MeVis Medical Solutions

(CDAX, Software/IT)

WARBURG RESEARCH

Hold	
EUR 38.00	
Price	EUR 38.40
Downside	-1.0 %

Value Indicators:	EUR
DCF:	26.78

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:	69.9
No. of shares (m):	1.8
EV:	37.3
Freefloat MC:	16.4
Ø Trad. Vol. (30d):	9.50 th

Shareholders:	
Freefloat	23.5 %
Varian Medical Systems	73.5 %
Oppenheim Asset Manag.	3.0 %

Risk Profile (WRe):	2017/18e
Beta:	1.4
Price / Book:	2.1 x
Equity Ratio:	66 %

Strong figures; Valuation on a bond basis

Stated Figures Q4/2016/17:

in EUR m	Q4/17	Q4/17e	Q4/16	yoy	2017	2017e	2016	yoy
Sales	**4.3**	3.2	0.0	-	**18.5**	17.4	12.1	53.3%
EBITDA	**2.9**	1.2	0.0	-	**9.2**	7.5	5.2	74.9%
margin	*66.5%*	*37.9%*	*0.0%*		*49.5%*	*43.1%*	*43.4%*	
EBIT	**2.6**	0.4	0.0	-	**8.0**	5.7	3.9	102.6%
margin	*60.6%*	*11.6%*	*0.0%*		*42.9%*	*32.8%*	*32.5%*	

Comment on Figures:

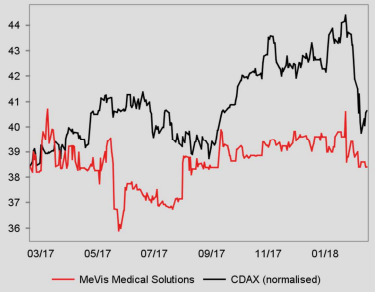
- Once again, the company benefited from far better licence revenues than expected in the reported quarter.
- These revenues fed directly into the result. The relatively high deviation is therefore attributable to base effects.
- These figures are no longer relevant for the valuation in light of the guaranteed dividend of the majority shareholder (Varian).
- The year-earlier quarter is, like the full year, not comparable (shortened fiscal year, Q4 "not available").

The Q4/FY figures presented by the company exceeded the expectations and showed, yet again, that the main client Hologic is contributing to revenues for far longer than expected, as already the case in the previous quarters. The business with Hologic, which constitutes the Digital Mammography segment, still contributed a significant 67% to the revenue (compared to 79% the year before). Additionally the other areas also developed well (products and services in the Other Diagnostics segment). This includes for instance higher licence sales of LungCAD as well as increased activities in the area of MeVis Online. Accordingly, the revenue share of Other Diagnostics rose considerably from 21% to 33%. The licence business share dropped significantly from 46% of the overall revenue in 2016 to 30% in 2016/17. The maintenance business accounted for 45% of the total revenue and thus remained more or less stable (2016: 46%). The share of the service business (including the sale of the usage rights to MeVisLab, see Comment dated 28.08.2017) increased very strongly from 9% to 29% of revenues.

The estimates for the current year continue to forecast the expected reduction in revenue and earnings. With this assessment, the WR expectations correspond to management's guidance.

The derivation of the price target continues to be based on the majority shareholder's guaranteed dividend (EUR 0.95), valued as "Consol", return 2.5%, which leads to a price target of EUR 38 (unchanged).

The share is rated at Hold with a price target of EUR 38.



Rel. Performance vs CDAX:	
1 month:	3.1 %
6 months:	-3.2 %
Year to date:	0.8 %
Trailing 12 months:	-5.8 %

Company events:	
20.02.18	Q1
14.03.18	AGM
15.05.18	Q2
21.08.18	Q3

FY End: 30.9. in EUR m	CAGR (16/17-19/20e)	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Sales	-17.3 %	13.1	16.0	12.1	18.5	15.0	11.5	10.5
Change Sales yoy		-10.3 %	22.3 %	-24.5 %	53.3 %	-19.1 %	-23.3 %	-8.7 %
Gross profit margin		*104.3 %*	*96.2 %*	*97.2 %*	*102.7 %*	*96.0 %*	*96.0 %*	*96.0 %*
EBITDA	-41.0 %	5.6	6.4	5.2	9.2	5.3	2.3	1.9
Margin		*42.7 %*	*40.0 %*	*43.4 %*	*49.5 %*	*35.1 %*	*20.3 %*	*17.9 %*
EBIT	-57.3 %	3.9	4.5	3.9	8.0	3.5	1.0	0.6
Margin		*29.7 %*	*27.9 %*	*32.5 %*	*42.9 %*	*23.1 %*	*8.3 %*	*5.9 %*
Net income	-49.6 %	3.7	6.7	3.4	5.6	3.6	1.1	0.7
EPS	-49.6 %	2.16	3.76	1.86	3.05	1.94	0.58	0.39
EPS adj.	-49.6 %	2.16	3.76	1.86	3.05	1.94	0.58	0.39
DPS	0.0 %	0.04	0.95	0.95	0.95	0.95	0.95	0.95
Dividend Yield		0.3 %	4.4 %	3.1 %	2.5 %	2.5 %	2.5 %	2.5 %
FCFPS		1.90	3.61	1.79	3.84	3.66	1.20	0.74
FCF / Market cap		12.2 %	16.8 %	5.9 %	10.0 %	9.5 %	3.1 %	1.9 %
EV / Sales		1.3 x	0.8 x	2.7 x	2.3 x	2.5 x	3.1 x	3.4 x
EV / EBITDA		3.1 x	2.1 x	6.3 x	4.7 x	7.2 x	15.3 x	19.2 x
EV / EBIT		4.5 x	3.0 x	8.4 x	5.4 x	11.0 x	37.3 x	58.3 x
P / E		7.2 x	5.7 x	16.3 x	12.7 x	19.8 x	66.2 x	98.5 x
P / E adj.		7.2 x	5.7 x	16.3 x	12.7 x	19.8 x	66.2 x	98.5 x
FCF Potential Yield		15.2 %	58.9 %	15.1 %	17.1 %	13.3 %	6.3 %	4.9 %
Net Debt		-9.3	-25.0	-22.6	-27.8	-32.6	-34.9	-34.5
ROCE (NOPAT)		15.5 %	40.9 %	41.4 %	83.4 %	n.a.	n.a.	n.a.
Guidance:	2018e: Sales EUR 14-14.5m; EBIT EUR 3-3.5m							

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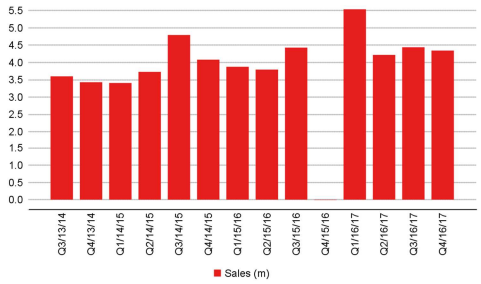
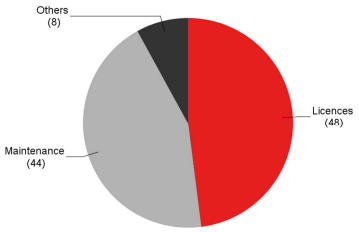
Sales development
in EUR m



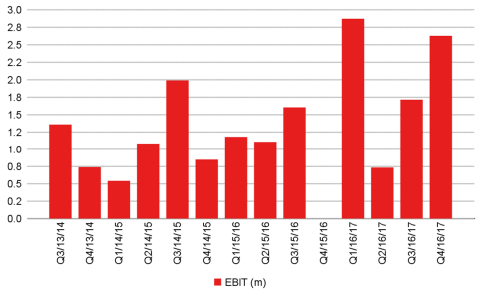
Source: Warburg Research

Sales by types
2017e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

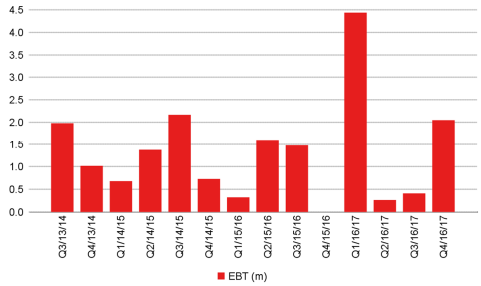
Company Background

- 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

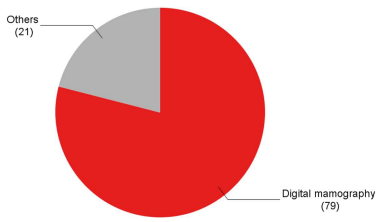
- MeVis follows a strategy of early market presence in the new areas of image-based medical technology. In focus here are mass market products.
- The ability to be an early market entrant differentiates MeVis from competitors.
- MeVis maintains long-term and interdisciplinary cooperation agreements with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



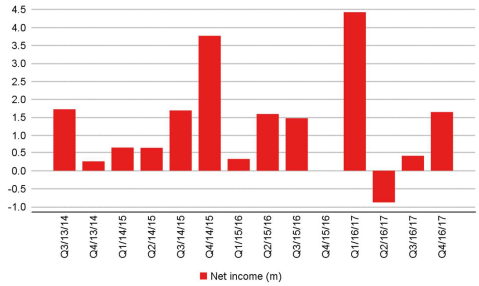
Source: Warburg Research

Sales by segments
2017e; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

	Detailed forecast period			Transitional period										Term. Value
Figures in EUR m	17/18e	18/19e	19/20e	20/21e	21/22e	22/23e	23/24e	24/25e	25/26e	26/27e	27/28e	28/29e	29/30e	
Sales	15.0	11.5	10.5	8.9	7.6	7.8	8.0	8.2	8.4	8.6	8.8	9.0	9.2	
Sales change	*-19.1 %*	*-23.3 %*	*-8.7 %*	*-15.0 %*	*-15.0 %*	*2.5 %*	*2.5 %*	*2.5 %*	*2.5 %*	*2.5 %*	*2.5 %*	*2.5 %*	*2.5 %*	*2.5 %*
EBIT	3.5	1.0	0.6	0.6	0.5	0.5	0.6	0.7	0.8	0.9	1.1	1.2	1.3	
EBIT-margin	*23.1 %*	*8.3 %*	*5.9 %*	*7.0 %*	*6.0 %*	*7.0 %*	*8.0 %*	*9.0 %*	*10.0 %*	*11.0 %*	*12.0 %*	*13.0 %*	*14.0 %*	
Tax rate (EBT)	*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 %*	
NOPAT	3.5	1.0	0.6	0.6	0.5	0.5	0.6	0.7	0.8	0.9	1.1	1.2	1.3	
Depreciation	1.8	1.4	1.3	1.1	0.9	0.9	1.0	1.0	0.9	0.9	0.9	0.8	0.7	
in % of Sales	*12.0 %*	*12.0 %*	*12.0 %*	*12.0 %*	*12.0 %*	*12.0 %*	*12.0 %*	*12.0 %*	*11.0 %*	*11.0 %*	*10.0 %*	*9.0 %*	*8.0 %*	
Changes in provisions	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	-2.3	-0.5	-0.1	-0.2	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Capex	0.9	0.7	0.7	0.7	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	0.7	
Capex in % of Sales	*6.0 %*	*6.3 %*	*6.8 %*	*8.0 %*	*8.0 %*	*8.0 %*	*8.0 %*	*8.0 %*	*8.0 %*	*8.0 %*	*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)	6.6	2.1	1.3	0.9	1.0	0.8	0.9	1.0	1.1	1.2	1.2	1.2	1.3	1
PV of FCF	6.5	1.9	1.0	0.6	0.7	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.4	6
share of PVs	**44.72 %**			**24.99 %**										**30.29 %**

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	0.00 %	Financial Strength	1.00
Cost of debt (after tax)	6.0 %	Liquidity (share)	1.80
Market return	7.00 %	Cyclicality	1.50
Risk free rate	1.50 %	Transparency	1.50
		Others	1.30
WACC	**9.31 %**	**Beta**	**1.42**

Valuation (m)

Present values 2029/30e	15		
Terminal Value	6		
Financial liabilities	0		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	28	No. of shares (m)	1.8
Equity Value	**49**	**Value per share (EUR)**	**26.78**

Sensitivity Value per Share (EUR)

		Terminal Growth						
Beta	WACC	1.75 %	2.00 %	2.25 %	**2.50 %**	2.75 %	3.00 %	3.25 %
1.60	10.3 %	25.55	25.63	25.71	25.79	25.88	25.98	26.08
1.51	9.8 %	25.97	26.06	26.15	26.25	26.36	26.48	26.61
1.47	9.6 %	26.19	26.29	26.40	26.51	26.63	26.76	26.90
1.42	9.3 %	26.43	26.54	26.66	**26.78**	26.91	27.06	27.21
1.37	9.1 %	26.69	26.81	26.94	27.08	27.22	27.38	27.56
1.33	8.8 %	26.97	27.10	27.24	27.39	27.56	27.74	27.93
1.24	8.3 %	27.58	27.75	27.92	28.11	28.32	28.54	28.79

		Delta EBIT-margin						
Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	**+0.0 pp**	+0.5 pp	+1.0 pp	+1.5 pp
1.60	10.3 %	24.88	25.19	25.49	25.79	26.09	26.40	26.70
1.51	9.8 %	25.29	25.61	25.93	26.25	26.57	26.89	27.21
1.47	9.6 %	25.52	25.85	26.18	26.51	26.84	27.17	27.50
1.42	9.3 %	25.76	26.10	26.44	**26.78**	27.12	27.46	27.80
1.37	9.1 %	26.02	26.37	26.73	27.08	27.43	27.78	28.13
1.33	8.8 %	26.31	26.67	27.03	27.39	27.76	28.12	28.48
1.24	8.3 %	26.94	27.33	27.72	28.11	28.50	28.89	29.28

- 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 (2018 onwards).
- Revenues with clients beside Hologic are not impacted by the transformation process.

Valuation

	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Price / Book	0.9 x	1.1 x	1.7 x	2.2 x	2.1 x	2.1 x	2.2 x
Book value per share ex intangibles	8.05	10.92	10.96	11.30	12.76	12.74	12.48
EV / Sales	1.3 x	0.8 x	2.7 x	2.3 x	2.5 x	3.1 x	3.4 x
EV / EBITDA	3.1 x	2.1 x	6.3 x	4.7 x	7.2 x	15.3 x	19.2 x
EV / EBIT	4.5 x	3.0 x	8.4 x	5.4 x	11.0 x	37.3 x	58.3 x
EV / EBIT adj.*	4.5 x	3.0 x	8.4 x	5.4 x	11.0 x	37.3 x	58.3 x
P / FCF	8.2 x	6.0 x	16.9 x	10.0 x	10.5 x	32.0 x	51.6 x
P / E	7.2 x	5.7 x	16.3 x	12.7 x	19.8 x	66.2 x	98.5 x
P / E adj.*	7.2 x	5.7 x	16.3 x	12.7 x	19.8 x	66.2 x	98.5 x
Dividend Yield	0.3 %	4.4 %	3.1 %	2.5 %	2.5 %	2.5 %	2.5 %
FCF Potential Yield (on market EV)	15.2 %	58.9 %	15.1 %	17.1 %	13.3 %	6.3 %	4.9 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Sales	**13.1**	**16.0**	**12.1**	**18.5**	**15.0**	**11.5**	**10.5**
Change Sales yoy	-10.3 %	22.3 %	-24.5 %	53.3 %	-19.1 %	-23.3 %	-8.7 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	1.2	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	**14.3**	**16.0**	**12.1**	**18.5**	**15.0**	**11.5**	**10.5**
Material expenses	0.6	0.6	0.3	-0.5	0.6	0.5	0.4
Gross profit	**13.7**	**15.4**	**11.8**	**19.0**	**14.4**	**11.0**	**10.1**
Gross profit margin	*104.3 %*	*96.2 %*	*97.2 %*	*102.7 %*	*96.0 %*	*96.0 %*	*96.0 %*
Personnel expenses	7.0	7.4	5.6	7.9	7.7	7.3	7.0
Other operating income	1.0	1.1	0.6	0.0	0.4	0.4	0.4
Other operating expenses	2.0	2.7	1.6	1.9	1.8	1.8	1.6
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**5.6**	**6.4**	**5.2**	**9.2**	**5.3**	**2.3**	**1.9**
Margin	*42.7 %*	*40.0 %*	*43.4 %*	*49.5 %*	*35.1 %*	*20.3 %*	*17.9 %*
Depreciation of fixed assets	0.2	0.1	0.2	0.1	0.3	0.2	0.2
EBITA	**5.4**	**6.3**	**5.0**	**9.1**	**5.0**	**2.1**	**1.7**
Amortisation of intangible assets	1.5	1.8	1.1	1.1	1.5	1.2	1.1
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**3.9**	**4.5**	**3.9**	**8.0**	**3.5**	**1.0**	**0.6**
Margin	*29.7 %*	*27.9 %*	*32.5 %*	*42.9 %*	*23.1 %*	*8.3 %*	*5.9 %*
EBIT adj.	**3.9**	**4.5**	**3.9**	**8.0**	**3.5**	**1.0**	**0.6**
Interest income	0.2	0.2	0.1	0.2	0.1	0.1	0.1
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial income (loss)	0.9	0.3	-0.6	-0.9	0.0	0.0	0.0
EBT	**4.9**	**5.0**	**3.4**	**7.2**	**3.6**	**1.1**	**0.7**
Margin	*37.8 %*	*30.9 %*	*28.3 %*	*38.6 %*	*23.7 %*	*9.2 %*	*6.9 %*
Total taxes	1.2	-1.8	0.0	1.5	0.0	0.0	0.0
Net income from continuing operations	**3.7**	**6.7**	**3.4**	**5.6**	**3.6**	**1.1**	**0.7**
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	**3.7**	**6.7**	**3.4**	**5.6**	**3.6**	**1.1**	**0.7**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**3.7**	**6.7**	**3.4**	**5.6**	**3.6**	**1.1**	**0.7**
Margin	*28.4 %*	*42.1 %*	*28.3 %*	*30.3 %*	*23.7 %*	*9.2 %*	*6.9 %*
Number of shares, average	1.7	1.8	1.8	1.8	1.8	1.8	1.8
EPS	**2.16**	**3.76**	**1.86**	**3.05**	**1.94**	**0.58**	**0.39**
EPS adj.	2.16	3.76	1.86	3.05	1.94	0.58	0.39

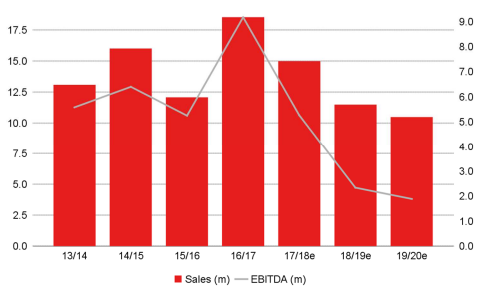
*Adjustments made for:

Guidance: 2018e: Sales EUR 14-14.5m; EBIT EUR 3-3.5m

Financial Ratios

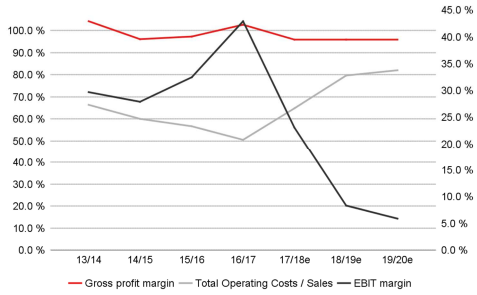
	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Total Operating Costs / Sales	66.5 %	60.0 %	56.6 %	50.5 %	64.9 %	79.7 %	82.1 %
Operating Leverage	0.4 x	0.7 x	0.5 x	1.9 x	3.0 x	3.1 x	4.1 x
EBITDA / Interest expenses	253.9 x	291.3 x	437.2 x	1146.9 x	n.a.	n.a.	n.a.
Tax rate (EBT)	24.9 %	-36.0 %	0.0 %	21.6 %	0.0 %	0.0 %	0.0 %
Dividend Payout Ratio	1.9 %	25.3 %	51.0 %	31.1 %	49.1 %	164.9 %	242.8 %
Sales per Employee	116,884	142,982	107,955	165,536	133,929	102,679	93,750

Sales, EBITDA
in EUR m



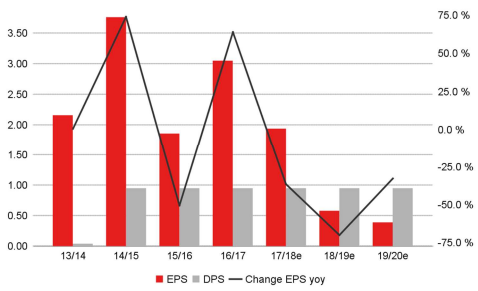
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

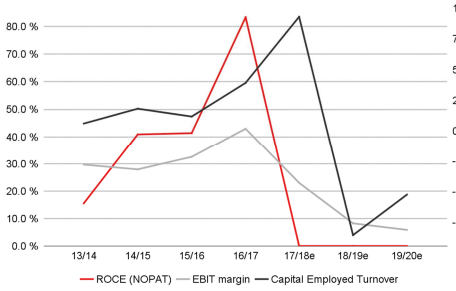
Consolidated balance sheet

In EUR m	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Assets							
Goodwill and other intangible assets	15.6	13.9	12.7	11.7	10.8	10.1	9.6
thereof other intangible assets	5.0	3.2	2.1	1.0	0.1	-0.5	-1.1
thereof Goodwill	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Property, plant and equipment	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Financial assets	1.6	1.7	1.6	2.0	2.0	2.0	2.0
Other long-term assets	0.0	0.9	1.5	1.6	1.8	0.0	0.0
Fixed assets	**17.6**	**16.8**	**16.1**	**15.7**	**14.9**	**12.4**	**11.9**
Inventories	0.0	0.1	0.0	0.0	0.1	0.1	0.1
Accounts receivable	2.7	2.8	3.7	5.0	3.3	2.5	2.3
Liquid assets	9.3	25.6	22.9	28.1	32.9	35.2	34.8
Other short-term assets	8.7	0.2	0.3	0.3	0.3	0.3	0.3
Current assets	**20.7**	**28.7**	**26.9**	**33.4**	**36.6**	**38.1**	**37.5**
Total Assets	**38.3**	**45.5**	**43.0**	**49.1**	**51.5**	**50.5**	**49.4**
Liabilities and shareholders' equity							
Subscribed capital	1.8	1.8	1.8	1.8	1.8	1.8	1.8
Capital reserve	9.8	8.2	8.2	7.5	7.5	7.5	7.5
Retained earnings	0.0	0.4	0.3	0.2	3.8	4.8	5.6
Other equity components	18.7	23.3	22.5	23.0	21.1	19.4	17.6
Shareholders' equity	30.3	33.7	32.9	32.5	34.2	33.5	32.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	**30.3**	**33.7**	**32.9**	**32.5**	**34.2**	**33.5**	**32.5**
Provisions	0.5	0.6	0.3	0.3	0.3	0.3	0.3
thereof provisions for pensions and similar obligations	0.0	0.6	0.3	0.3	0.3	0.3	0.3
Financial liabilities (total)	0.0	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	0.6	0.6	0.6	0.6	1.3	1.0	0.9
Other liabilities	6.9	10.6	9.3	15.6	15.6	15.6	15.6
Liabilities	**8.0**	**11.8**	**10.1**	**16.6**	**17.2**	**16.9**	**16.8**
Total liabilities and shareholders' equity	**38.3**	**45.5**	**43.0**	**49.1**	**51.5**	**50.5**	**49.4**

Financial Ratios

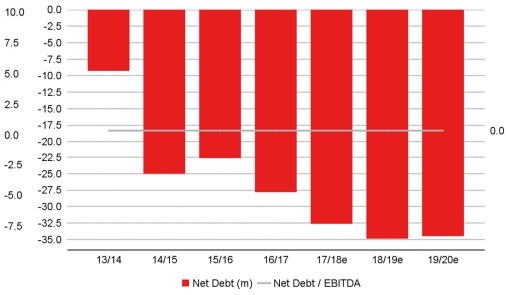
	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Efficiency of Capital Employment							
Operating Assets Turnover	5.2 x	6.1 x	3.6 x	4.0 x	6.2 x	6.0 x	5.8 x
Capital Employed Turnover	0.6 x	1.8 x	1.2 x	3.9 x	9.3 x	-8.6 x	-5.3 x
ROA	21.1 %	40.0 %	21.3 %	35.9 %	24.0 %	8.5 %	6.1 %
Return on Capital							
ROCE (NOPAT)	15.5 %	40.9 %	41.4 %	83.4 %	n.a.	n.a.	n.a.
ROE	13.1 %	21.0 %	10.3 %	17.2 %	10.7 %	3.1 %	2.2 %
Adj. ROE	13.1 %	21.0 %	10.3 %	17.2 %	10.7 %	3.1 %	2.2 %
Balance sheet quality							
Net Debt	-9.3	-25.0	-22.6	-27.8	-32.6	-34.9	-34.5
Net Financial Debt	-9.3	-25.6	-22.9	-28.1	-32.9	-35.2	-34.8
Net Gearing	-30.6 %	-74.1 %	-68.8 %	-85.5 %	-95.3 %	-104.0 %	-106.1 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	16.6	18.5	17.9	17.7	18.6	18.2	17.7
Book value per share ex intangibles	8.0	10.9	11.0	11.3	12.8	12.7	12.5

ROCE Development



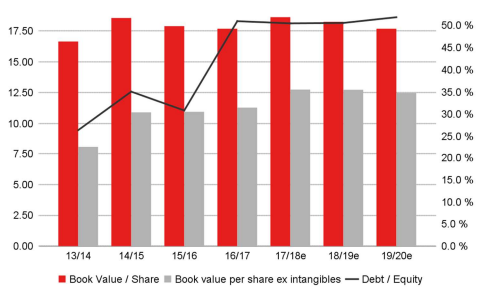
Source: Warburg Research

Net debt
in EUR m



Source: Warburg Research

Book Value per Share
in EUR



Source: Warburg Research

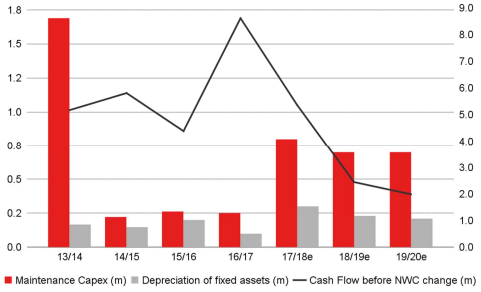
Consolidated cash flow statement

In EUR m	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Net income	3.7	6.7	3.4	5.6	3.6	1.1	0.7
Depreciation of fixed assets	0.2	0.1	0.2	0.1	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	1.5	1.8	1.1	1.1	1.5	1.2	1.1
Increase/decrease in long-term provisions	0.0	0.6	-0.4	0.0	0.0	0.0	0.0
Other non-cash income and expenses	-0.3	-3.5	0.0	1.7	0.0	0.0	0.0
Cash Flow before NWC change	**5.2**	**5.8**	**4.4**	**8.6**	**5.4**	**2.4**	**2.0**
Increase / decrease in inventory	0.0	0.0	0.1	0.0	-0.1	0.0	0.0
Increase / decrease in accounts receivable	-0.2	-0.5	-0.9	-1.3	1.7	0.8	0.2
Increase / decrease in accounts payable	-0.1	1.2	0.1	0.0	0.7	-0.3	-0.1
Increase / decrease in other working capital positions	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-0.3	0.8	-0.9	-1.3	2.3	0.5	0.1
Net cash provided by operating activities [1]	**4.8**	**6.6**	**3.5**	**7.3**	**7.6**	**2.9**	**2.1**
Investments in intangible assets	-1.5	0.0	-0.1	-0.1	-0.6	-0.5	-0.5
Investments in property, plant and equipment	-0.1	-0.1	-0.1	-0.2	-0.3	-0.2	-0.2
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	-3.5	8.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	**-5.0**	**7.9**	**-0.2**	**-0.2**	**-0.9**	**-0.7**	**-0.7**
Change in financial liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	-0.1	0.0	0.0	-1.7	-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	1.7	-4.6	0.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	**0.0**	**1.6**	**-4.6**	**0.0**	**-1.7**	**-1.7**	**-1.7**
Change in liquid funds [1]+[2]+[3]	**-0.2**	**16.1**	**-1.4**	**7.1**	**5.0**	**0.5**	**-0.4**
Effects of exchange-rate changes on cash	0.2	0.2	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	**9.3**	**25.6**	**24.3**	**31.4**	**34.7**	**35.2**	**34.8**

Financial Ratios

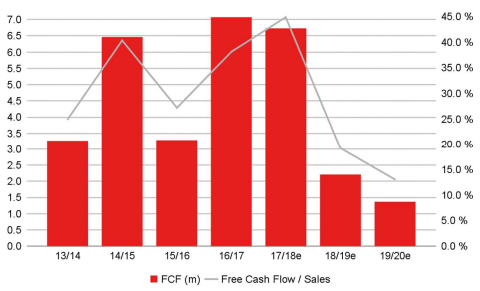
	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Cash Flow							
FCF	3.3	6.5	3.3	7.1	6.7	2.2	1.4
Free Cash Flow / Sales	25.0 %	40.4 %	27.2 %	38.1 %	44.9 %	19.2 %	13.0 %
Free Cash Flow Potential	2.7	8.0	5.0	7.4	5.1	2.2	1.8
Free Cash Flow / Net Profit	88.1 %	96.0 %	96.0 %	125.9 %	188.9 %	208.5 %	190.3 %
Interest Received / Avg. Cash	2.2 %	0.9 %	0.2 %	0.6 %	0.3 %	0.3 %	0.3 %
Interest Paid / Avg. Debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Management of Funds							
Investment ratio	11.9 %	0.7 %	1.5 %	1.2 %	6.0 %	6.3 %	6.8 %
Maint. Capex / Sales	12.9 %	1.4 %	2.2 %	1.4 %	5.3 %	6.1 %	6.7 %
Capex / Dep	92.1 %	6.0 %	13.6 %	18.2 %	50.0 %	52.9 %	56.3 %
Avg. Working Capital / Sales	12.9 %	14.0 %	22.2 %	20.0 %	21.6 %	16.1 %	14.8 %
Trade Debtors / Trade Creditors	472.0 %	501.3 %	596.6 %	803.2 %	253.8 %	250.0 %	255.6 %
Inventory Turnover	n.a.	6.1 x	n.a.	n.a.	6.0 x	4.6 x	4.2 x
Receivables collection period (days)	76	63	110	98	80	79	80
Payables payment period (days)	333	330	664	-448	791	793	782
Cash conversion cycle (Days)	n.a.	-260	n.a.	n.a.	-717	-697	-676

CAPEX and Cash Flow
in EUR m



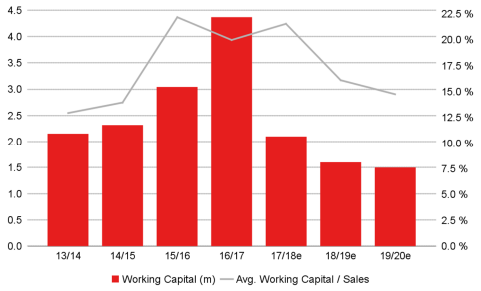
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



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	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.
-S-	**Sell:**	The price of the analysed financial instrument is expected to fall over the next 12 months.
"-"	**Rating suspended:**	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	110	53
Hold	90	44
Sell	6	3
Rating suspended	0	0
Total	**206**	**100**

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING …

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

Rating	Number of stocks	% of Universe
Buy	31	76
Hold	10	24
Sell	0	0
Rating suspended	0	0
Total	**41**	**100**

PRICE AND RATING HISTORY MEVIS MEDICAL SOLUTIONS AS OF 16.02.2018

Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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