

<b>Hold</b> (Sell) <b>EUR 21.00</b> (EUR 19.50)  Price <b>EUR 23.80</b> <b>Downside -11.8 %</b>	<b>Value Indicators:</b> EUR DCF: 20.70	<b>Share data:</b> Bloomberg: M3V GR Reuters: M3VG ISIN: DE000A0LBFE4	<b>Description:</b> A leading supplier of software for visual-based medical equipment
	<b>Market Snapshot:</b> EUR m Market cap: 43.3 No. of shares (m): 1.8 EV: 28.7 Freefloat MC: 11.5 Ø Trad. Vol. (30d): 3.08 th	<b>Shareholders:</b> Freefloat: 26.5 % Varian Medical Systems: 73.5 %	<b>Risk Profile (WRe):</b> 2015e Beta: 1.8 Price / Book: 1.2 x Equity Ratio: 81 %

## Surprisingly strong quarter

<b>Stated Figures Q3/2015:</b> FY End: 31.12. in EUR m					<b>Comment on Figures:</b> <ul style="list-style-type: none"> <li>The top line was clearly better than expected. Besides positive currency effects, there was growth in all segments.</li> <li>The positive development also became visible in earnings, as the company achieved significant economies of scale at these levels.</li> <li>EPS was burdened by slightly higher tax expenses. After the takeover by Verian Medical Systems, deferred taxes resulted in higher expenses (non-cash effective).</li> </ul>			
	<b>Q3</b>	<b>Q3</b>	<b>Q3</b>		<b>9M</b>	<b>9M</b>	<b>9M</b>	
	<b>15</b>	<b>15e</b>	<b>14</b>	<b>yoy</b>	<b>15</b>	<b>15e</b>	<b>14</b>	<b>yoy</b>
<b>Sales</b>	<b>4.8</b>	4.4	3.6	33 %	<b>11.9</b>	11.5	9.7	24 %
<b>EBITDA</b>	<b>2.4</b>	1.9	1.8	38 %	<b>5.1</b>	4.5	4.4	17 %
<i>Margin</i>	<i>50.9 %</i>	<i>43.0 %</i>	<i>49.1 %</i>		<i>42.8 %</i>	<i>39.5 %</i>	<i>45.3 %</i>	
<b>EBIT</b>	<b>2.0</b>	1.5	1.6	24 %	<b>3.6</b>	3.1	3.1	15 %
<i>Margin</i>	<i>41.6 %</i>	<i>34.4 %</i>	<i>44.6 %</i>		<i>30.3 %</i>	<i>27.2 %</i>	<i>32.6 %</i>	
<b>EPS</b>	<b>0.93</b>	0.72	1.14	-18 %	<b>1.66</b>	1.44	2.01	-17 %

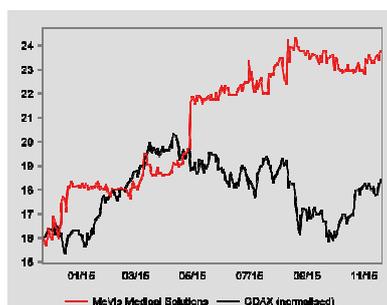
MeVis Medical Solutions reported Q3 figures which were clearly better than expected.

Driven by strong top-line growth of 33% yoy, the company again achieved EBIT margins in excess of 40% in Q3 and in excess of 30% for 9M. However, this improvement is not expected to be sustainable as c. 78% of the sales increase is based on currency effects. Furthermore, software development service contributed EUR 0.5m to the top line. As Hologic is still aiming to transform its cooperation with MeVis, this software development service is assumed to gain in importance as of 2016e and beyond.

In Q3, MeVis closed a profit and loss transfer agreement with VMS Deutschland Holdings. This contract provides protection measures especially for minority shareholders as they receive annual compensation of EUR 0.95 net per share. In addition, shareholders obtained the option to transfer MeVis shares to the VMS at a price of EUR 19.77. Therefore, the downside risk is limited at these levels.

**Valuation:** Backed by the secure payment of EUR 0.95 per share which represents a dividend yield of 4% p.a. and the share price protection at EUR 19.77, the recommendation is changed from Sell to Hold with a new price target of EUR 21.

<b>Changes in Estimates:</b> FY End: 31.12. in EUR m					<b>Comment on Changes:</b> <ul style="list-style-type: none"> <li>Estimates for 2015e are increased slightly, backed by the strong top-line improvement.</li> <li>Our estimates for 2016e and beyond remain stable as in general, the equity story has not changed.</li> </ul>		
	<b>2015e</b>	<b>+ / -</b>	<b>2016e</b>	<b>+ / -</b>	<b>2017e</b>	<b>+ / -</b>	
	<b>(old)</b>		<b>(old)</b>		<b>(old)</b>		
<b>Sales</b>	14.2	3.5 %	12.0	0.0 %	9.7	0.0 %	
<b>EBITDA</b>	5.3	9.0 %	4.0	0.0 %	1.8	0.0 %	
<b>EBIT</b>	3.3	12.3 %	2.3	0.0 %	0.4	0.0 %	
<b>EBT</b>	3.4	11.9 %	2.4	0.0 %	0.5	0.0 %	
<b>Net income</b>	3.0	11.9 %	2.1	0.0 %	0.5	0.0 %	

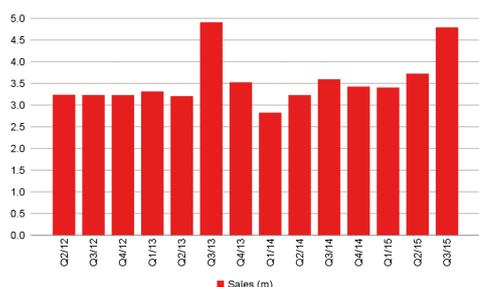


<b>Rel. Performance vs CDAX:</b>	
1 month:	-5.2 %
6 months:	15.0 %
Year to date:	17.3 %
Trailing 12 months:	31.7 %

<b>Company events:</b>	

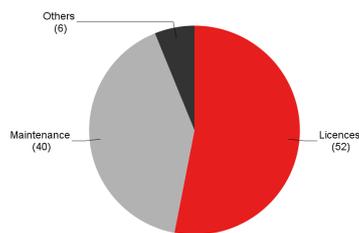
FY End: 31.12. in EUR m	CAGR (14-17e)	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015e</b>	<b>2016e</b>	<b>2017e</b>
<b>Sales</b>	-9.6 %	13.7	13.3	14.6	13.1	14.7	12.0	9.7
<i>Change Sales yoy</i>		-4.3 %	-2.4 %	9.4 %	-10.3 %	12.3 %	-18.4 %	-19.5 %
<i>Gross profit margin</i>		112.3 %	114.1 %	104.9 %	104.3 %	101.8 %	103.3 %	105.4 %
<b>EBITDA</b>	-31.7 %	4.4	6.0	6.1	5.6	5.8	4.0	1.8
<i>Margin</i>		32.3 %	44.6 %	41.8 %	42.7 %	39.2 %	33.3 %	18.4 %
<b>EBIT</b>	-52.2 %	-1.6	3.0	4.1	3.9	3.7	2.3	0.4
<i>Margin</i>		-12.0 %	22.3 %	27.8 %	29.7 %	25.2 %	19.3 %	4.4 %
<b>Net income</b>	-50.1 %	-4.1	2.2	3.7	3.7	3.4	2.1	0.5
<b>EPS</b>	-51.3 %	-2.38	1.26	2.15	2.16	1.84	1.17	0.25
<b>EPS adj.</b>	-51.3 %	-2.38	1.26	2.15	2.16	1.84	1.17	0.25
<b>DPS</b>	187.4 %	0.00	0.00	0.00	0.04	0.95	0.95	0.95
<i>Dividend Yield</i>		0.0 %	0.0 %	0.0 %	0.3 %	4.0 %	4.0 %	4.0 %
<b>FCFPS</b>		1.34	1.56	3.39	1.90	2.02	1.36	0.29
<b>FCF / Market cap</b>		18.6 %	23.9 %	26.4 %	12.2 %	8.5 %	5.7 %	1.2 %
<b>EV / Sales</b>		0.7 x	0.2 x	0.8 x	1.3 x	2.0 x	2.3 x	3.0 x
<b>EV / EBITDA</b>		2.2 x	0.4 x	2.0 x	3.1 x	5.0 x	7.0 x	16.4 x
<b>EV / EBIT</b>		n.a.	0.9 x	3.0 x	4.5 x	7.8 x	12.1 x	68.8 x
<b>P / E</b>		n.a.	5.2 x	6.0 x	7.2 x	12.9 x	20.3 x	95.2 x
<b>P / E adj.</b>		n.a.	5.2 x	6.0 x	7.2 x	12.9 x	20.3 x	95.2 x
<b>FCF Yield Potential</b>		3.2 %	123.0 %	35.5 %	15.2 %	14.7 %	9.4 %	2.1 %
<b>Net Debt</b>		-2.8	-8.7	-9.8	-9.3	-14.6	-15.3	-14.1
<b>ROCE (NOPAT)</b>		-11.0 %	17.0 %	25.4 %	15.5 %	15.4 %	9.6 %	1.8 %
<b>Guidance:</b>		2015e: Sales EUR 14.5-15m; EBIT EUR 3.5-4m						

Sales development in EUR m



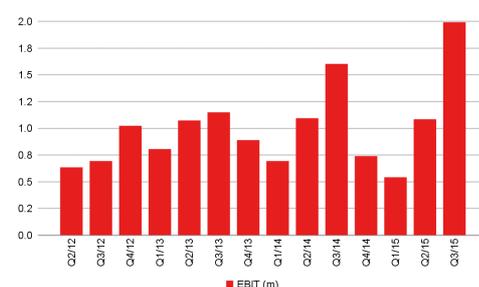
Source: Warburg Research

Sales by types 2013; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

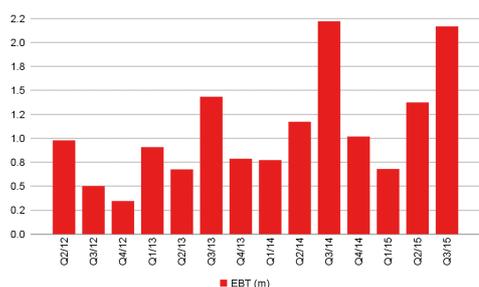
## Company Background

- 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

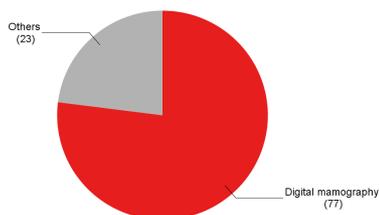
- MeVis follows a strategy of early market presence in the new areas of image-based medical technology. In focus here are mass market products.
- The ability to be an early market entrant differentiates MeVis from competitors.
- MeVis maintains long-term and interdisciplinary cooperation agreements with 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



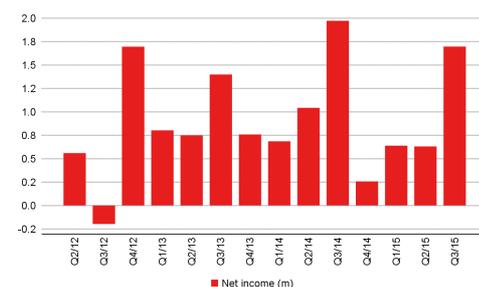
Source: Warburg Research

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
	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	
Sales	14.7	12.0	9.7	7.8	7.5	7.3	7.2	7.2	7.3	7.5	7.7	7.9	8.1	
Sales change	12.3 %	-18.4 %	-19.5 %	-19.5 %	-3.2 %	-3.1 %	-1.1 %	-0.7 %	2.3 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
EBIT	3.7	2.3	0.4	0.3	0.4	0.8	0.9	1.1	1.4	1.5	1.7	1.7	1.8	
EBIT-margin	25.2 %	19.3 %	4.4 %	4.4 %	5.1 %	10.4 %	13.0 %	15.8 %	19.1 %	20.0 %	22.0 %	22.0 %	22.0 %	
Tax rate (EBT)	12.0 %	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	3.3	2.0	0.4	0.3	0.3	0.7	0.7	0.8	1.0	1.1	1.2	1.3	1.3	
Depreciation	2.1	1.7	1.4	1.1	1.0	0.9	0.9	0.9	0.8	0.8	0.8	0.7	0.6	
in % of Sales	14.0 %	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	-0.1	-0.4	-0.4	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Capex	1.8	1.7	1.7	1.2	1.0	0.8	0.7	0.7	0.7	0.8	0.6	0.6	0.6	
Capex in % of Sales	12.1 %	14.4 %	17.4 %	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)	3.6	2.4	0.4	0.4	0.4	0.8	0.8	1.0	1.1	1.1	1.3	1.3	1.3	1
PV of FCF	3.6	2.1	0.4	0.3	0.2	0.5	0.4	0.5	0.4	0.4	0.5	0.4	0.3	4
share of PVs	43.55 %			28.24 %										28.20 %

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	7.00 %	Cyclicality	2.00
Risk free rate	1.50 %	Transparency	2.00
		Others	2.00
<b>WACC</b>	<b>11.40 %</b>	<b>Beta</b>	<b>1.80</b>

Valuation (m)

Present values 2027e	10		
Terminal Value	4		
Financial liabilities	0		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	24	No. of shares (m)	1.8
<b>Equity Value</b>	<b>38</b>	<b>Value per share (EUR)</b>	<b>20.70</b>

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	12.4 %	20.00	20.04	20.08	20.12	20.17	20.22	20.27	1.98	12.4 %	19.55	19.74	19.93	20.12	20.32	20.51	20.70
1.89	11.9 %	20.25	20.30	20.34	20.40	20.45	20.50	20.56	1.89	11.9 %	19.80	20.00	20.20	20.40	20.59	20.79	20.99
1.85	11.7 %	20.39	20.44	20.49	20.54	20.60	20.66	20.73	1.85	11.7 %	19.93	20.14	20.34	20.54	20.75	20.95	21.15
1.80	11.4 %	20.53	20.58	20.64	20.70	20.76	20.83	20.90	1.80	11.4 %	20.08	20.29	20.49	20.70	20.91	21.11	21.32
1.75	11.2 %	20.68	20.74	20.80	20.86	20.93	21.00	21.08	1.75	11.2 %	20.23	20.44	20.65	20.86	21.07	21.29	21.50
1.71	10.9 %	20.84	20.90	20.97	21.04	21.11	21.19	21.28	1.71	10.9 %	20.39	20.61	20.82	21.04	21.25	21.47	21.68
1.62	10.4 %	21.19	21.26	21.34	21.42	21.51	21.61	21.71	1.62	10.4 %	20.75	20.97	21.20	21.42	21.65	21.87	22.10

- 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.

<b>Valuation</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015e</b>	<b>2016e</b>	<b>2017e</b>
Price / Book	0.6 x	0.5 x	0.8 x	0.9 x	1.2 x	1.2 x	1.2 x
Book value per share ex intangibles	1.05	3.44	6.26	8.50	11.31	11.50	10.57
EV / Sales	0.7 x	0.2 x	0.8 x	1.3 x	2.0 x	2.3 x	3.0 x
EV / EBITDA	2.2 x	0.4 x	2.0 x	3.1 x	5.0 x	7.0 x	16.4 x
EV / EBIT	n.a.	0.9 x	3.0 x	4.5 x	7.8 x	12.1 x	68.8 x
EV / EBIT adj.*	n.a.	0.9 x	3.0 x	4.5 x	7.8 x	12.1 x	68.8 x
P / FCF	5.4 x	4.2 x	3.8 x	8.2 x	11.8 x	17.5 x	81.5 x
P / E	n.a.	5.2 x	6.0 x	7.2 x	12.9 x	20.3 x	95.2 x
P / E adj.*	n.a.	5.2 x	6.0 x	7.2 x	12.9 x	20.3 x	95.2 x
Dividend Yield	0.0 %	0.0 %	0.0 %	0.3 %	4.0 %	4.0 %	4.0 %
Free Cash Flow Yield Potential	3.2 %	123.0 %	35.5 %	15.2 %	14.7 %	9.4 %	2.1 %
*Adjustments made for: -							

**Consolidated profit & loss**

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
<b>Sales</b>	<b>13.7</b>	<b>13.3</b>	<b>14.6</b>	<b>13.1</b>	<b>14.7</b>	<b>12.0</b>	<b>9.7</b>
Change Sales yoy	-4.3 %	-2.4 %	9.4 %	-10.3 %	12.3 %	-18.4 %	-19.5 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	2.4	2.4	1.4	1.2	1.0	1.0	1.0
<b>Total Sales</b>	<b>16.1</b>	<b>15.8</b>	<b>16.0</b>	<b>14.3</b>	<b>15.7</b>	<b>13.0</b>	<b>10.7</b>
Material Expenses	0.7	0.5	0.7	0.6	0.7	0.6	0.5
<b>Gross profit</b>	<b>15.4</b>	<b>15.2</b>	<b>15.3</b>	<b>13.7</b>	<b>15.0</b>	<b>12.4</b>	<b>10.2</b>
<i>Gross profit margin</i>	<i>112.3 %</i>	<i>114.1 %</i>	<i>104.9 %</i>	<i>104.3 %</i>	<i>101.8 %</i>	<i>103.3 %</i>	<i>105.4 %</i>
Personnel expenses	9.2	8.1	7.9	7.0	7.5	7.2	7.2
Other operating income	1.1	1.1	0.5	1.0	0.4	0.4	0.4
Other operating expenses	2.9	2.3	1.9	2.0	2.1	1.6	1.6
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>4.4</b>	<b>6.0</b>	<b>6.1</b>	<b>5.6</b>	<b>5.8</b>	<b>4.0</b>	<b>1.8</b>
<i>Margin</i>	<i>32.3 %</i>	<i>44.6 %</i>	<i>41.8 %</i>	<i>42.7 %</i>	<i>39.2 %</i>	<i>33.3 %</i>	<i>18.4 %</i>
Depreciation of fixed assets	3.0	0.5	0.4	0.2	0.3	0.2	0.2
<b>EBITA</b>	<b>1.5</b>	<b>5.5</b>	<b>5.7</b>	<b>5.4</b>	<b>5.5</b>	<b>3.8</b>	<b>1.6</b>
Amortisation of intangible assets	3.1	2.5	1.9	1.5	1.8	1.4	1.2
Goodwill amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>-1.6</b>	<b>3.0</b>	<b>4.1</b>	<b>3.9</b>	<b>3.7</b>	<b>2.3</b>	<b>0.4</b>
<i>Margin</i>	<i>-12.0 %</i>	<i>22.3 %</i>	<i>27.8 %</i>	<i>29.7 %</i>	<i>25.2 %</i>	<i>19.3 %</i>	<i>4.4 %</i>
<b>EBIT adj.</b>	<b>-1.6</b>	<b>3.0</b>	<b>4.1</b>	<b>3.9</b>	<b>3.7</b>	<b>2.3</b>	<b>0.4</b>
Interest income	0.1	0.1	0.1	0.2	0.1	0.1	0.1
Interest expenses	0.3	0.3	0.1	0.0	0.0	0.0	0.0
Other financial income (loss)	-1.0	-0.3	-0.2	0.9	0.0	0.0	0.0
<b>EBT</b>	<b>-2.9</b>	<b>2.4</b>	<b>3.8</b>	<b>4.9</b>	<b>3.8</b>	<b>2.4</b>	<b>0.5</b>
<i>Margin</i>	<i>-21.3 %</i>	<i>17.7 %</i>	<i>26.3 %</i>	<i>37.8 %</i>	<i>25.9 %</i>	<i>20.2 %</i>	<i>5.4 %</i>
Total taxes	1.2	0.2	0.1	1.2	0.5	0.3	0.1
<b>Net income from continuing operations</b>	<b>-4.1</b>	<b>2.2</b>	<b>3.7</b>	<b>3.7</b>	<b>3.4</b>	<b>2.1</b>	<b>0.5</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>-4.1</b>	<b>2.2</b>	<b>3.7</b>	<b>3.7</b>	<b>3.4</b>	<b>2.1</b>	<b>0.5</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-4.1</b>	<b>2.2</b>	<b>3.7</b>	<b>3.7</b>	<b>3.4</b>	<b>2.1</b>	<b>0.5</b>
<i>Margin</i>	<i>-29.9 %</i>	<i>16.2 %</i>	<i>25.4 %</i>	<i>28.4 %</i>	<i>22.8 %</i>	<i>17.7 %</i>	<i>4.8 %</i>
Number of shares, average	1.7	1.7	1.7	1.7	1.8	1.8	1.8
<b>EPS</b>	<b>-2.38</b>	<b>1.26</b>	<b>2.15</b>	<b>2.16</b>	<b>1.84</b>	<b>1.17</b>	<b>0.25</b>
EPS adj.	-2.38	1.26	2.15	2.16	1.84	1.17	0.25

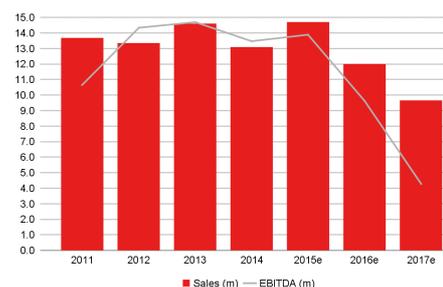
\*Adjustments made for:

**Guidance: 2015e: Sales EUR 14.5-15m; EBIT EUR 3.5-4m**

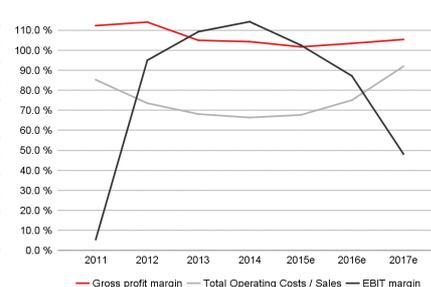
**Financial Ratios**

	2011	2012	2013	2014	2015e	2016e	2017e
Total Operating Costs / Sales	85.2 %	73.5 %	68.1 %	66.5 %	67.6 %	75.0 %	92.0 %
Operating Leverage	16.3 x	n.a.	3.9 x	0.4 x	-0.4 x	2.0 x	4.2 x
EBITDA / Interest expenses	12.8 x	17.2 x	57.5 x	253.9 x	n.a.	n.a.	n.a.
Tax rate (EBT)	-40.4 %	8.3 %	3.5 %	24.9 %	12.0 %	12.0 %	12.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	1.9 %	51.6 %	81.2 %	374.9 %
Sales per Employee	102,075	113,110	135,185	116,884	131,250	107,143	86,245

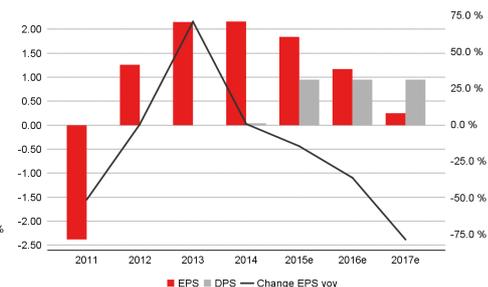
**Sales, EBITDA**  
in EUR m



**Operating Performance**  
in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

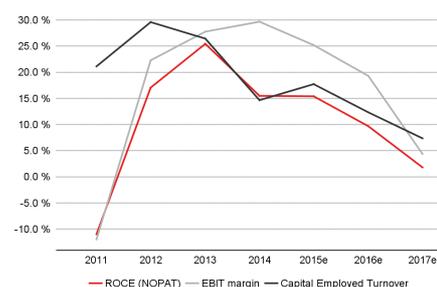
**Consolidated balance sheet**

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
<b>Assets</b>							
Goodwill and other intangible assets	18.9	16.8	15.7	15.6	15.3	15.4	15.7
thereof other intangible assets	6.3	6.2	5.0	5.0	4.7	4.8	5.1
thereof Goodwill	12.6	10.6	10.6	10.6	10.6	10.6	10.6
Property, plant and equipment	0.7	0.3	0.5	0.4	0.4	0.4	0.4
Financial assets	0.3	0.3	1.2	1.6	1.6	1.6	1.6
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>19.9</b>	<b>17.5</b>	<b>17.4</b>	<b>17.6</b>	<b>17.3</b>	<b>17.3</b>	<b>17.7</b>
Inventories	0.3	0.2	0.0	0.0	0.1	0.1	0.0
Accounts receivable	4.4	3.9	2.0	2.7	3.2	2.6	2.1
Liquid assets	7.5	8.7	9.8	9.3	14.6	15.3	14.1
Other short-term assets	0.5	0.7	4.8	8.7	9.3	9.3	9.3
<b>Current assets</b>	<b>12.7</b>	<b>13.4</b>	<b>16.6</b>	<b>20.7</b>	<b>27.2</b>	<b>27.3</b>	<b>25.5</b>
<b>Total Assets</b>	<b>32.5</b>	<b>30.9</b>	<b>34.0</b>	<b>38.3</b>	<b>44.5</b>	<b>44.7</b>	<b>43.2</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Capital reserve	28.1	28.1	9.8	9.8	9.8	9.8	9.8
Retained earnings	0.0	0.0	0.0	0.0	0.0	2.1	2.6
Other equity components	-9.2	-7.1	14.9	18.7	24.3	22.6	20.8
Shareholders' equity	20.7	22.8	26.4	30.3	35.9	36.3	35.0
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total equity</b>	<b>20.7</b>	<b>22.8</b>	<b>26.4</b>	<b>30.3</b>	<b>35.9</b>	<b>36.3</b>	<b>35.0</b>
Provisions	1.1	0.8	0.4	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)	4.7	0.0	0.0	0.0	0.0	0.0	0.0
thereof short-term financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.2	1.1	0.8	0.6	1.2	1.0	0.8
Other liabilities	4.8	6.2	6.3	6.9	6.9	6.9	6.9
<b>Liabilities</b>	<b>11.8</b>	<b>8.1</b>	<b>7.6</b>	<b>8.0</b>	<b>8.6</b>	<b>8.4</b>	<b>8.2</b>
<b>Total liabilities and shareholders' equity</b>	<b>32.5</b>	<b>30.9</b>	<b>34.0</b>	<b>38.3</b>	<b>44.5</b>	<b>44.7</b>	<b>43.2</b>

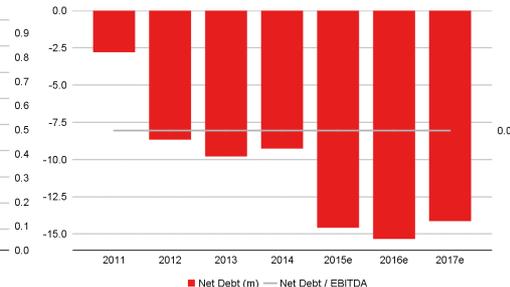
**Financial Ratios**

	2011	2012	2013	2014	2015e	2016e	2017e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	3.3 x	4.1 x	8.4 x	5.2 x	5.9 x	5.8 x	5.8 x
Capital Employed Turnover	0.8 x	0.9 x	0.9 x	0.6 x	0.7 x	0.6 x	0.5 x
ROA	-20.6 %	12.4 %	21.3 %	21.1 %	19.4 %	12.3 %	2.6 %
<b>Return on Capital</b>							
ROCE (NOPAT)	-11.0 %	17.0 %	25.4 %	15.5 %	15.4 %	9.6 %	1.8 %
ROE	-18.0 %	9.9 %	15.1 %	13.1 %	10.1 %	5.9 %	1.3 %
Adj. ROE	-18.0 %	9.9 %	15.1 %	13.1 %	10.1 %	5.9 %	1.3 %
<b>Balance sheet quality</b>							
Net Debt	-2.8	-8.7	-9.8	-9.3	-14.6	-15.3	-14.1
Net Financial Debt	-2.8	-8.7	-9.8	-9.3	-14.6	-15.3	-14.1
Net Gearing	-13.5 %	-38.1 %	-37.0 %	-30.6 %	-40.6 %	-42.2 %	-40.4 %
Net Fin. Debt / EBITDA	n.a.						
Book Value / Share	12.0	13.2	15.4	17.6	19.7	20.0	19.2
Book value per share ex intangibles	1.1	3.4	6.3	8.5	11.3	11.5	10.6

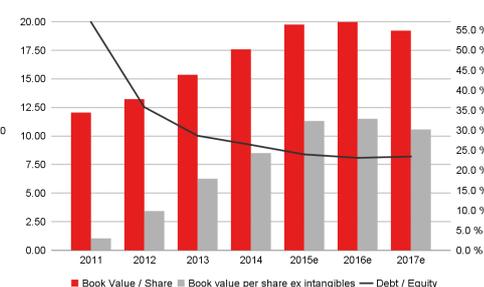
**ROCE Development**



**Net debt in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

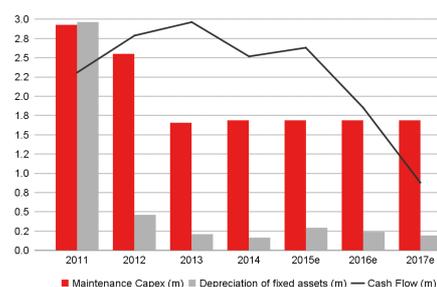
**Consolidated cash flow statement**

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Net income	-1.3	3.1	3.7	3.7	3.4	2.1	0.5
Depreciation of fixed assets	3.0	0.5	0.2	0.2	0.3	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	2.5	1.9	1.5	1.8	1.4	1.2
Increase/decrease in long-term provisions	0.0	-0.4	-0.3	0.0	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.1	0.6	-0.3	0.0	0.0	0.0
<b>Cash Flow</b>	<b>4.8</b>	<b>5.7</b>	<b>6.1</b>	<b>5.2</b>	<b>5.4</b>	<b>3.8</b>	<b>1.8</b>
Increase / decrease in inventory	-0.2	0.1	0.2	0.0	-0.1	0.0	0.1
Increase / decrease in accounts receivable	1.0	0.1	1.0	-0.2	-0.5	0.6	0.5
Increase / decrease in accounts payable	-0.5	-0.6	0.4	-0.1	0.6	-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 (total)	0.4	-0.4	1.6	-0.3	0.1	0.4	0.4
<b>Net cash provided by operating activities</b>	<b>5.1</b>	<b>5.3</b>	<b>7.7</b>	<b>4.8</b>	<b>5.5</b>	<b>4.2</b>	<b>2.2</b>
Investments in intangible assets	-2.7	-2.5	-1.5	-1.5	-1.5	-1.5	-1.5
Investments in property, plant and equipment	-0.1	-0.1	-0.4	-0.1	-0.3	-0.2	-0.2
Payments for acquisitions	-3.0	-1.4	0.0	0.0	0.0	0.0	0.0
Financial investments	1.1	0.9	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	-3.7	-3.5	0.0	0.0	0.0
<b>Net cash provided by investing activities</b>	<b>-4.7</b>	<b>-3.1</b>	<b>-5.6</b>	<b>-5.0</b>	<b>-1.8</b>	<b>-1.7</b>	<b>-1.7</b>
Change in financial liabilities	0.0	0.0	-0.1	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	-0.1	-1.7	-1.7
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	1.7	0.0	0.0
<b>Net cash provided by financing activities</b>	<b>0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>	<b>1.6</b>	<b>-1.7</b>	<b>-1.7</b>
Change in liquid funds	0.4	2.1	2.1	-0.2	5.3	0.8	-1.2
Effects of exchange-rate changes on cash	0.1	-0.1	-0.1	0.2	0.0	0.0	0.0
<b>Cash and cash equivalent at end of period</b>	<b>6.1</b>	<b>8.1</b>	<b>10.1</b>	<b>9.3</b>	<b>14.6</b>	<b>15.3</b>	<b>14.1</b>

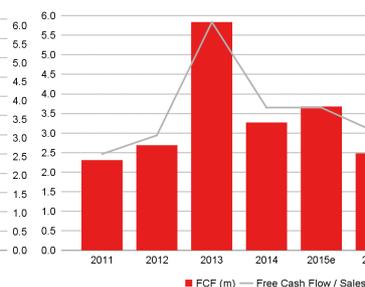
**Financial Ratios**

	2011	2012	2013	2014	2015e	2016e	2017e
<b>Cash Flow</b>							
FCF	2.3	2.7	5.8	3.3	3.7	2.5	0.5
Free Cash Flow / Sales	16.9 %	20.1 %	40.0 %	25.0 %	25.0 %	20.7 %	5.5 %
Free Cash Flow Potential	0.3	3.2	4.4	2.7	4.2	2.6	0.6
Free Cash Flow / Net Profit	-56.4 %	124.3 %	157.5 %	88.1 %	109.8 %	116.5 %	115.3 %
Interest Received / Avg. Cash	1.4 %	0.8 %	1.1 %	2.2 %	0.8 %	0.7 %	0.7 %
Interest Paid / Avg. Debt	5.7 %	14.7 %	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Management of Funds</b>							
Investment ratio	20.5 %	19.5 %	12.7 %	11.9 %	12.1 %	14.4 %	17.4 %
Maint. Capex / Sales	21.4 %	19.1 %	11.3 %	12.9 %	11.5 %	14.1 %	17.5 %
Capex / Dep	46.2 %	87.3 %	92.8 %	92.1 %	86.6 %	102.9 %	124.4 %
Avg. Working Capital / Sales	27.1 %	24.2 %	14.3 %	12.9 %	14.5 %	15.8 %	15.5 %
Trade Debtors / Trade Creditors	378.4 %	341.2 %	255.9 %	472.0 %	266.7 %	260.0 %	262.5 %
Inventory Turnover	2.8 x	3.0 x	n.a.	n.a.	7.4 x	6.0 x	n.a.
Receivables collection period (days)	118	107	50	76	79	79	79
Payables payment period (days)	599	780	422	333	596	608	605
Cash conversion cycle (Days)	-424	-621	n.a.	n.a.	-535	-534	n.a.

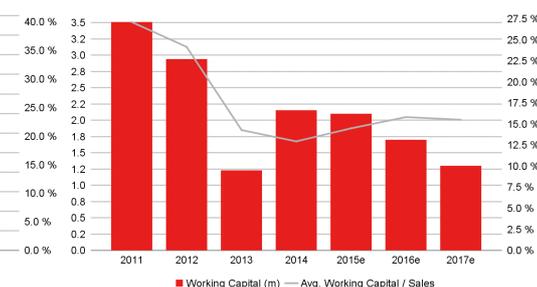
**CAPEX and Cash Flow**  
in EUR m



**Free Cash Flow Generation**



**Working Capital**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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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-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

**WARBURG RESEARCH GMBH – RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	115	63
Hold	56	31
Sell	7	4
Rating suspended	5	3
<b>Total</b>	<b>183</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... taking into account only those companies which were provided with major investment banking services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	20	69
Hold	6	21
Sell	2	7
Rating suspended	1	3
<b>Total</b>	<b>29</b>	<b>100</b>

**PRICE AND RATING HISTORY MEVIS MEDICAL SOLUTIONS AS OF 20.11.2015**



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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