

Buy (old: Buy)

PT EUR 7.90 (old: 7.50)

Price	EUR 5.88
Bloomberg	M3V GR
Reuters	M3VG
Sector	Software/IT

Leading software provider of equipment for the image-based medicine


Share data: 25.05.2012 / Closing price

Market cap:	EUR 10.7 m
Enterprise Value (EV):	EUR 6.7 m
Book value:	EUR 20.8 m
No. of shares:	1.8 m
Trading volume Ø:	EUR 15.6 th

Shareholders:

Others	31.2 %
Professor Dr. Heinz-Otto Peitgen	19.5 %
Dr. Carl J. G. Evertsz	19.5 %
Dr. Hartmut Jürgens	16.5 %
Freefloat	13.3 %

Calendar:

AGM	06/12/12
Figures Q2	08/27/12
Figures Q3	11/12/12

Change	2012E		2013E		2014E	
	old	Δ%	old	Δ%	old	Δ%
Sales	13.6	0.7	13.5	0	13.0	0
EBIT	1.2	47.5	1.4	17.0	1.1	33.1
EPS	0.44	-93.2	0.61	-29.5	0.49	14.3

Analysis:	Warburg Research
Date of publication:	01.06.2012
Analyst:	
Felix Ellmann	+49 (0)40-309537-120
	fellmann@warburg-research.com

Strong Q1

 On 30.05.12 MeVis Medical Solutions AG published figures for the **first quarter** of 2012.

MeVis Medical Solutions - Q1 2012

Figures in EUR m	Q1/12	Q1/12e	Q1/11	yoy	2012e	2011	yoy
Sales	3.6	3.5	3.7	-2.2%	13.7	13.7	0.2%
EBITDA	1.5	1.2	1.4	6.2%	4.8	4.4	8.0%
<i>margin</i>	41.2%	26.6%	38.0%		34.8%	32.3%	
EBIT	0.6	0.3	0.5	22.2%	1.8	-1.6	-
<i>margin</i>	17.1%	14.7%	13.7%		12.8%	-12.0%	
Net income	0.1	0.0	-0.2	-	0.1	-4.1	-
<i>margin</i>	3.0%	1.8%	-5.1%		0.4%	-29.9%	
EPS in EUR	0.06	0.00	-0.11	-	0.03	-2.38	-

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

Overall, the figures exceeded expectations. This can be mainly attributed to two factors:

- The company managed to increase **revenues in the Other Diagnostics segment by 17% (to EUR 1m)**, which to a large extent was down to a single order in the area of Lung-CAD. Without this, segment revenues would have remained stable.
- In addition the company managed to **substantially reduce important cost positions**. The other operating expenses decreased by some EUR 0.1m to EUR 0.6m (-8%) and personnel costs fell by EUR 0.2m to EUR 2.3m (-8%). Particularly the reduction in personnel expenses is impressive as it also includes a provision for the former executive board member Tynes (EUR 0.1m). Adjusted, the reduction is even greater.

Over the full year, operating costs should be clearly lower than assumed up to now. This leaves room for an increase in the operating forecasts.

The write-downs also decrease slightly. In contrast, however, as the activation of completed development projects no longer applies, this issue has no significant effect on earnings. In general several bottom line earnings figures (EBT, EPS) still have little significance as they are influenced by special effects. These are in particular the carve-out MBS in the financial result and the considerable non-cash deferred taxes, which in the context of this publication were adjusted again.

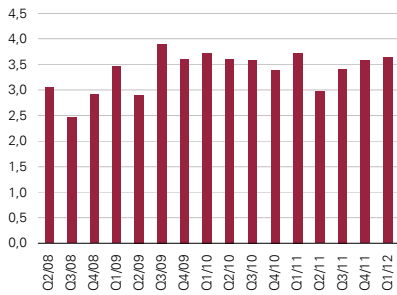
The company's liquid assets were about EUR 7.7m on 31.03.12. However, of this a last payment of EUR 3m for the purchase of MBS is due by the end of the year. Against the background of a strong operating cash flow in Q1 of EUR1.1 m, from which this payment should be easily made in 2012, the current balance sheet position looks particularly attractive.

The AGM on 12.06 could be an important trigger for share price development as the new executive board will detail the strategic direction for the next years.

On the bases of increased forecasts, the share with a price target of EUR 7.90 (7.50) continues to be rated at Buy.

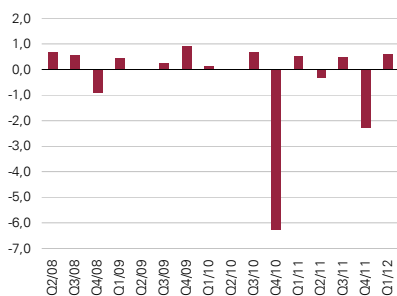
Fiscal year ending: 31.12. in EUR m	2008	2009	2010	2011	2012E	2013E	2014E
Sales	10.8	13.9	14.3	13.7	13.7	13.5	13.0
<i>Change Sales yoy</i>	37.4 %	27.9 %	3.0 %	-4.3 %	0.2 %	-1.5 %	-3.7 %
Gross profit	12.4	15.7	16.4	15.4	15.5	15.2	14.5
<i>Gross margin</i>	114.5 %	113.3 %	114.7 %	112.3 %	113.5 %	112.3 %	111.4 %
EBITDA	1.8	4.5	3.5	4.4	4.8	4.6	4.2
<i>EBITDA-margin</i>	16.2 %	32.3 %	24.2 %	32.3 %	34.8 %	34.1 %	32.2 %
EBIT	0.7	1.6	-5.4	-1.6	1.8	1.6	1.5
<i>EBIT-margin</i>	6.1 %	11.8 %	-38.0 %	-12.0 %	12.8 %	12.1 %	11.2 %
Net income	2.1	0.4	-8.3	-4.1	0.1	0.7	1.0
EPS	1.21	0.23	-4.89	-2.38	0.03	0.43	0.56
Free Cash Flow per share	-0.64	0.02	1.04	1.34	0.70	1.01	1.01
Dividend	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend Yield</i>	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EV/Sales	0.7	0.6	0.6	0.6	0.5	0.4	0.2
EV/EBITDA	4.5	1.8	2.3	1.8	1.4	1.1	0.8
EV/EBIT	11.9	4.8	n.m.	n.m.	3.8	3.0	2.2
PER	4.9	25.6	n.m.	n.m.	196.0	13.7	10.5
ROCE	1.6 %	3.3 %	-13.7 %	-5.7 %	7.3 %	7.2 %	6.2 %
Adj. Free Cash Flow Yield	n.a.	19.4 %	3.4 %	18.8 %	33.8 %	48.4 %	61.5 %

Sales development
in EUR m



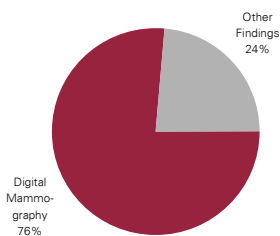
Source: MeVis Medical Solutions

EBIT development
in EUR m



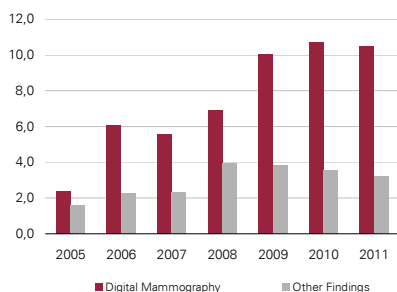
Source: MeVis Medical Solutions

Sales by segments
2011



Source: MeVis Medical Solutions

Sales split by segments
in EUR m



Source: MeVis Medical Solutions

Company background

The origin of MeVis Medical Solutions AG, founded in 1998, goes back to the year 1992, when CeVis (Center for Complex Systems and Visualization) was founded at the University of Bremen. MeVis Medical Solutions AG was created with the goal of developing and marketing commercially successful disease-related products on the basis of the scientific successes in the field of research. Since its founding, MeVis has been active in the field of computer assistance of imaging-based, medical diagnostics and therapy.

MeVis has managed to become one of the world's leading suppliers of software solutions for the image-based medicine. This development is based much on the success in the field of digital mammography. Together with Hologic and Siemens, MeVis's solutions dominate this segment today. In addition, MeVis has a broad range of products at its disposal, some of which are already on the market or in the final stage of development.

Competitive quality

MeVis is pursuing a strategy of early market occupation in new fields of medical imaging technology. At the focus here are products for mass markets (such as breast cancer screening or computer-aided neurosurgery). MeVis features the ability to occupy market niches very early on compared to its rivals. This strategy is based on a combination of important factors:

- Excellence of employees: The scientific excellence of the employee team surrounding Prof. Peitgen (founder of the MeVis Group) and Dr. Carl J. G. Evertz forms the basis for the firstclass expertise of the company. MeVis's employees include top researchers in the field of computer-aided medicine.
- Global partner network with R&D centres and clinics: MeVis supports long-term and interdisciplinary co-operations with more than 100 clinics and leading research centres in Germany, Europe, the US and Asia. The high market proximity of MeVis is again and again the root of product innovation.
- Partnerships with leading equipment manufacturers: MeVis supports partnerships with the globally leading medical engineering OEMs. The following examples are mentioned here: together with Siemens, a joint venture has been undertaken (MeVis Breastcare) through which the leading products in the field of digital mammography can be marketed. The most important supplier of digital mammogram devices (Hologic) uses exclusively MeVis software for its digital mammography workstations. There is also a co-operation with Invivo/Philips in the field of MRI and biopsy.

The major aspect of the strategy and uniqueness of MeVis lie in its close co-operation with OEMs and its ability to offer these manufacturers marketable, technological products early on. Billion EUR groups such as Siemens, Hologic and Invivo/Philips have already impressively shown that this approach has stood the test of time.

Consolidated Profit & Loss MeVis Medical Solutions							
in EUR m	2008	2009	2010	2011	2012E	2013E	2014E
Sales	10.8	13.9	14.3	13.7	13.7	13.5	13.0
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	1.9	2.3	2.8	2.4	2.4	2.2	2.0
Total sales	12.8	16.2	17.1	16.1	16.1	15.7	15.0
Material Expenses	0.4	0.5	0.7	0.7	0.5	0.5	0.5
Gross profit	12.4	15.7	16.4	15.4	15.5	15.2	14.5
Personnel expenses	7.7	9.8	10.4	9.2	9.0	8.8	8.6
Other operating income	1.1	1.8	1.1	1.1	0.7	0.7	0.7
Other operating expenses	4.1	3.3	3.7	2.9	2.5	2.4	2.3
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	1.8	4.5	3.5	4.4	4.8	4.6	4.2
Depreciation of fixed assets	0.4	0.5	5.8	3.0	0.5	0.5	0.5
EBITA	1.4	3.9	-2.3	1.5	4.2	4.1	3.7
Amortisation of intangible fixed assets	0.7	2.3	3.1	3.1	2.5	2.4	2.2
Impairment charges and amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	0.7	1.6	-5.4	-1.6	1.8	1.6	1.5
Interest income	1.1	0.6	0.4	0.1	0.1	0.1	0.1
Interest expenses	0.3	1.0	0.7	0.3	0.2	0.0	0.0
Financial result	2.0	-0.5	-0.2	-1.3	-0.1	0.1	0.1
Recurring pretax income from cont. operations	2.7	1.2	-5.6	-2.9	1.7	1.7	1.6
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	2.7	1.2	-5.6	-2.9	1.7	1.7	1.6
Taxes total	0.6	0.8	2.7	1.2	1.6	1.0	0.6
Net income from continuing operations	2.1	0.4	-8.3	-4.1	0.1	0.7	1.0
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	2.1	0.4	-8.3	-4.1	0.1	0.7	1.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	2.1	0.4	-8.3	-4.1	0.1	0.7	1.0

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

Consolidated Profit & Loss MeVis Medical Solutions							
in % of Sales	2008	2009	2010	2011	2012E	2013E	2014E
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	17.9 %	16.6 %	19.5 %	17.5 %	17.5 %	16.3 %	15.4 %
Total sales	117.9 %	116.6 %	119.5 %	117.5 %	117.5 %	116.3 %	115.4 %
Material Expenses	3.4 %	3.3 %	4.8 %	5.2 %	4.0 %	4.0 %	4.0 %
Gross profit	114.5 %	113.3 %	114.7 %	112.3 %	113.5 %	112.3 %	111.4 %
Personnel expenses	70.7 %	70.7 %	72.7 %	67.1 %	65.7 %	65.2 %	66.2 %
Other operating income	9.8 %	13.2 %	8.0 %	8.4 %	5.0 %	5.0 %	5.0 %
Other operating expenses	37.4 %	23.6 %	25.8 %	21.4 %	18.0 %	18.0 %	18.0 %
Unfrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	16.2 %	32.3 %	24.2 %	32.3 %	34.8 %	34.1 %	32.2 %
Depreciation of fixed assets	3.6 %	3.9 %	40.6 %	21.7 %	4.0 %	4.0 %	4.0 %
EBITA	12.6 %	28.4 %	-16.4 %	10.6 %	30.8 %	30.1 %	28.2 %
Amortisation of intangible fixed assets	6.5 %	16.6 %	21.6 %	22.6 %	18.0 %	18.0 %	17.0 %
Impairment charges and amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT	6.1 %	11.8 %	-38.0 %	-12.0 %	12.8 %	12.1 %	11.2 %
Interest income	9.7 %	4.3 %	2.7 %	0.8 %	0.7 %	0.7 %	0.8 %
Interest expenses	3.0 %	7.2 %	5.0 %	2.5 %	1.5 %	0.0 %	0.0 %
Financial result	18.8 %	-3.4 %	-1.3 %	-9.3 %	-0.7 %	0.7 %	0.8 %
Recurring pretax income from cont. operations	25.0 %	8.4 %	-39.2 %	-21.3 %	12.1 %	12.9 %	12.0 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBT	25.0 %	8.4 %	-39.2 %	-21.3 %	12.1 %	12.9 %	12.0 %
Taxes total	5.5 %	5.6 %	19.2 %	8.6 %	11.7 %	7.4 %	4.6 %
Net income from continuing operations	19.5 %	2.9 %	-58.4 %	-29.9 %	0.4 %	5.4 %	7.4 %
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	19.5 %	2.9 %	-58.4 %	-29.9 %	0.4 %	5.4 %	7.4 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	19.5 %	2.9 %	-58.4 %	-29.9 %	0.4 %	5.4 %	7.4 %

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

Balance sheet MeVis Medical Solutions

in EUR m

	2008	2009	2010	2011	2012E	2013E	2014E
Assets							
Intangible assets	26.9	27.1	22.0	18.9	18.8	18.3	18.1
thereof other intangible assets	10.1	10.5	9.4	6.3	6.1	5.7	5.5
thereof Goodwill	16.7	16.6	12.6	12.6	12.6	12.6	12.6
Property, plant and equipment	1.4	1.2	0.9	0.7	0.4	0.1	-0.1
Financial assets	0.0	0.0	1.3	0.3	0.3	0.3	0.3
Fixed assets	28.3	28.3	24.2	19.9	19.4	18.7	18.3
Inventories	0.2	0.1	0.1	0.3	0.1	0.1	0.1
Accounts receivable	2.3	4.2	5.1	4.4	3.9	3.5	3.2
Other Assets	8.5	3.2	1.2	0.5	0.5	0.5	0.5
Liquid assets	20.3	15.1	8.2	7.5	5.7	7.4	9.2
Current assets	31.3	22.7	14.6	12.7	10.2	11.5	13.0
Total assets	59.6	51.0	38.8	32.5	29.6	30.3	31.2
Liabilities and shareholders' equity							
Subscribed capital	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Additional paid-in capital	28.4	28.5	28.5	28.1	28.1	28.1	28.1
Surplus capital	0.0	0.0	0.0	0.0	0.1	0.8	1.7
Other equity components	2.4	2.3	-5.5	-9.2	-9.2	-9.2	-9.2
Book value	32.6	32.6	24.8	20.7	20.8	21.5	22.5
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	32.6	32.6	24.8	20.7	20.8	21.5	22.5
Provision for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions	0.2	0.2	1.1	1.1	1.1	1.1	1.1
Financial liabilities	19.4	14.5	7.5	4.7	1.7	1.7	1.7
Accounts payable	1.0	1.1	1.3	1.2	1.2	1.1	1.1
Other liabilities	6.3	2.6	4.2	4.8	4.8	4.8	4.8
Liabilities	27.0	18.3	14.0	11.8	8.9	8.8	8.8
Total liabilities and shareholders' equity	59.6	51.0	38.8	32.5	29.6	30.3	31.2

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

Balance sheet MeVis Medical Solutions

in % of Balance Sheet Total

	2008	2009	2010	2011	2012E	2013E	2014E
Assets							
Intangible assets	45.1 %	53.1 %	56.7 %	58.2 %	63.4 %	60.5 %	58.1 %
thereof other intangible assets	17.0 %	20.6 %	24.1 %	19.3 %	20.7 %	18.8 %	17.6 %
thereof Goodwill	28.1 %	32.5 %	32.6 %	38.9 %	42.7 %	41.7 %	40.5 %
Property, plant and equipment	2.4 %	2.3 %	2.4 %	2.1 %	1.4 %	0.5 %	-0.4 %
Financial assets	0.0 %	0.0 %	3.3 %	0.9 %	0.9 %	0.9 %	0.9 %
Fixed assets	47.5 %	55.5 %	62.4 %	61.2 %	65.7 %	61.9 %	58.6 %
Inventories	0.3 %	0.3 %	0.2 %	0.8 %	0.3 %	0.3 %	0.3 %
Accounts receivable	3.9 %	8.3 %	13.2 %	13.6 %	13.2 %	11.6 %	10.3 %
Other Assets	14.3 %	6.3 %	3.1 %	1.5 %	1.6 %	1.6 %	1.5 %
Liquid assets	34.0 %	29.6 %	21.0 %	23.1 %	19.3 %	24.6 %	29.4 %
Current assets	52.5 %	44.5 %	37.6 %	39.0 %	34.4 %	38.0 %	41.5 %
Total assets	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Liabilities and shareholders' equity							
Subscribed capital	3.1 %	3.6 %	4.7 %	5.6 %	6.2 %	6.0 %	5.8 %
Additional paid-in capital	47.6 %	55.8 %	73.5 %	86.4 %	94.9 %	92.7 %	90.0 %
Surplus capital	0.0 %	0.0 %	0.0 %	0.0 %	0.2 %	2.6 %	5.6 %
Other equity components	4.1 %	4.6 %	-14.3 %	-28.2 %	-31.0 %	-30.3 %	-29.4 %
Book value	54.7 %	63.9 %	63.9 %	63.8 %	70.2 %	71.0 %	72.0 %
Minority Interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total equity	54.7 %	63.9 %	63.9 %	63.8 %	70.2 %	71.0 %	72.0 %
Provision for pensions and similar obligations	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions	0.4 %	0.4 %	2.7 %	3.4 %	3.7 %	3.6 %	3.5 %
Financial liabilities	32.6 %	28.4 %	19.2 %	14.5 %	5.8 %	5.6 %	5.5 %
Accounts payable	1.7 %	2.2 %	3.4 %	3.6 %	4.1 %	3.6 %	3.5 %
Other liabilities	10.5 %	5.0 %	10.7 %	14.9 %	16.4 %	16.0 %	15.5 %
Liabilities	45.3 %	36.0 %	36.1 %	36.4 %	29.9 %	28.9 %	28.1 %
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), Warburg Research (forecasts)

Statement of Cash Flows MeVis Medical Solutions

in EUR m

	2008	2009	2010	2011	2012E	2013E	2014E
Net income	0.6	-0.2	-5.3	-1.3	0.1	0.7	1.0
Depreciation of fixed assets	0.4	0.5	5.8	3.0	0.5	0.5	0.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.7	2.3	3.1	3.1	2.5	2.4	2.2
Increase/decrease in long-term provisions	0.2	0.1	0.9	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	1.4	0.1	-0.4	0.0	0.0	0.0	0.0
Cash Flow	3.2	2.8	4.0	4.8	3.1	3.7	3.7
Increase / decrease in inventory	-0.1	0.0	0.0	-0.2	0.2	0.0	0.0
Increase / decrease in accounts receivable	-0.6	1.9	-0.5	1.0	0.5	0.4	0.3
Increase / decrease in accounts payable	0.4	-1.6	1.4	-0.5	0.0	-0.1	0.0
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	-0.3	0.3	0.9	0.4	0.7	0.3	0.3
Cash flow from operating activities	2.9	3.1	5.0	5.1	3.8	4.0	4.0
CAPEX	-4.0	-3.0	-3.2	-2.8	-2.6	-2.3	-2.3
Payments for acquisitions	-4.5	-4.7	-7.2	-3.0	-3.0	0.0	0.0
Financial investments	-5.0	-2.3	3.9	1.1	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-13.5	-10.0	-6.5	-4.7	-5.6	-2.3	-2.3
Change in financial liabilities	-0.4	-0.1	-0.4	0.0	-3.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	-2.2	-0.5	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
Others	0.0	0.0	0.0	0.0	3.0	0.0	0.0
Cash flow from financing activities	-2.6	-0.5	-0.4	0.0	0.0	0.0	0.0
Change in liquid funds	-13.2	-7.4	-2.0	0.4	-1.8	1.7	1.7
Effects of exchange rate changes on cash	0.0	-0.1	-0.1	0.1	0.0	0.0	0.0
Liquid assets at end of period	15.3	7.7	5.6	6.1	4.3	6.0	7.7

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

Financial Ratios MeVis Medical Solutions

	2008	2009	2010	2011	2012E	2013E	2014E
Operational Efficiency							
Total Operating Costs / Sales	101.7 %	84.4 %	95.3 %	85.2 %	82.7 %	82.2 %	83.2 %
Sales per Employee	59,912	58,029	63,799	73,935	67,322	60,308	52,795
EBITDA per Employee	9,707	18,720	15,415	23,870	23,430	20,572	17,016
EBIT-margin	6.1 %	11.8 %	-38.0 %	-12.0 %	12.8 %	12.1 %	11.2 %
EBITDA / Operating Assets	61.1 %	101.2 %	71.4 %	105.3 %	148.5 %	174.4 %	201.3 %
ROA	7.5 %	1.4 %	-34.5 %	-20.6 %	0.3 %	3.9 %	5.3 %
Efficiency of Capital Employment							
Plant Turnover	7.7	11.6	15.4	20.0	33.3	95.7	-109
Operating Assets Turnover	3.8	3.1	3.0	3.3	4.3	5.1	6.2
Capital Employed Turnover	0.2	0.3	0.4	0.5	0.6	0.6	0.5
Return on Capital							
ROCE	1.6 %	3.3 %	-13.7 %	-5.7 %	7.3 %	7.2 %	6.2 %
EBITDA / Avg. Capital Employed	4.1 %	9.0 %	8.7 %	15.3 %	19.9 %	20.1 %	17.7 %
ROE	6.5 %	1.2 %	-33.7 %	-19.7 %	0.3 %	3.4 %	4.3 %
Net Profit / Avg. Equity	6.7 %	1.2 %	-29.1 %	-18.0 %	0.3 %	3.5 %	4.4 %
Recurring Net Profit / Avg. Equity	6.7 %	1.2 %	-29.1 %	-18.0 %	0.3 %	3.5 %	4.4 %
ROIC	3.9 %	0.8 %	-22.5 %	-13.2 %	0.2 %	2.5 %	3.2 %
Solvency							
Net Debt	-0.8	-0.6	-0.7	-2.8	-4.0	-5.7	-7.5
Net Gearing	-2.5 %	-1.9 %	-2.8 %	-13.5 %	-19.2 %	-26.7 %	-33.2 %
Book Value of Equity / Book Value of Debt	167.8 %	225.2 %	332.3 %	440.2 %	1216.1 %	1259.1 %	1315.3 %
Current ratio	1.2	1.2	1.1	1.2	1.3	1.5	1.7
Acid Test Ratio	1.2	1.2	1.0	1.0	1.1	1.3	1.5
EBITDA / Interest Paid	5.5	4.5	4.8	12.8	23.8	n.a.	n.a.
Interest Cover	n.a.	4.1	n.a.	n.a.	17.5	n.a.	n.a.
Cash Flow							
Free Cash Flow	-1.1	0.0	1.8	2.3	1.2	1.7	1.7
Free Cash Flow / Sales	-10.2 %	0.2 %	12.4 %	16.9 %	8.8 %	12.9 %	13.3 %
Adj. Free Cash Flow	-1.1	1.5	0.3	1.5	2.3	2.4	2.0
Adj. Free Cash Flow / Sales	-23.2 %	1.7 %	-3.5 %	6.7 %	3.4 %	10.4 %	10.7 %
Free Cash Flow / Net Profit	-52.5 %	7.8 %	-21.2 %	-56.4 %	2227.8 %	236.1 %	180.2 %
Interest Received / Avg. Cash	4.3 %	3.4 %	3.3 %	1.4 %	1.5 %	1.5 %	1.2 %
Interest Paid / Avg. Debt	2.9 %	5.9 %	6.5 %	5.7 %	6.2 %	0.0 %	0.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Fund Management							
Investment ratio	83.2 %	38.4 %	-4.9 %	12.4 %	18.8 %	16.8 %	17.4 %
Maint. Capex / Sales	26.2 %	21.2 %	22.3 %	21.4 %	18.2 %	16.3 %	16.9 %
Capex / Dep	825.8 %	187.3 %	-7.8 %	28.0 %	85.4 %	76.4 %	82.8 %
Avg. Working Capital / Sales	15.7 %	16.9 %	25.0 %	27.1 %	23.0 %	19.6 %	18.1 %
Trade Creditors / Trade Debtors	225.9 %	376.6 %	390.2 %	378.4 %	325.0 %	318.2 %	290.9 %
Inventory turnover (days)	5.2	3.4	2.2	6.9	1.8	1.8	1.8
Receivables collection period (DSOs)	78.9	111	131	118	105	95.0	90.0
Payables collection period (days)	34.9	29.5	33.6	31.2	31.0	31.0	31.0
Cash conversion cycle (days)	49.2	85.0	99.8	93.6	75.8	65.8	60.8
Valuation							
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
P/B	0.3	0.3	0.4	0.5	0.5	0.5	0.5
EV/sales	0.7	0.6	0.6	0.6	0.5	0.4	0.2
EV/EBITDA	4.5	1.8	2.3	1.8	1.4	1.1	0.8
EV/EBIT	11.9	4.8	n.m.	n.m.	3.8	3.0	2.2
EV/FCF	n.m.	255.0	4.5	3.4	5.6	2.9	1.9
P/E	4.9	25.6	n.m.	n.m.	196.0	13.7	10.5
P/CF	3.4	3.9	2.7	2.3	3.5	2.9	2.9
Adj. Free Cash Flow Yield	n.a.	19.4 %	3.4 %	18.8 %	33.8 %	48.4 %	61.5 %

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

Free Cash Flow Yield - MeVis Medical Solutions

Figures in EUR m

	2008	2009	2010	2011	2012e	2013e	2014e	
Net Income	2.1	0.4	-8.3	-4.1	0.1	0.7	1.0	
+ Depreciation + Amortisation	1.1	2.8	8.9	6.1	3.0	3.0	2.7	
- Net Interest Income	2.0	-0.5	-0.2	-1.3	-0.1	0.1	0.1	
+ Taxes	0.6	0.8	2.7	1.2	1.6	1.0	0.6	
- Maintenance Capex	2.8	2.9	3.2	2.9	2.5	2.2	2.2	
+ Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Adjusted Free Cash Flow	-1.1	1.5	0.3	1.5	2.3	2.4	2.0	
Adjusted Free Cash Flow Yield	-13.7%	19.4%	3.4%	18.8%	33.8%	48.4%	61.5%	
Hurdle rate	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
= Enterprise Value	7.9	7.9	7.9	7.9	6.7	5.0	3.2	
= Fair Enterprise Value	-	15.4	2.7	14.9	22.7	24.1	19.9	
- Net Debt (Cash)	-2.8	-2.8	-2.8	-2.8	-4.0	-5.7	-7.5	
- 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	-	18.2	5.5	17.7	26.7	29.8	27.4	
No. of shares (m)	1.8	1.8	1.8	1.8	1.8	1.8	1.8	
= Fair value per share (EUR)	-	9.98	3.02	9.71	14.66	16.37	15.04	
premium (-) / discount (+) in %	-	69.7%	-48.6%	65.2%	149.3%	178.3%	155.7%	
Sensitivity Fair value per Share (EUR)								
	13.0%	-	8.03	2.68	7.83	11.78	13.32	12.51
	12.0%	-	8.57	2.77	8.35	12.58	14.16	13.21
	11.0%	-	9.21	2.89	8.97	13.53	15.16	14.04
Hurdle rate	10.0%	-	9.98	3.02	9.71	14.66	16.37	15.04
	9.0%	-	10.91	3.19	10.62	16.04	17.83	16.25
	8.0%	-	12.09	3.39	11.76	17.77	19.67	17.77
	7.0%	-	13.59	3.66	13.22	20.00	22.03	19.72

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

DCF Model - MeVis Medical Solutions

Figures in EUR m	2012e	2013e	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e
Sales	13.7	13.5	13.0	12.7	12.4	12.0	11.7	11.5	11.2	10.9	10.6	10.4	10.1	9.8
Change	0.2%	-1.5%	-3.7%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%	-2.5%
EBIT	1.8	1.6	1.5	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.3	1.2	1.2	1.2
EBIT-Margin	12.8%	12.1%	11.2%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Tax rate	96.7%	57.6%	38.5%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%	30.0%
NOPAT	0.1	0.7	0.9	1.1	1.0	1.0	1.0	1.0	0.9	0.9	0.9	0.9	0.8	0.8
Depreciation	3.0	3.0	2.7	2.5	2.5	2.4	2.2	2.1	2.0	1.9	1.8	1.7	1.7	1.6
in % of Sales	22.0%	22.0%	21.0%	20.0%	20.0%	20.0%	19.0%	18.0%	17.5%	17.5%	16.5%	16.5%	16.5%	16.5%
Change in Liquidity from														
- Working Capital	0.7	0.3	0.3	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
- Capex	-2.6	-2.3	-2.3	-2.2	-2.2	-2.1	-2.1	-2.0	-2.0	-1.9	-1.8	-1.7	-1.7	-1.6
Capex in % of Sales	18.8%	16.8%	17.4%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	17.5%	16.5%	16.5%	16.5%	16.5%
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)	1.2	1.7	1.7	1.4	1.4	1.4	1.2	1.1	1.0	1.0	0.9	0.9	0.9	0.9

Model parameter

Debt ratio	0.00%	Beta	1.40
Costs of Debt	n.a.	WACC	10.90%
Market return	9.00%		
Risk free rate	4.25%	Terminal Growth	0.00%

Valuation (mln)

Present values 2025e	9.6		
Terminal Value	2.0		
Liabilities	-4.7		
Liquidity	7.5	No. of shares (mln)	1.82
Equity Value	14.3	Value per share (EUR)	7.88

Sensitivity Value per Share (EUR)

Terminal Growth

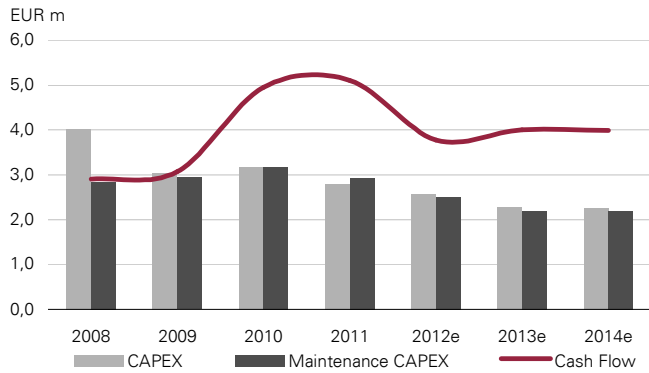
WACC	-0.75%	-0.50%	-0.25%	0.00%	0.25%	0.50%	0.75%
11.90%	7.41	7.43	7.44	7.46	7.48	7.50	7.52
11.40%	7.60	7.62	7.64	7.66	7.68	7.71	7.73
11.15%	7.70	7.72	7.75	7.77	7.79	7.82	7.84
10.90%	7.81	7.83	7.86	7.88	7.91	7.93	7.96
10.65%	7.92	7.94	7.97	8.00	8.02	8.05	8.08
10.40%	8.03	8.06	8.09	8.12	8.15	8.18	8.21
9.90%	8.28	8.31	8.34	8.37	8.41	8.45	8.49

Delta EBIT-margin

WACC	-1.5 pp	-1.0 pp	-0.5 pp	0.0	+0.5 pp	+1.0 pp	+1.5 pp
11.90%	6.96	7.13	7.30	7.46	7.63	7.80	7.96
11.40%	7.14	7.31	7.49	7.66	7.84	8.01	8.19
11.15%	7.23	7.41	7.59	7.77	7.95	8.13	8.30
10.90%	7.33	7.51	7.70	7.88	8.06	8.24	8.43
10.65%	7.44	7.62	7.81	8.00	8.18	8.37	8.56
10.40%	7.54	7.73	7.92	8.12	8.31	8.50	8.69
9.90%	7.77	7.97	8.17	8.37	8.57	8.78	8.98

Source: Warburg Research

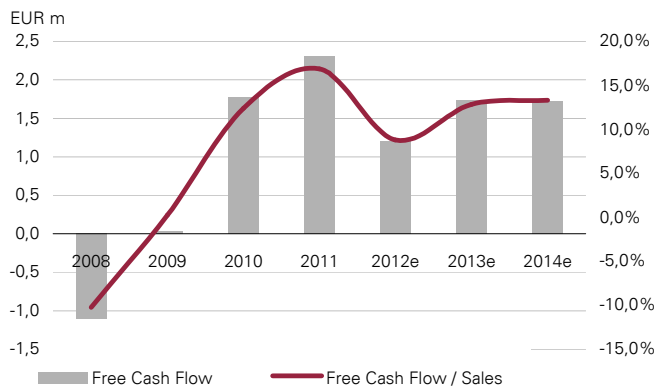
CAPEX and Cash Flow - MeVis Medical Solutions



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

- CAPEX increasing massively due to considerable product developments
- Maintenance investments include product developments as a major investment component

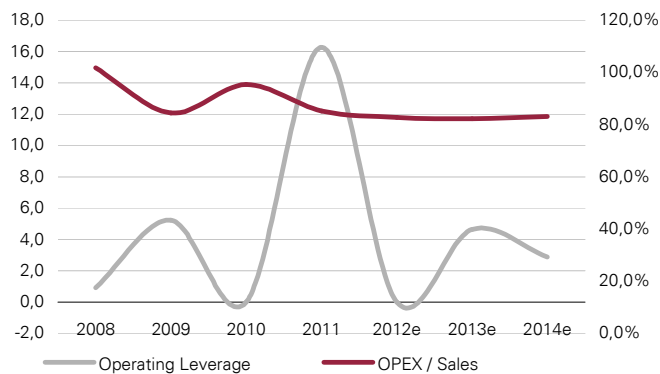
Free Cash Flow Generation - MeVis Medical Solutions



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

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

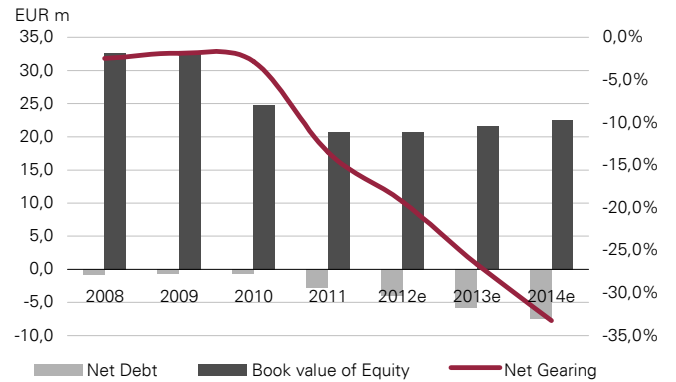
Operating Leverage - MeVis Medical Solutions



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

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

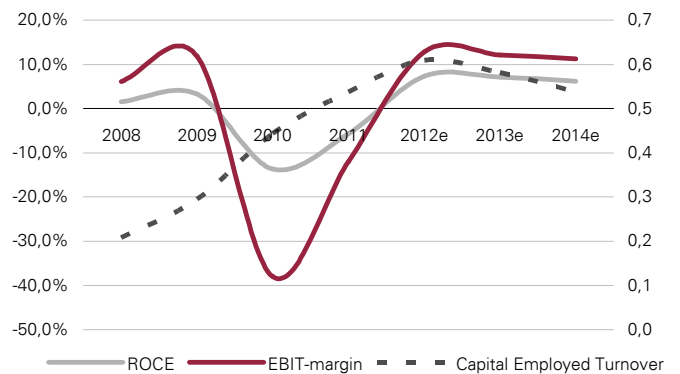
Working Capital - MeVis Medical Solutions



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

- Long-term stabilisation of working capital expected at approx. 10-15%
- Increase in working capital within the scope of a positive business expansion

ROCE Development - MeVis Medical Solutions



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

- ROCE and EBIT margin with little significance before the IPO due to basis effects

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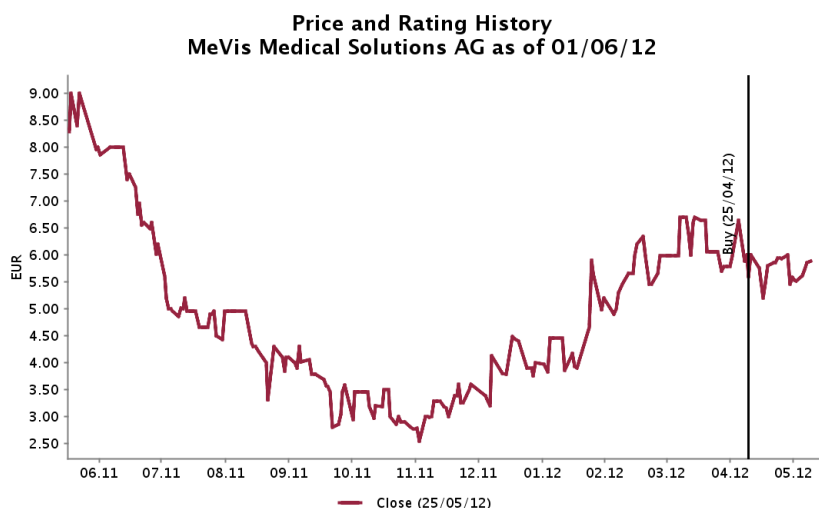
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Buy	123	67%
Hold	50	27%
Sell	8	4%
Rating suspended	2	1%
Total	183	

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Buy	93	68%
Hold	37	27%
Sell	4	3%
Rating suspended	2	1%
Total	136	



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Warburg Research GmbH

Hermannstraße 9 | 20095 Hamburg | www.warburg-research.com

Tel.: +49 40 309537-0 | Fax: +49 40 309537-110 | info@warburg-research.com



WARBURG RESEARCH

Christian Bruns Head of Research	+49 40 309537-253 cbruns@warburg-research.com
Christian Cohrs	+49 40 309537-175 ccohrs@warburg-research.com
Felix Ellmann	+49 40 309537-120 fellmann@warburg-research.com
Jörg Philipp Frey	+49 40 309537-258 jfrey@warburg-research.com
Ulrich Huwald	+49 40 309537-255 uhuwald@warburg-research.com
Thilo Kleibauer	+49 40 309537-257 tkleibauer@warburg-research.com
Torsten Klingner	+49 40 309537-260 tklingner@warburg-research.com
Eggert Kuls	+49 40 309537-256 ekuls@warburg-research.com
Frank Laser	+49 40 309537-235 flaser@warburg-research.com
Malte Räter	+49 40 309537-185 mraether@warburg-research.com
Andreas Pläsier	+49 40 309537-246 aplaesier@warburg-research.com
Björn Blunck Business Support	+49 40 309537-160 bblunck@warburg-research.com
Daniel Bonn Business Support	+49 40 309537-205 dbonn@warburg-research.com
Annika Boysen Business Support	+49 40 309537-202 aboysen@warburg-research.com

Henner Rüschemier Head of Research	+49 40 309537-270 hrueschmeier@warburg-research.com
Roland Rapelius	+49 40 309537-220 rrapelius@warburg-research.com
Jochen Reichert	+49 40 309537-130 jreichert@warburg-research.com
Christopher Rodler	+49 40 309537-290 crodler@warburg-research.com
Malte Schaumann	+49 40 309537-170 mschaumann@warburg-research.com
Susanne Schwartz	+49 40 309537-155 sschwartz@warburg-research.com
Oliver Schwarz	+49 40 309537-250 oschwarz@warburg-research.com
Marc-René Tonn	+49 40 309537-259 mtonn@warburg-research.com
Björn Voss	+49 40 309537-254 bvoss@warburg-research.com
Andreas Wolf	+49 40 309537-140 awolf@warburg-research.com
Stephan Wulf	+49 40 309537-150 swulf@warburg-research.com
Markus Pähler Business Support	+49 40 309537-221 mpaehler@warburg-research.com
Claudia Vedder Business Support	+49 40 309537-105 cvedder@warburg-research.com
Katrin Wauker Business Support	+49 40 309537-200 kwauker@warburg-research.com

M.M. Warburg & CO KGaA

Ferdinandstraße 75 | 20095 Hamburg | www.mmwarburg.com

Tel.: +49 40 3282-0 | Fax: +49 40 3618-1000 | info@mmwarburg.com



M. M. WARBURG & CO

1798

Oliver Merkel Head of Sales Trading	+49 40 3282-2634 omerckel@mmwarburg.com
Thekla Struve Sales Trading	+49 40 3282-2668 tstruve@mmwarburg.com
Gudrun Bolsen Sales Trading	+49 40 3282-2679 gbolsen@mmwarburg.com
Bastian Quast Sales Trading	+49 40 3282-2701 bquast@mmwarburg.com
Patrick Schepelmann Sales Trading	+49 40 3282-2700 pschepelmann@mmwarburg.com
Jörg Treptow Sales Trading	+49 40 3282-2658 jtreptow@mmwarburg.com
Andrea Carstensen Sales Assistance	+49 40 3282-2632 acarstensen@mmwarburg.com
Kerstin Muthig Sales Assistance	+49 40 3282-2703 kmuthig@mmwarburg.com
Katharina Bruns Roadshow / Marketing	+49 40 3282-2694 kbruns@mmwarburg.com

Holger Nass Head of Equity Sales	+49 40 3282-2669 hnass@mmwarburg.com
Christian Alisch Equity Sales	+49 40 3282-2667 calisch@mmwarburg.com
Robert Conredel Equity Sales	+49 40 3282-2633 rconredel@mmwarburg.com
Matthias Fritsch Equity Sales	+49 40 3282-2696 mfritsch@mmwarburg.com
Michael Kriszun Equity Sales	+49 40 3282-2695 mkriszun@mmwarburg.com
Marc Niemann Equity Sales	+49 40 3282-2660 mniemann@mmwarburg.com
Dirk Rosenfelder Equity Sales	+49 40 3282-2692 drosenfelder@mmwarburg.com
Julian Straube Equity Sales	+49 40 3282-2666 jstraube@mmwarburg.com
Philipp Stumpfegger Equity Sales	+49 40 3282-2635 pstumpfegger@mmwarburg.com