 %	37.2 %	56.8 %	6.3 %	9.2 %	14.4 %	18.6 %
EBITDA / Operating Assets	194.2 %	197.5 %	304.9 %	40.0 %	87.3 %	155.0 %	184.7 %
ROA	23.9 %	-189.7 %	434.2 %	7.3 %	7.3 %	12.6 %	17.2 %
Efficiency of Capital Employment							
Plant Turnover	13.8	32.4	29.1	19.8	17.5	22.4	22.3
Operating Assets Turnover	9.2	4.7	5.1	3.4	4.4	4.7	4.7
Capital Employed Turnover	1.6	1.2	1.8	0.2	0.2	0.3	0.3
Return on Capital							
ROCE	20.8 %	66.2 %	117.3 %	2.6 %	2.4 %	4.1 %	6.4 %
EBITDA / Avg. Capital Employed	33.9 %	74.6 %	123.6 %	4.9 %	5.2 %	9.6 %	13.6 %
ROE	-4.7 %	300.0 %	110.6 %	0.4 %	3.8 %	6.6 %	8.6 %
Net Profit / Avg. Equity	-9.5 %	-127.3 %	247.6 %	0.8 %	3.9 %	6.8 %	8.9 %
Recurring Net Profit / Avg. Equity	-9.5 %	-127.3 %	247.6 %	0.8 %	3.9 %	6.8 %	8.9 %
ROIC	5.2 %	28.7 %	58.0 %	0.4 %	2.5 %	4.5 %	5.9 %
Solvency							
Net Debt	1.7	1.2	-3.4	-25.6	-12.0	-12.4	-13.9
Net Gearing	-131.0 %	-418.4 %	-129.4 %	-83.1 %	-37.4 %	-36.2 %	-37.8 %
Book Value of Equity / Book Value of Debt	-54.4 %	-8.8 %	133.0 %	500.0 %	201.3 %	215.5 %	230.6 %
Current ratio	0.5	0.9	1.3	7.3	1.9	1.9	2.0
Acid Test Ratio	0.4	0.8	1.3	7.3	1.9	1.9	2.0
EBITDA / Interest Paid	2.8	4.2	15.1	6.9	42.1	94.0	140.1
Interest Cover	1.9	3.8	18.0	n.a.	n.a.	n.a.	n.a.
Cash Flow							
Free Cash Flow	0.1	1.4	4.1	-3.8	-0.6	0.4	2.2
Free Cash Flow / Sales	5.2 %	34.5 %	49.7 %	-48.7 %	-5.9 %	3.2 %	12.6 %
Adj. Free Cash Flow	0.4	-0.2	4.8	0.8	1.9	4.5	6.7
Adj. Free Cash Flow / Sales	10.1 %	25.9 %	30.0 %	3.0 %	9.6 %	24.5 %	30.2 %
Free Cash Flow / Net Profit	151.7 %	-161.3 %	141.3 %	-2912.9 %	-51.6 %	19.8 %	70.5 %
Interest Received / Avg. Cash	1.8 %	0.5 %	1.8 %	1.2 %	3.9 %	4.5 %	4.4 %
Interest Paid / Avg. Debt	5.7 %	14.2 %	12.7 %	5.6 %	0.5 %	0.3 %	0.3 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	33.7 %	33.5 %
Fund Management							
Investment ratio	7.0 %	10.0 %	5.4 %	18.8 %	29.2 %	27.5 %	23.0 %
Maint. Capex / Sales	3.3 %	1.9 %	2.3 %	2.3 %	2.0 %	1.5 %	1.6 %
Capex / Dep	86.6 %	211.2 %	176.7 %	334.3 %	277.8 %	145.7 %	108.9 %
Avg. Working Capital / Sales	18.8 %	15.9 %	13.7 %	20.9 %	17.5 %	14.9 %	15.3 %
Trade Creditors / Trade Debtors	123.6 %	333.3 %	427.6 %	397.7 %	383.3 %	387.5 %	390.0 %
Inventory turnover (days)	70.1	220	278	987	200	200	200
Receivables collection period (DSOs)	41.5	92.3	82.0	120	80.0	80.0	80.0
Payables collection period (days)	33.5	27.7	19.2	30.2	20.0	20.0	20.0
Cash conversion cycle (days)	78.0	284	341	1,076	260	260	260
Valuation							
P/B	neg.	neg.	14.3	1.2	1.2	1.1	1.0
EV/sales	7.0	3.1	1.5	1.6	2.4	1.8	1.4
EV/EBITDA	33.5	7.4	2.5	13.2	12.3	5.4	3.4
EV/EBIT	54.4	8.4	2.6	24.9	26.4	12.5	7.3
EV/FCF	135.7	9.0	3.0	-3.2	-41.3	56.9	10.8
P/E	17.4	-1.2	3.8	122.6	31.1	16.7	12.0
P/CF	205.0	20.9	9.0	neg.	16.2	7.7	5.5

Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

Free Cash Flow Yield - MeVis Medical Solutions

Figures in EUR m	2005	2006	2007	2008	2009e	2010e	2011e	
Net Income	-0.8	2.9	0.1	2.1	1.9	2.9	4.0	
+ Depreciation + Amortisation	0.2	0.3	0.4	1.1	1.6	2.6	3.3	
- Net Interest Income	-0.4	-0.3	0.0	2.0	0.4	0.5	0.5	
+ Taxes	0.1	1.5	0.4	0.6	0.5	1.0	1.7	
- Maintenance Capex	0.0	0.2	0.2	0.2	0.2	0.3	0.3	
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Adjusted Free Cash Flow	-0.2	4.8	0.8	1.5	3.4	5.8	8.2	
Adjusted Free Cash Flow Yield	-0.5%	13.5%	2.1%	4.3%	9.3%	16.1%	23.9%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
= Enterprise Value	35.5	35.5	35.5	35.5	36.8	35.9	34.4	
= Fair Enterprise Value	-	48.0	7.6	15.4	34.3	57.8	82.1	
- Net Debt (Cash)	-0.8	-0.8	-0.8	-0.8	0.4	-0.5	-1.9	
- Pension Liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	-	48.8	8.4	16.2	33.8	58.2	84.0	
No. of shares (m)	1.7	1.7	1.7	1.7	1.7	1.7	1.7	
= Fair value per share (EUR)	-	28.01	4.81	9.32	19.40	33.44	48.21	
premium (-) / discount (+) in %	-	34.4%	-76.9%	-55.3%	-6.9%	60.5%	131.3%	
Sensitivity Fair value per Share (EUR)								
	13.0%	-	21.65	3.80	7.27	14.86	25.78	37.34
	12.0%	-	23.42	4.08	7.84	16.12	27.91	40.36
	11.0%	-	25.51	4.41	8.51	17.61	30.43	43.93
Hurdle rate	10.0%	-	28.01	4.81	9.32	19.40	33.44	48.21
	9.0%	-	31.08	5.29	10.30	21.59	37.13	53.45
	8.0%	-	34.91	5.90	11.53	24.32	41.75	59.99
	7.0%	-	39.83	6.67	13.12	27.83	47.68	68.41

Sources: MeVis Medical Solutions (historical data), SES Research (estimates)

DCF Model - MeVis Medical Solutions

Figures in EUR m	2009e	2010e	2011e	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e
Sales	14.1	17.7	22.1	24.3	26.7	29.4	32.3	35.5	37.3	39.2	41.1	43.2	44.5	45.8
Change	30.2%	25.0%	25.0%	10.0%	10.0%	10.0%	10.0%	10.0%	5.0%	5.0%	5.0%	5.0%	3.0%	3.0%
EBIT	2.0	3.4	5.2	6.1	6.7	7.3	9.7	10.7	11.2	11.8	12.3	15.1	15.6	16.0
EBIT-Margin	14.3%	19.3%	23.4%	25.0%	25.0%	25.0%	30.0%	30.0%	30.0%	30.0%	30.0%	35.0%	35.0%	35.0%
Tax rate	20.0%	25.0%	30.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%	35.0%
NOPAT	1.6	2.6	3.6	3.9	4.3	4.8	6.3	6.9	7.3	7.6	8.0	9.8	10.1	10.4
Depreciation	1.6	2.6	3.3	3.6	3.7	3.8	3.9	3.9	3.7	3.5	3.3	3.0	2.7	2.3
in % of Sales	11.5%	15.0%	15.0%	15.0%	14.0%	13.0%	12.0%	11.0%	10.0%	9.0%	8.0%	7.0%	6.0%	5.0%
Change in Liquidity from														
- Working Capital	-0.9	-0.6	-0.7	-0.4	-0.4	-0.5	-0.5	-0.5	-0.3	-0.3	-0.3	-0.3	-0.2	-0.2
- Capex	-3.9	-4.1	-4.1	-3.6	-3.7	-3.8	-3.9	-3.9	-3.7	-3.5	-3.3	-3.0	-2.7	-2.3
Capex in % of Sales	27.5%	23.0%	18.8%	15.0%	14.0%	13.0%	12.0%	11.0%	10.0%	9.0%	8.0%	7.0%	6.0%	5.0%
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Free Cash Flow (WACC-Model)	-1.6	0.6	2.1	3.5	3.9	4.3	5.8	6.4	7.0	7.3	7.7	9.5	9.9	10.2

Model parameter

Debt ratio	15.00%	Beta	1.50
Costs of Debt	6.8%	WACC	10.33%
Market return	9.00%		
Risk free rate	4.25%	Terminal Growth	3.00%

Valuation (mln)

Present values 2022e	31.3	Special items	16.0
Terminal Value	36.6		
Liabilities	-19.5		
Liquidity	20.3	No. of shares (mln)	1.74
Equity Value	52.6	Value per share (EUR)	30.23

Sensitivity Value per Share (EUR)

Terminal Growth

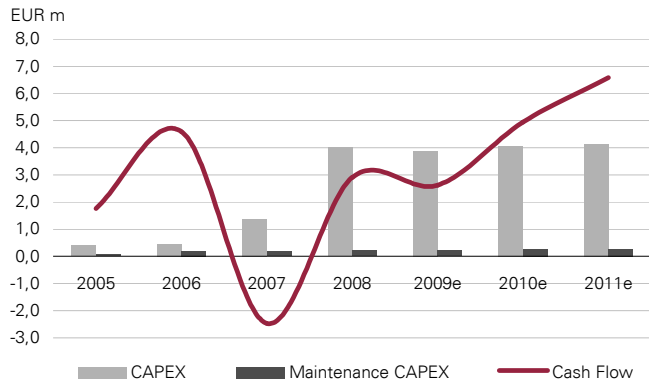
WACC	2.25%	2.50%	2.75%	3.00%	3.25%	3.50%	3.75%
11.33%	22.88	23.31	23.76	24.23	24.74	25.28	25.85
10.83%	25.41	25.92	26.46	27.03	27.64	28.29	28.99
10.58%	26.80	27.36	27.95	28.58	29.25	29.97	30.74
10.33%	28.28	28.89	29.54	30.23	30.97	31.77	32.63
10.08%	29.86	30.53	31.25	32.01	32.83	33.72	34.67
9.83%	31.55	32.29	33.08	33.93	34.84	35.82	36.89
9.33%	35.32	36.22	37.19	38.23	39.37	40.60	41.93

Delta EBIT-margin

WACC	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp	+1.0 pp	+1.5 pp
11.33%	22.35	22.98	23.60	24.23	24.86	25.49	26.12
10.83%	25.02	25.69	26.36	27.03	27.70	28.37	29.05
10.58%	26.49	27.18	27.88	28.58	29.27	29.97	30.66
10.33%	28.07	28.79	29.51	30.23	30.95	31.67	32.39
10.08%	29.77	30.52	31.26	32.01	32.76	33.51	34.26
9.83%	31.60	32.37	33.15	33.93	34.70	35.48	36.26
9.33%	35.71	36.55	37.39	38.23	39.08	39.92	40.76

Source: SES Research

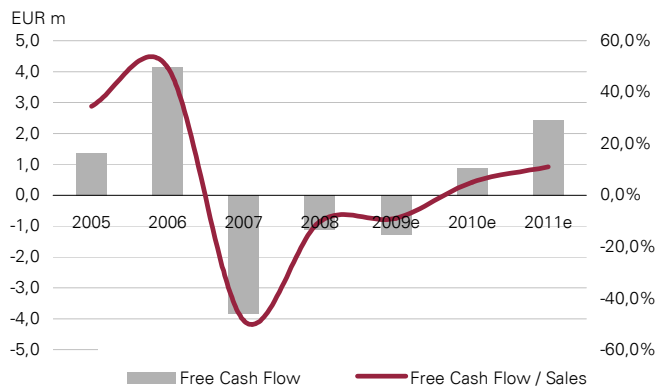
CAPEX and Cash Flow - MeVis Medical Solutions



Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

- CAPEX is increasing massively due to considerable product developments
- Maintenance investments are of subordinate significance at software companies

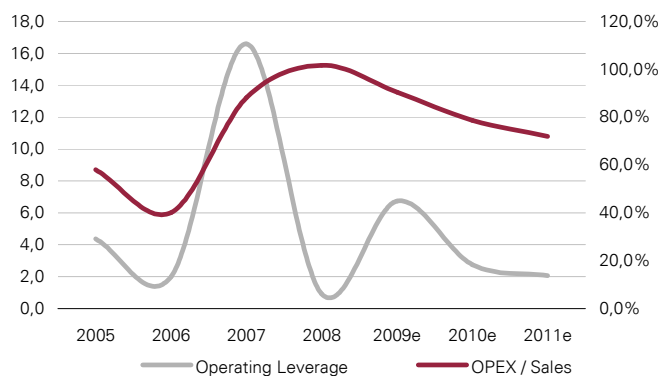
Free Cash Flow Generation - MeVis Medical Solutions



Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

- Cash flow is highly impacted by investments in new products
- Return to growth path expected in the long term

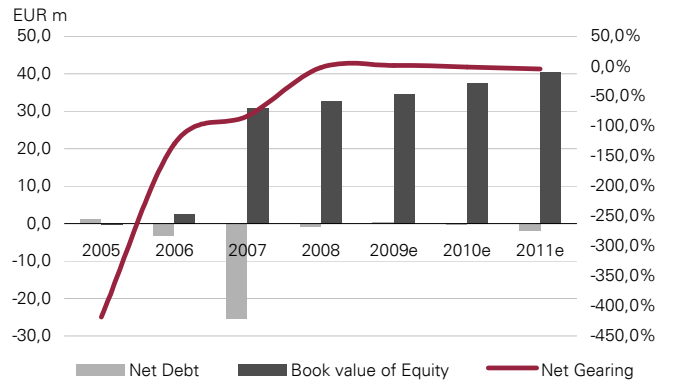
Operating Leverage - MeVis Medical Solutions



Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

- Operating leverage and operating expenses/sales are strongly deviating as costs of MeVis are barely changing

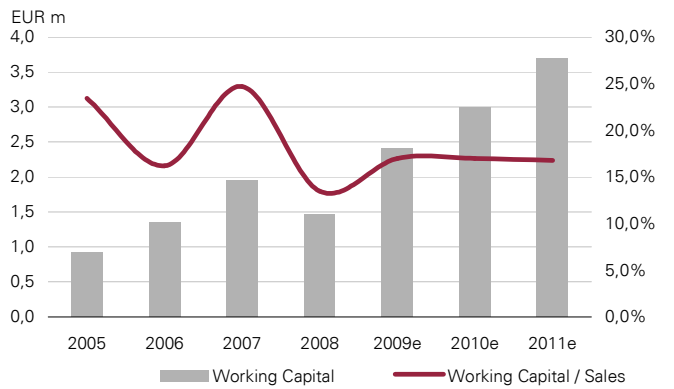
Balance Sheet Quality - MeVis Medical Solutions



Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

- IPO led to considerable inflow of cash in 2007
- The equity book value and the entire balance sheet quality also improved considerably

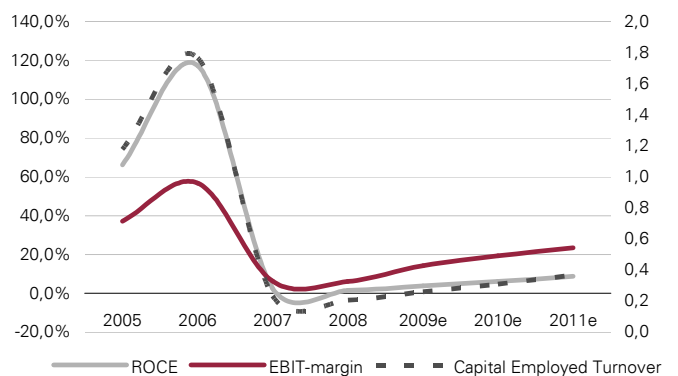
Working Capital - MeVis Medical Solutions



Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

- Stabilisation of Working Capital expected at approx. 15
- Increase of Working Capital within the scope of business expansion

ROCE Development - MeVis Medical Solutions



Sources: MeVis Medical Solutions (historical data), SES Research (forecasts)

- ROCE and EBIT margin have little significance before the IPO due to base effects
- Increase/Scaling of EBIT margin expected in the long term

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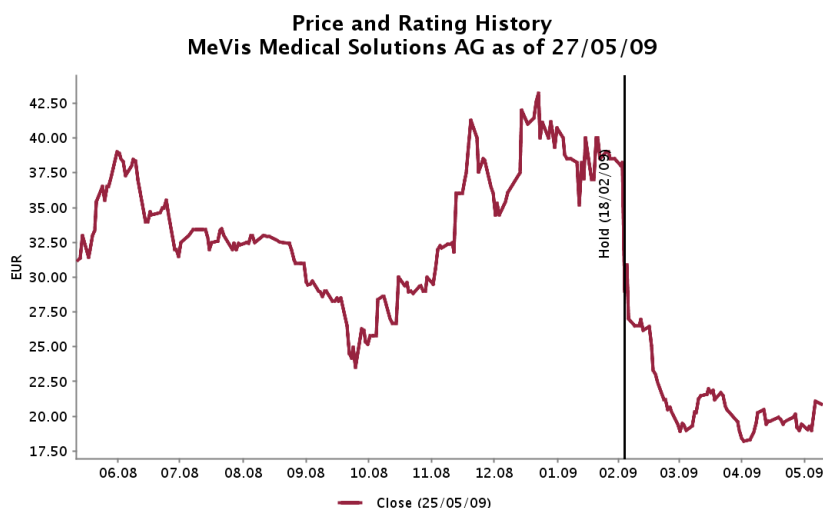
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Hold	70	34%
Sell	24	12%
Rating suspended	11	5%
Total	207	

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Hold	45	34%
Sell	8	6%
Rating suspended	6	4%
Total	134	



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