

MeVis Medical Solutions AG

Recent business development and prospects

The first quarter saw the software specialist in medical imaging applications increase its turnover by 42 percent to EUR 3.5 m, most of this growth being based on the consolidation of acquisitions made during the previous year. By way of contrast, the only positive headlines on the operative side were generated by the distribution of DynaCAD, a software for high-contrast magnetic resonance tomography of the breast. This business was conducted in conjunction with the company's US partner Invivo. Other divisions suffered notably from the consequences of the financial crisis. This was also reflected in the operating profits posted, which rose by only 18 percent to EUR 0.44 m despite the rise in sales. A particular impact was also felt as a result of the increase in staff numbers which had been undertaken in the expectation of higher growth rates to be achieved within the course of the next year. Revenues have not, however, yet grown sufficiently to justify this step. The company also experienced a significant fall in its financial results occasioned by lower interest returns on financial assets, currency hedging effects and estimated interest on purchase price instalments still due. All of this led to a reduction in net income from EUR 0.26 m to EUR 0.13 m.

In general terms, the figures presented are in line with the company's interim management report and our own expectations. The last update to our estimation model had accorded due consideration to this by incorporating the assumption that the first and second quarters of the year would be difficult. We do not expect business to pick up until the second half of the year when the product innovations which have just been launched will begin to exert a noteworthy impact on revenues and profits. The main driver of sales up until now has been digital mammography software. This will not, however, regain the level of dynamism it has generated in the past until the US clinic market recovers. All in all, news reported is in line with expectations. For this reason, our analysis of Mevis remains the same and we continue to rate the share as "buy" with an upside target of EUR 37.64.

Buy (unchanged)

Target price EUR 37.64
Current price EUR 21.20 (Xetra)



Statistics	1 M	3 M	12 M
High (Euro)	22.10	23.00	43.22
Low (Euro)	19.00	18.21	18.21
Performance	6.4%	-9.1%	-35.7%
Ø-volume (Euro/day)	20.0 k	17.4 k	30.7 k

Basic data

ISIN / WKN	DE000A0LBFE4 / A0LBFE
Sector	Software / Medical technology
Based in	Bremen
Website	www.mevis.de
Outstanding Shares	1.7 m
IPO	November 2007
Segment	Prime Standard
Market capitalization	EUR 36.0 m
Free Float	approx. 40 %
Accounting	IFRS

Financial year (31.12.)	2007	2008	2009e	2010e
Revenue (EUR m)	7.9	10.8	15.7	18.8
Revenue growth	-5.3%	36.7%	45.4%	20.0%
EBIT (EUR m)	0.8	0.7	1.9	3.8
EBIT-margin	10.2%	6.2%	12.1%	20.2%
EpS	0.08	1.25	0.91	1.33
Dividend / share	-	-	-	-
PSR	4.55	3.33	2.29	1.91
PER	272.6	17.0	23.4	15.9
Dividend yield	-	-	-	-

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<u>Date of publication</u>	<u>Price at the time of publication</u>	<u>Recommendation</u>
2009-05-06	EUR 19.91	Buy
2009-02-24	EUR 26.99	Buy
2008-12-17	EUR 36.55	Buy

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