

Hold EUR 16.50 Price EUR 14.77 Upside 11.7 %	Value Indicators: EUR DCF: 16.35 FCF-Value Potential 15e: 22.46	Share data: Bloomberg: M3V GR Reuters: M3VG ISIN: DE000A0LBFE4	Description: A leading supplier of software for visual-based medical equipment
	Market Snapshot: EUR m Market cap: 26.9 No. of shares (m): 1.8 EV: 13.3 Freefloat MC: 6.3 Ø Trad. Vol. (30d; EUR): 6.41 th	Shareholders: Freefloat: 23.3 % Others: 24.5 % Prof. Dr. Heinz-Otto Peitgen: 19.4 % Dr. Hartmut Jürgens: 16.5 % Dr. Carl J. G. Evertsz: 10.7 %	Risk Profile (WRe): 2014e Beta: 1.8 Price / Book: 0.9 x Equity Ratio: 79 %

Agreement closed on development support with Hologic

In January 2014, MeVis' largest customer, Hologic (c. 75% revenue share (WRe)), announced its plans to transform its cooperation with MeVis in the medium term. Further details of the changes to collaboration have now been published. The current contract stipulates that MeVis' software will be licensed to Hologic for utilisation in medical diagnostic devices until the end of 2015. MeVis, however, expects a further contract extension with comparable conditions until the end of 2016. Alongside licenses, MeVis sells long-term maintenance contracts, each of which contributes some 50% to total sales.

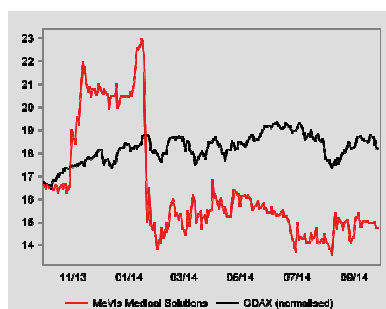
In the future, MeVis will increasingly become a specialised software developer for Hologic. This transformation process however, will not have an impact on revenues from clients other than Hologic. Having said that, MeVis will no longer own the products and license them to Hologic; rather, as a strategic service partner, MeVis will participate in the revenue share from Hologic customers. This participation will partly compensate for the expected decline in revenues. This transformational process is expected to last for several years and therefore, Hologic will remain a substantial part of MeVis in the years to come.

In view of this development, total sales at MeVis are expected to remain stable until the end of 2016. Within 2017, a significant decline in sales is expected as Hologic's share in the license revenue (EUR 4-5m WRe) will be replaced by a service revenue contribution that is two thirds smaller (EUR 1.5-2m WRe). This said, Hologic's revenue share of EUR 4-5m (WRe) from long-term maintenance contracts still remains by far more stable and is expected to decline slowly over the next decade.

While revenues in the Digital Mammography segment will decline, MeVis recently announced that it had gained its first industrial customer for lung-screening software. Lung screening is an FDA approved technology and is already used in lung cancer diagnosis. MeVis' software is expected to enhance workflow during diagnosis as well as improve the quality of screening results. Hence, the product offers clinical and economic advantages to users. All in all, the software is more complex than the mammography solution and as such, price points for the lung-screening software are significantly higher than those in the mammography segment. First license revenues are expected in the first quarter of 2015 and maintenance revenues should follow within the coming year.

The Hold rating is maintained with a price target of EUR 16.50 based on the DCF model.

Changes in Estimates: FY End: 31.12. in EUR m				Comment on Changes:			
	2014e (old)	+ / -	2015e (old)	+ / -	2016e (old)	+ / -	<ul style="list-style-type: none"> Sales almost stable until end of 2016. 2017 onwards: License revenues will be replaced by a significantly smaller service contribution from Hologic. Decline of revenues in the Digital Mammography segment should be compensated by new license sales of lung-screening software. EBIT margins are expected to decline disproportionately with the switch in the business model (2017 following).
Sales	12.3	0.0 %	12.5	-1.6 %	12.5	-4.0 %	
EBITDA	4.8	0.0 %	4.9	-3.8 %	4.9	-9.7 %	
EBIT	3.0	0.0 %	3.1	-5.1 %	3.1	-13.0 %	
EBT	3.1	0.0 %	3.2	-4.9 %	3.2	-12.6 %	
Net income	2.8	0.0 %	2.8	-4.9 %	2.8	-12.6 %	

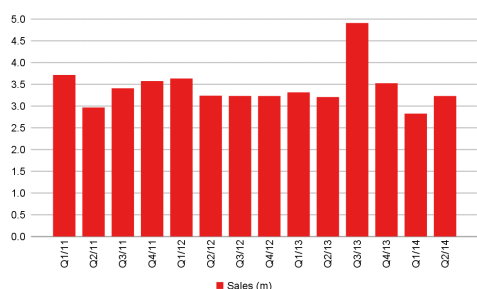


Rel. Performance vs CDAX:	
1 month:	3.8 %
6 months:	-3.2 %
Year to date:	-27.0 %
Trailing 12 months:	-17.8 %

Company events:
17.11.14 Q3

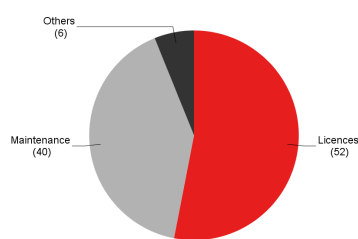
FY End: 31.12. in EUR m	CAGR (13-16e)	2010	2011	2012	2013	2014e	2015e	2016e
Sales	-6.3 %	14.3	13.7	13.3	14.6	12.3	12.3	12.0
Change Sales yoy		3.0 %	-4.3 %	-2.4 %	9.4 %	-15.8 %	0.0 %	-2.5 %
Gross profit margin		114.7 %	112.3 %	114.1 %	104.9 %	106.6 %	106.4 %	106.7 %
EBITDA	-10.3 %	3.5	4.4	6.0	6.1	4.8	4.7	4.4
Margin		24.2 %	32.3 %	44.6 %	41.8 %	39.0 %	38.1 %	36.7 %
EBIT	-12.4 %	-5.4	-1.6	3.0	4.1	3.0	3.0	2.7
Margin		-38.0 %	-12.0 %	22.3 %	27.8 %	24.0 %	24.1 %	22.7 %
Net income	-12.5 %	-8.3	-4.1	2.2	3.7	2.8	2.7	2.5
EPS	-12.5 %	-4.89	-2.38	1.26	2.15	1.63	1.57	1.44
EPS adj.	-12.5 %	-4.89	-2.38	1.26	2.15	1.63	1.57	1.44
DPS	-	0.00	0.00	0.00	0.00	0.65	0.63	0.58
Dividend Yield		0.0 %	0.0 %	0.0 %	0.0 %	4.4 %	4.3 %	3.9 %
FCFPS		1.04	1.34	1.56	3.26	2.12	1.58	1.49
EV / Sales		2.2 x	0.7 x	0.3 x	0.9 x	1.1 x	1.0 x	0.9 x
EV / EBITDA		9.3 x	2.2 x	0.6 x	2.1 x	2.8 x	2.5 x	2.3 x
EV / EBIT		n.a.	n.a.	1.2 x	3.1 x	4.5 x	3.9 x	3.8 x
P / E		n.a.	n.a.	5.2 x	6.0 x	9.1 x	9.4 x	10.3 x
P / E adj.		n.a.	n.a.	5.2 x	6.0 x	9.1 x	9.4 x	10.3 x
FCF Yield Potential		-7.7 %	3.2 %	93.3 %	34.4 %	26.3 %	27.9 %	29.4 %
Net Debt		-0.7	-2.8	-7.8	-9.4	-13.6	-15.2	-16.6
ROE		-29.1 %	-18.0 %	9.9 %	15.1 %	9.8 %	8.6 %	7.5 %
ROCE (NOPAT)		-28.8 %	-11.0 %	16.6 %	24.5 %	15.9 %	15.2 %	14.0 %
Guidance:	After deconsolidation JV: Sales EUR 12-12.5 Mio.; EBIT EUR 3-3.5 Mio							

Sales development in EUR m



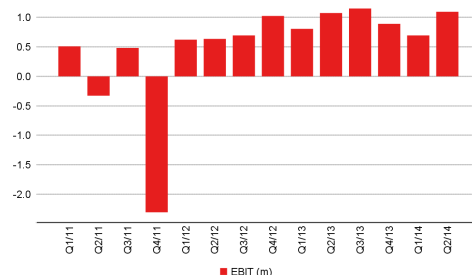
Source: Warburg Research

Sales by types 2013; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

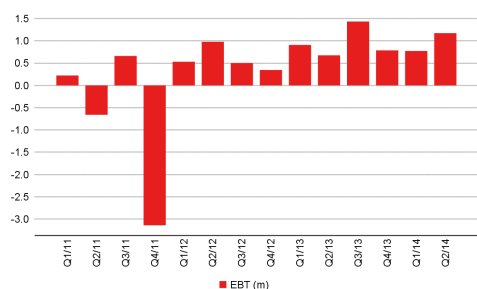
Company Background

- The origin of MeVis Medical Solutions AG, which was set up in 1998, dates back to 1992, when the CeVis (Center for Complex Systems and Visualization) was founded at the University of Bremen.
- The public company was founded with the aim of developing commercially successful disease-oriented products based on successes in scientific research and to market these.
- Since its foundation, MeVis has been active in the area of computer-aided, image-based medical diagnostics and therapy.
- MeVis has successfully risen to become a globally-leading provider of software solutions for medical imaging. This development is mainly based on the success in the area of digital mammography.
- Together with products by Hologic and Siemens, MeVis's solutions dominate this segment today. Furthermore, MeVis has a broad portfolio of new products.

Competitive Quality

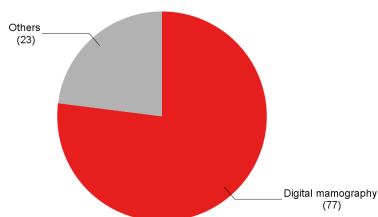
- MeVis follows a strategy of early market presence in the new areas of image-based medical technology. In focus here are mass market products.
- The ability to be an early market entrant differentiates MeVis from competitors.
- MeVis maintains long-term and interdisciplinary cooperation agreements with more than 100 hospitals and leading R&D centres in Germany, Europe, the US and Asia.
- MeVis fosters partnerships with the globally leading medical technology OEMs, for instance Siemens and Hologic.

EBT development in EUR m



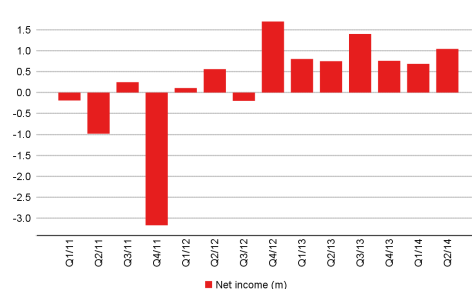
Source: Warburg Research

Sales by segments 2013; in %



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2014e	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	
Sales	12.3	12.3	12.0	9.7	9.4	9.1	9.0	8.9	9.1	9.3	9.6	9.8	10.1	
Sales change	-15.9 %	0.0 %	-2.5 %	-19.5 %	-3.2 %	-3.1 %	-1.1 %	-0.7 %	2.3 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT	3.0	3.0	2.7	0.8	0.9	0.9	1.2	1.4	1.7	1.9	2.1	2.2	2.2	
EBIT-margin	24.0 %	24.1 %	22.7 %	8.5 %	9.4 %	10.4 %	13.0 %	15.8 %	19.1 %	20.0 %	22.0 %	22.0 %	22.0 %	
Tax rate (EBT)	8.0 %	12.0 %	12.0 %	12.0 %	12.0 %	12.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	28.0 %	
NOPAT	2.7	2.6	2.4	0.7	0.8	0.8	0.8	1.0	1.2	1.3	1.5	1.6	1.6	
Depreciation	1.9	1.7	1.7	1.4	1.2	1.2	1.1	1.1	1.0	1.0	1.0	0.9	0.8	
in % of Sales	15.0 %	14.0 %	14.0 %	14.0 %	13.0 %	13.0 %	12.0 %	12.0 %	11.0 %	11.0 %	10.0 %	9.0 %	8.0 %	
Changes in provisions	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	
Change in Liquidity from														
- Working Capital	0.3	0.0	-0.1	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Capex	1.7	1.7	1.7	1.4	1.2	1.0	0.9	0.9	0.9	0.9	0.8	0.8	0.8	
Capex in % of Sales	13.8 %	13.8 %	14.1 %	15.0 %	13.0 %	11.0 %	10.0 %	10.0 %	10.0 %	10.0 %	8.0 %	8.0 %	8.0 %	
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	
Free Cash Flow (WACC Model)	2.6	2.6	2.5	0.9	0.8	1.1	1.0	1.2	1.3	1.4	1.7	1.6	1.6	2
PV of FCF	2.5	2.3	1.9	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.4	0.4	4
share of PVs	43.05 %			32.10 %										24.85 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.00
Cost of debt (after tax)	4.2 %	Liquidity (share)	2.00
Market return	8.00 %	Cyclicality	2.00
Risk free rate	2.50 %	Transparency	2.00
		Others	2.00
WACC	12.40 %	Beta	1.80

Valuation (m)

Present values 2026e	12		
Terminal Value	4		
Financial liabilities	1		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	16	No. of shares (m)	1.8
Equity Value	30	Value per share (EUR)	16.35

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.98	13.4 %	15.64	15.67	15.71	15.75	15.79	15.83	15.88	1.98	13.4 %	15.15	15.35	15.55	15.75	15.95	16.15	16.35
1.89	12.9 %	15.91	15.95	15.99	16.03	16.08	16.13	16.18	1.89	12.9 %	15.42	15.62	15.83	16.03	16.24	16.45	16.65
1.85	12.7 %	16.05	16.09	16.14	16.19	16.24	16.29	16.35	1.85	12.7 %	15.56	15.77	15.98	16.19	16.40	16.61	16.82
1.80	12.4 %	16.20	16.25	16.30	16.35	16.40	16.46	16.52	1.80	12.4 %	15.71	15.92	16.14	16.35	16.56	16.78	16.99
1.75	12.2 %	16.36	16.41	16.46	16.52	16.58	16.64	16.71	1.75	12.2 %	15.87	16.08	16.30	16.52	16.74	16.96	17.17
1.71	11.9 %	16.53	16.58	16.64	16.70	16.76	16.83	16.90	1.71	11.9 %	16.03	16.25	16.48	16.70	16.92	17.14	17.37
1.62	11.4 %	16.88	16.95	17.02	17.09	17.16	17.24	17.33	1.62	11.4 %	16.39	16.62	16.86	17.09	17.32	17.55	17.78

- The DCF model bases on the assumption of declining revenues and earnings in the years to come.
- Operating leverage is expected to be burdened by lower sales volumes.
- Main aspect is the changed business model with Hologic (2016 onwards).
- Revenues with clients beside Hologic are not impacted by the transformation process.

Valuation							
	2010	2011	2012	2013	2014e	2015e	2016e
Price / Book	1.3 x	0.6 x	0.5 x	0.8 x	0.9 x	0.8 x	0.8 x
Book value per share ex intangibles	1.63	1.05	3.44	5.85	8.38	9.31	10.11
EV / Sales	2.2 x	0.7 x	0.3 x	0.9 x	1.1 x	1.0 x	0.9 x
EV / EBITDA	9.3 x	2.2 x	0.6 x	2.1 x	2.8 x	2.5 x	2.3 x
EV / EBIT	n.a.	n.a.	1.2 x	3.1 x	4.5 x	3.9 x	3.8 x
EV / EBIT adj.*	n.a.	n.a.	1.2 x	3.1 x	4.5 x	3.9 x	3.8 x
P / FCF	18.5 x	5.4 x	4.2 x	3.9 x	7.0 x	9.4 x	9.9 x
P / E	n.a.	n.a.	5.2 x	6.0 x	9.1 x	9.4 x	10.3 x
P / E adj.*	n.a.	n.a.	5.2 x	6.0 x	9.1 x	9.4 x	10.3 x
Dividend Yield	0.0 %	0.0 %	0.0 %	0.0 %	4.4 %	4.3 %	3.9 %
Free Cash Flow Yield Potential	-7.7 %	3.2 %	93.3 %	34.4 %	26.3 %	27.9 %	29.4 %
*Adjustments made for: -							

Consolidated profit & loss

In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Sales	14.3	13.7	13.3	14.6	12.3	12.3	12.0
Change Sales yoy	3.0 %	-4.3 %	-2.4 %	9.4 %	-15.8 %	0.0 %	-2.5 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	2.8	2.4	2.4	1.4	1.4	1.4	1.4
Total Sales	17.1	16.1	15.8	16.0	13.7	13.7	13.4
Material Expenses	0.7	0.7	0.5	0.7	0.6	0.6	0.6
Gross profit	16.4	15.4	15.2	15.3	13.1	13.1	12.8
<i>Gross profit margin</i>	<i>114.7 %</i>	<i>112.3 %</i>	<i>114.1 %</i>	<i>104.9 %</i>	<i>106.6 %</i>	<i>106.4 %</i>	<i>106.7 %</i>
Personnel expenses	10.4	9.2	8.1	7.9	7.2	7.2	7.2
Other operating income	1.1	1.1	1.1	0.5	0.5	0.4	0.4
Other operating expenses	3.7	2.9	2.3	1.9	1.6	1.6	1.6
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	3.5	4.4	6.0	6.1	4.8	4.7	4.4
<i>Margin</i>	<i>24.2 %</i>	<i>32.3 %</i>	<i>44.6 %</i>	<i>41.8 %</i>	<i>39.0 %</i>	<i>38.1 %</i>	<i>36.7 %</i>
Depreciation of fixed assets	5.8	3.0	0.5	0.4	0.4	0.2	0.2
EBITA	-2.3	1.5	5.5	5.7	4.5	4.4	4.2
Amortisation of intangible assets	3.1	3.1	2.5	1.9	1.5	1.5	1.4
Goodwill amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-5.4	-1.6	3.0	4.1	3.0	3.0	2.7
<i>Margin</i>	<i>-38.0 %</i>	<i>-12.0 %</i>	<i>22.3 %</i>	<i>27.8 %</i>	<i>24.0 %</i>	<i>24.1 %</i>	<i>22.7 %</i>
EBIT adj.	-5.4	-1.6	3.0	4.1	3.0	3.0	2.7
Interest income	0.4	0.1	0.1	0.1	0.1	0.1	0.1
Interest expenses	0.7	0.3	0.3	0.1	0.0	0.0	0.0
Other financial income (loss)	0.1	-1.0	-0.3	-0.2	0.0	0.0	0.0
EBT	-5.6	-2.9	2.4	3.8	3.1	3.1	2.8
<i>Margin</i>	<i>-39.2 %</i>	<i>-21.3 %</i>	<i>17.7 %</i>	<i>26.3 %</i>	<i>24.8 %</i>	<i>24.9 %</i>	<i>23.5 %</i>
Total taxes	2.7	1.2	0.2	0.1	0.2	0.4	0.3
Net income from continuing operations	-8.3	-4.1	2.2	3.7	2.8	2.7	2.5
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	-8.3	-4.1	2.2	3.7	2.8	2.7	2.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-8.3	-4.1	2.2	3.7	2.8	2.7	2.5
<i>Margin</i>	<i>-58.4 %</i>	<i>-29.9 %</i>	<i>16.2 %</i>	<i>25.4 %</i>	<i>22.8 %</i>	<i>21.9 %</i>	<i>20.7 %</i>
Number of shares, average	1.7	1.7	1.7	1.7	1.7	1.7	1.7
EPS	-4.89	-2.38	1.26	2.15	1.63	1.57	1.44
EPS adj.	-4.89	-2.38	1.26	2.15	1.63	1.57	1.44

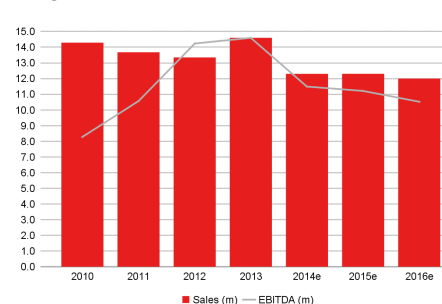
*Adjustments made for:

Guidance: After deconsolidation JV: Sales EUR 12-12.5 Mio.; EBIT EUR 3-3.5 Mio

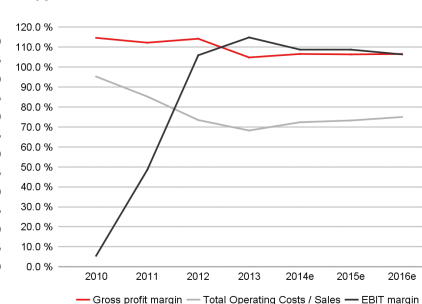
Financial Ratios

	2010	2011	2012	2013	2014e	2015e	2016e
Total Operating Costs / Sales	95.3 %	85.2 %	73.5 %	68.1 %	72.3 %	73.3 %	75.0 %
Operating Leverage	n.a.	16.3 x	n.a.	3.9 x	1.7 x	18.7 x	3.4 x
EBITDA / Interest expenses	4.8 x	12.8 x	17.2 x	57.5 x	n.a.	n.a.	n.a.
Tax rate (EBT)	-48.9 %	-40.4 %	8.3 %	3.5 %	8.0 %	12.0 %	12.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	39.9 %	40.2 %	40.3 %
Sales per Employee	63,799	102,075	113,110	135,185	109,821	109,849	107,143

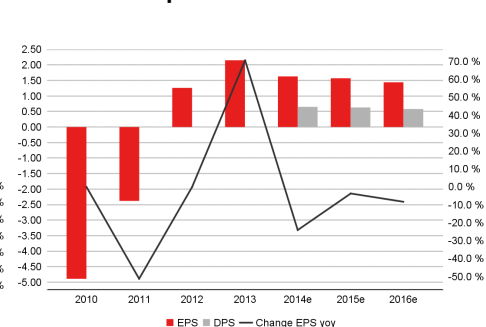
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

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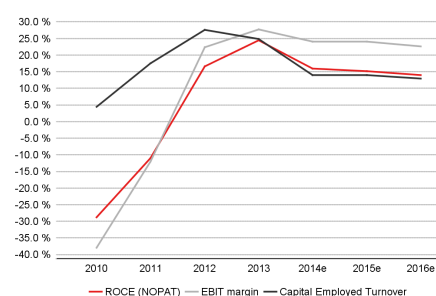
Consolidated balance sheet

In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Assets							
Goodwill and other intangible assets	22.0	18.9	16.8	16.4	16.3	16.3	16.3
thereof other intangible assets	9.4	6.3	6.2	5.7	5.7	5.7	5.7
thereof Goodwill	12.6	12.6	10.6	10.6	10.6	10.6	10.6
Property, plant and equipment	0.9	0.7	0.3	0.5	0.4	0.4	0.4
Financial assets	1.3	0.3	0.3	0.0	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	24.2	19.9	17.5	16.9	16.7	16.7	16.7
Inventories	0.1	0.3	0.2	0.0	0.1	0.1	0.1
Accounts receivable	5.1	4.4	3.9	2.3	2.7	2.7	2.6
Liquid assets	8.2	7.5	8.7	10.4	14.6	16.2	17.7
Other short-term assets	1.2	0.5	0.7	4.8	4.8	4.8	4.8
Current assets	14.6	12.7	13.4	17.6	22.2	23.8	25.2
Total Assets	38.8	32.5	30.9	34.5	38.9	40.5	41.9
Liabilities and shareholders' equity							
Subscribed capital	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Capital reserve	28.5	28.1	28.1	9.8	9.8	9.8	9.8
Retained earnings	0.0	0.0	0.0	0.0	2.8	5.5	8.0
Other equity components	-5.5	-9.2	-7.1	14.9	16.4	15.2	14.2
Shareholder's equity	24.8	20.7	22.8	26.4	30.8	32.3	33.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	24.8	20.7	22.8	26.4	30.8	32.3	33.7
Provisions	1.1	1.1	0.8	0.5	0.5	0.5	0.5
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	7.5	4.7	0.8	1.0	1.0	1.0	1.0
thereof short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.3	1.2	1.1	0.8	1.0	1.0	1.0
Other liabilities	4.2	4.8	5.4	5.7	5.7	5.7	5.7
Liabilities	14.0	11.8	8.1	8.0	8.2	8.2	8.2
Total liabilities and shareholders' equity	38.8	32.5	30.9	34.5	38.9	40.5	41.9

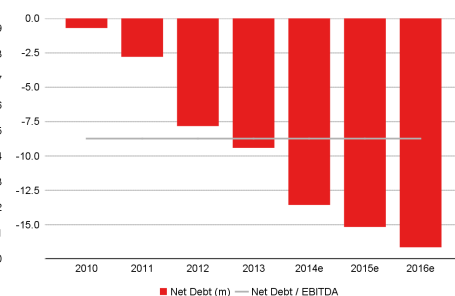
Financial Ratios

	2010	2011	2012	2013	2014e	2015e	2016e
Efficiency of Capital Employment							
Operating Assets Turnover	3.0 x	3.3 x	4.1 x	7.3 x	5.6 x	5.6 x	5.7 x
Capital Employed Turnover	0.6 x	0.8 x	0.9 x	0.9 x	0.7 x	0.7 x	0.7 x
ROA	-34.5 %	-20.6 %	12.4 %	22.0 %	16.8 %	16.2 %	14.8 %
Return on Capital							
ROCE (NOPAT)	-28.8 %	-11.0 %	16.6 %	24.5 %	15.9 %	15.2 %	14.0 %
ROE	-29.1 %	-18.0 %	9.9 %	15.1 %	9.8 %	8.6 %	7.5 %
Adj. ROE	-29.1 %	-18.0 %	9.9 %	15.1 %	9.8 %	8.6 %	7.5 %
Balance sheet quality							
Net Debt	-0.7	-2.8	-7.8	-9.4	-13.6	-15.2	-16.6
Net Financial Debt	-0.7	-2.8	-7.8	-9.4	-13.6	-15.2	-16.6
Net Gearing	-2.8 %	-13.5 %	-34.4 %	-35.6 %	-44.1 %	-46.9 %	-49.4 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	14.5	12.0	13.2	15.4	17.9	18.8	19.6
Book value per share ex intangibles	1.6	1.1	3.4	5.9	8.4	9.3	10.1

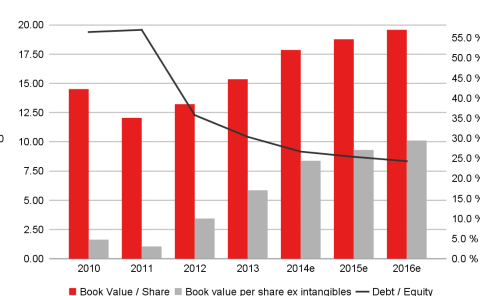
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

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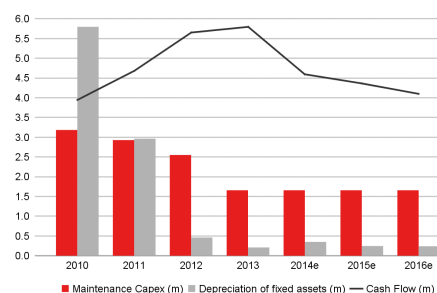
Consolidated cash flow statement

In EUR m	2010	2011	2012	2013	2014e	2015e	2016e
Net income	-5.3	-1.3	3.1	3.7	2.8	2.7	2.5
Depreciation of fixed assets	5.8	3.0	0.5	0.2	0.4	0.2	0.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.1	3.1	2.5	1.9	1.5	1.5	1.4
Increase/decrease in long-term provisions	0.9	0.0	-0.4	-0.3	0.0	0.0	0.0
Other non-cash income and expenses	-0.4	0.0	0.1	0.3	0.0	0.0	0.0
Cash Flow	4.0	4.8	5.7	5.9	4.7	4.4	4.2
Increase / decrease in inventory	0.0	-0.2	0.1	0.2	-0.1	0.0	0.0
Increase / decrease in accounts receivable	-0.5	1.0	0.1	1.0	-0.4	0.0	0.1
Increase / decrease in accounts payable	1.4	-0.5	-0.6	0.4	0.2	0.0	0.0
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	1.0	0.0	0.0
Increase / decrease in working capital (total)	0.9	0.4	-0.4	1.6	0.7	0.0	0.1
Net cash provided by operating activities	5.0	5.1	5.3	7.5	5.4	4.4	4.3
Investments in intangible assets	-3.0	-2.7	-2.5	-1.5	-1.5	-1.5	-1.5
Investments in property, plant and equipment	-0.2	-0.1	-0.1	-0.4	-0.2	-0.2	-0.2
Payments for acquisitions	-7.2	-3.0	-1.4	0.0	0.0	0.0	0.0
Financial investments	3.9	1.1	0.9	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	-3.7	0.5	0.0	0.0
Net cash provided by investing activities	-6.5	-4.7	-3.1	-5.6	-1.2	-1.7	-1.7
Change in financial liabilities	-0.4	0.0	0.0	-0.1	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	-1.1	-1.1
Purchase of own shares	0.0	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
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by financing activities	-0.4	0.0	0.0	-0.1	0.0	-1.1	-1.1
Change in liquid funds	-2.0	0.4	2.1	1.9	4.2	1.6	1.5
Effects of exchange-rate changes on cash	-0.1	0.1	-0.1	-0.1	0.0	0.0	0.0
Cash and cash equivalent at end of period	5.6	6.1	8.1	9.9	14.1	15.7	17.2

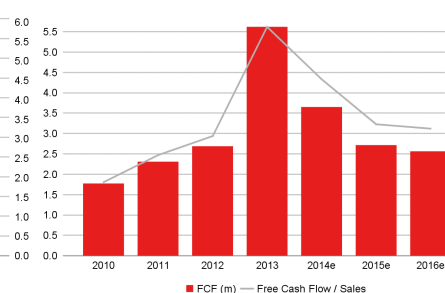
Financial Ratios

	2010	2011	2012	2013	2014e	2015e	2016e
Cash Flow							
FCF	1.8	2.3	2.7	5.6	3.7	2.7	2.6
Free Cash Flow / Sales	12.4 %	16.9 %	20.1 %	38.5 %	29.7 %	22.1 %	21.4 %
Free Cash Flow Potential	-2.5	0.3	3.2	4.4	3.5	3.3	3.0
Free Cash Flow / Sales	12.4 %	16.9 %	20.1 %	38.5 %	29.7 %	22.1 %	21.4 %
Free Cash Flow / Net Profit	-21.2 %	-56.4 %	124.3 %	151.6 %	130.1 %	100.7 %	103.3 %
Interest Received / Avg. Cash	3.3 %	1.4 %	0.8 %	1.1 %	0.8 %	0.6 %	0.6 %
Interest Paid / Avg. Debt	6.5 %	5.7 %	12.5 %	11.5 %	0.0 %	0.0 %	0.0 %
Management of Funds							
Investment ratio	22.2 %	20.5 %	19.5 %	12.7 %	13.8 %	13.8 %	14.1 %
Maint. Capex / Sales	22.3 %	21.4 %	19.1 %	11.3 %	13.5 %	13.5 %	13.8 %
Capex / Dep	35.8 %	46.2 %	87.3 %	92.8 %	92.1 %	98.9 %	101.0 %
Avg. Working Capital / Sales	25.0 %	27.1 %	24.2 %	15.2 %	13.4 %	14.6 %	14.6 %
Trade Debtors / Trade Creditors	390.2 %	378.4 %	341.2 %	279.2 %	270.0 %	270.0 %	260.0 %
Inventory Turnover	8.0 x	2.8 x	3.0 x	n.a.	5.9 x	6.2 x	6.0 x
Receivables collection period (days)	131	118	107	58	80	80	79
Payables payment period (days)	697	599	780	447	618	593	608
Cash conversion cycle (Days)	-635	-424	-621	n.a.	-543	-521	-534

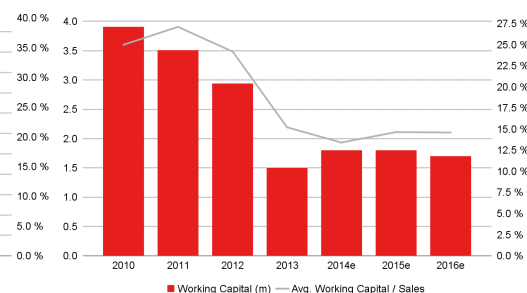
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
MeVis Medical Solutions	3, 5, 6, 7	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0LBFE4.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
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“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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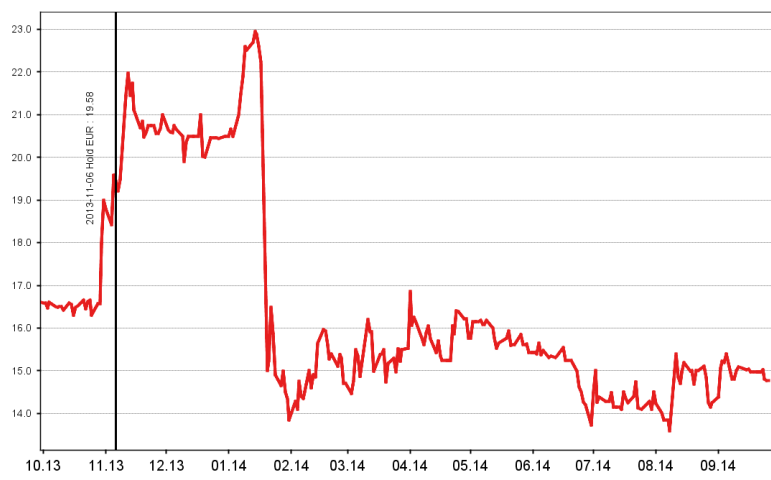
Rating	Number of stocks	% of Universe
Buy	105	56
Hold	71	38
Sell	7	4
Rating suspended	4	2
Total	187	100

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... Looking only at companies for which a disclosure according to § 34b of the Germany Securities Trading Act and the FinAnV has to be made.

Rating	Number of stocks	% of Universe
Buy	80	60
Hold	46	35
Sell	5	4
Rating suspended	2	2
Total	133	100

PRICE AND RATING HISTORY MEVIS MEDICAL SOLUTIONS AS OF 29.09.2014



The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

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