

<b>Hold</b> <b>EUR 38.00</b>  Price <b>EUR 38.60</b> Downside <b>-1.6 %</b>	<b>Value Indicators:</b> EUR DCF: 26.78	<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: 70.3 No. of shares (m): 1.8 EV: 37.6 Freefloat MC: 12.5 Ø Trad. Vol. (30d): 9.50 th	<b>Shareholders:</b> Freefloat 17.8 % Varex Imaging Deutschland AG 73.7 % HANSAINVEST 5.5 % Oppenheim Asset Manag. 3.0 %	<b>Risk Profile (WRe):</b> 2017/18e Beta: 1.4 Price / Book: 2.1 x Equity Ratio: 66 %

## One-off effect distorts relative development

Stated Figures Q1/2017/18:							
in EUR m	Q1/18	Q1/18e	Q1/17	yoy	2018e	2017	yoy
<b>Sales</b>	<b>4,3</b>	4,0	5,5	-22,6%	<b>15,0</b>	18,5	-19,1%
<b>EBITDA</b>	<b>2,2</b>	1,9	3,2	-31,7%	<b>5,3</b>	9,2	-42,6%
margin	51,4%	47,5%	58,2%		35,1%	49,5%	
<b>EBIT</b>	<b>2,0</b>	1,7	2,9	-32,0%	<b>3,5</b>	8,0	-56,5%
margin	45,6%	42,5%	51,9%		23,1%	42,9%	

### Comment on Figures:

- The figures presented slightly exceeded the expectations but nevertheless showed the expected trend of declining revenue and earnings.
- This development, however, is clearly distorted by a one-off effect in Q1/17 (the sale of the MeVisLab usage rights for EUR 1.8m)

The core of the MeVis equity story is the plan by the large client Hologic to gradually replace the MeVis software in sold hardware with its own software, which is to be co-developed by MeVis. When, and to what extent, this occurs still seems unclear. It had been planned for 2015. While there is a trend in this direction in the figures, (revenue and earnings fell) last year's figures included the one-off effect of the divestment of usage rights to MeVisLab (EUR 1.8m). Adjusted for this effect, revenue and earnings even increased.

According to **revenue types**, the following picture emerges: New licence revenues declined by 13% to EUR 1.1m and the maintenance business dropped by 4% (EUR 1.8m). The services business, mainly cloud-based technology, more than doubled with a strong rise to EUR 1.4m – without the usage rights to MeVisLab.

By **segments**: The revenue in the Digital Mamography segment (Hologic) increased by 12% to EUR 3.0m. Revenues in the Other Diagnostics segment fell to EUR 1.3m which, without the usage rights to MeVisLab, corresponds to growth of 19% for this segment.

For the current business year, despite the good Q1 performance, revenue is expected to decrease especially in the area of Digital Mamography (Hologic). The segment still represents about 70% of the revenue and should, despite the decline, remain the area of strongest revenue in the current year. As in the last years, the timing and the extent of this revenue decline cannot be logically forecast, as the internal Hologic developments are not known.

For the valuation of the share, this development is however of less significance as the price obviously continues to be based on the dividend payment guaranteed by the majority shareholder (EUR 0.95, value as Consol, return of 2.5%, price target EUR 38). **The share continues to be rated Hold.**



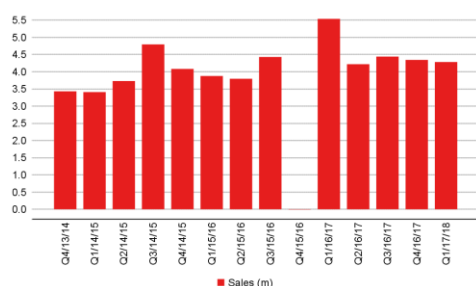
### Rel. Performance vs CDAX:

1 month:	4.5 %
6 months:	-3.3 %
Year to date:	0.3 %
Trailing 12 months:	-5.2 %

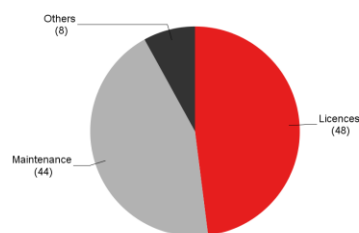
### Company events:

14.03.18	AGM
15.05.18	Q2
21.08.18	Q3

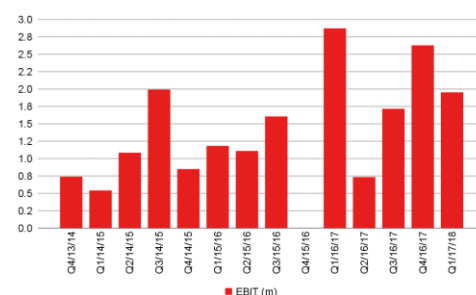
FY End: 30.9. in EUR m	CAGR (16/17-19/20e)	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
<b>Sales</b>	-17.3 %	13.1	16.0	12.1	18.5	15.0	11.5	10.5
Change Sales yoy		-10.3 %	22.3 %	-24.5 %	53.3 %	-19.1 %	-23.3 %	-8.7 %
Gross profit margin		104.3 %	96.2 %	97.2 %	102.7 %	96.0 %	96.0 %	96.0 %
<b>EBITDA</b>	-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 %
<b>EBIT</b>	-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 %
<b>Net income</b>	-49.6 %	3.7	6.7	3.4	5.6	3.6	1.1	0.7
<b>EPS</b>	-49.6 %	2.16	3.76	1.86	3.05	1.94	0.58	0.39
<b>EPS adj.</b>	-49.6 %	2.16	3.76	1.86	3.05	1.94	0.58	0.39
<b>DPS</b>	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 %
<b>FCFPS</b>		1.90	3.61	1.79	3.84	3.66	1.20	0.74
<b>FCF / Market cap</b>		12.2 %	16.8 %	5.9 %	10.0 %	9.5 %	3.1 %	1.9 %
<b>EV / Sales</b>		1.3 x	0.8 x	2.7 x	2.3 x	2.6 x	3.1 x	3.5 x
<b>EV / EBITDA</b>		3.1 x	2.1 x	6.3 x	4.7 x	7.3 x	15.4 x	19.4 x
<b>EV / EBIT</b>		4.5 x	3.0 x	8.4 x	5.4 x	11.1 x	37.7 x	58.9 x
<b>P / E</b>		7.2 x	5.7 x	16.3 x	12.7 x	19.9 x	66.6 x	99.0 x
<b>P / E adj.</b>		7.2 x	5.7 x	16.3 x	12.7 x	19.9 x	66.6 x	99.0 x
<b>FCF Potential Yield</b>		15.2 %	58.9 %	15.1 %	17.1 %	13.2 %	6.2 %	4.9 %
<b>Net Debt</b>		-9.3	-25.0	-22.6	-27.8	-32.6	-34.9	-34.5
<b>ROCE (NOPAT)</b>		15.5 %	40.9 %	41.4 %	83.4 %	n.a.	n.a.	n.a.
<b>Guidance:</b>		2018e: Sales EUR 14-14.5m; EBIT EUR 3-3.5m						

**Sales development**  
in EUR m


Source: Warburg Research

**Sales by types**  
2017e; in %


Source: Warburg Research

**EBIT development**  
in EUR m


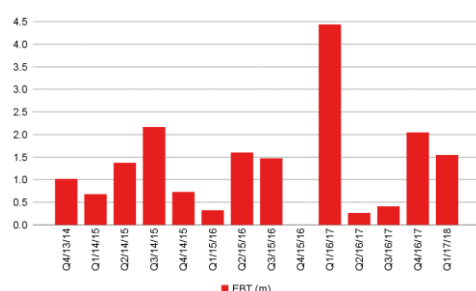
Source: Warburg Research

## Company Background

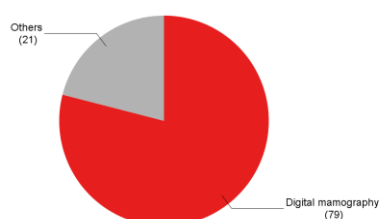
- The origin of MeVis Medical Solutions AG, which was set up in 1998, dates back to 1992, when the CeVis (Center for Complex Systems and Visualization) was founded at the University of Bremen.
- The public company was founded with the aim of developing commercially successful disease-oriented products 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

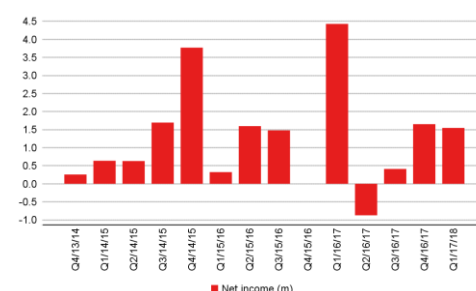
- MeVis follows a strategy of early market presence in the new areas of image-based medical technology. In focus here are mass market products.
- The ability to be an early market entrant differentiates MeVis from competitors.
- MeVis maintains long-term and interdisciplinary cooperation agreements with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

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	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	2.5 %
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 %	
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	14.0 %
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 %	1.3
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	8.0 %
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	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	0.7
- 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 %	0.0
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	
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
<b>WACC</b>	<b>9.31 %</b>	<b>Beta</b>	<b>1.42</b>

**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
<b>Equity Value</b>	<b>49</b>	<b>Value per share (EUR)</b>	<b>26.78</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
<b>1.60</b>	10.3 %	25.55	25.63	25.71	25.79	25.88	25.98	26.08	<b>1.60</b>	10.3 %	24.88	25.19	25.49	25.79	26.09	26.40	26.70
<b>1.51</b>	9.8 %	25.97	26.06	26.15	26.25	26.36	26.48	26.61	<b>1.51</b>	9.8 %	25.29	25.61	25.93	26.25	26.57	26.89	27.21
<b>1.47</b>	9.6 %	26.19	26.29	26.40	26.51	26.63	26.76	26.90	<b>1.47</b>	9.6 %	25.52	25.85	26.18	26.51	26.84	27.17	27.50
<b>1.42</b>	9.3 %	26.43	26.54	26.66	<b>26.78</b>	26.91	27.06	27.21	<b>1.42</b>	9.3 %	25.76	26.10	26.44	<b>26.78</b>	27.12	27.46	27.80
<b>1.37</b>	9.1 %	26.69	26.81	26.94	27.08	27.22	27.38	27.56	<b>1.37</b>	9.1 %	26.02	26.37	26.73	27.08	27.43	27.78	28.13
<b>1.33</b>	8.8 %	26.97	27.10	27.24	27.39	27.56	27.74	27.93	<b>1.33</b>	8.8 %	26.31	26.67	27.03	27.39	27.76	28.12	28.48
<b>1.24</b>	8.3 %	27.58	27.75	27.92	28.11	28.32	28.54	28.79	<b>1.24</b>	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	2.6 x	3.1 x	3.5 x
EV / EBITDA	3.1 x	2.1 x	6.3 x	4.7 x	7.3 x	15.4 x	19.4 x
EV / EBIT	4.5 x	3.0 x	8.4 x	5.4 x	11.1 x	37.7 x	58.9 x
EV / EBIT adj.*	4.5 x	3.0 x	8.4 x	5.4 x	11.1 x	37.7 x	58.9 x
P / FCF	8.2 x	6.0 x	16.9 x	10.0 x	10.6 x	32.1 x	51.8 x
P / E	7.2 x	5.7 x	16.3 x	12.7 x	19.9 x	66.6 x	99.0 x
P / E adj.*	7.2 x	5.7 x	16.3 x	12.7 x	19.9 x	66.6 x	99.0 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 %	13.2 %	6.2 %	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
<b>Sales</b>	<b>13.1</b>	<b>16.0</b>	<b>12.1</b>	<b>18.5</b>	<b>15.0</b>	<b>11.5</b>	<b>10.5</b>
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
<b>Total Sales</b>	<b>14.3</b>	<b>16.0</b>	<b>12.1</b>	<b>18.5</b>	<b>15.0</b>	<b>11.5</b>	<b>10.5</b>
Material expenses	0.6	0.6	0.3	-0.5	0.6	0.5	0.4
<b>Gross profit</b>	<b>13.7</b>	<b>15.4</b>	<b>11.8</b>	<b>19.0</b>	<b>14.4</b>	<b>11.0</b>	<b>10.1</b>
<b>Gross profit margin</b>	<b>104.3 %</b>	<b>96.2 %</b>	<b>97.2 %</b>	<b>102.7 %</b>	<b>96.0 %</b>	<b>96.0 %</b>	<b>96.0 %</b>
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
<b>EBITDA</b>	<b>5.6</b>	<b>6.4</b>	<b>5.2</b>	<b>9.2</b>	<b>5.3</b>	<b>2.3</b>	<b>1.9</b>
<b>Margin</b>	<b>42.7 %</b>	<b>40.0 %</b>	<b>43.4 %</b>	<b>49.5 %</b>	<b>35.1 %</b>	<b>20.3 %</b>	<b>17.9 %</b>
Depreciation of fixed assets	0.2	0.1	0.2	0.1	0.3	0.2	0.2
<b>EBITA</b>	<b>5.4</b>	<b>6.3</b>	<b>5.0</b>	<b>9.1</b>	<b>5.0</b>	<b>2.1</b>	<b>1.7</b>
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
<b>EBIT</b>	<b>3.9</b>	<b>4.5</b>	<b>3.9</b>	<b>8.0</b>	<b>3.5</b>	<b>1.0</b>	<b>0.6</b>
<b>Margin</b>	<b>29.7 %</b>	<b>27.9 %</b>	<b>32.5 %</b>	<b>42.9 %</b>	<b>23.1 %</b>	<b>8.3 %</b>	<b>5.9 %</b>
<b>EBIT adj.</b>	<b>3.9</b>	<b>4.5</b>	<b>3.9</b>	<b>8.0</b>	<b>3.5</b>	<b>1.0</b>	<b>0.6</b>
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
<b>EBT</b>	<b>4.9</b>	<b>5.0</b>	<b>3.4</b>	<b>7.2</b>	<b>3.6</b>	<b>1.1</b>	<b>0.7</b>
<b>Margin</b>	<b>37.8 %</b>	<b>30.9 %</b>	<b>28.3 %</b>	<b>38.6 %</b>	<b>23.7 %</b>	<b>9.2 %</b>	<b>6.9 %</b>
Total taxes	1.2	-1.8	0.0	1.5	0.0	0.0	0.0
<b>Net income from continuing operations</b>	<b>3.7</b>	<b>6.7</b>	<b>3.4</b>	<b>5.6</b>	<b>3.6</b>	<b>1.1</b>	<b>0.7</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>3.7</b>	<b>6.7</b>	<b>3.4</b>	<b>5.6</b>	<b>3.6</b>	<b>1.1</b>	<b>0.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>3.7</b>	<b>6.7</b>	<b>3.4</b>	<b>5.6</b>	<b>3.6</b>	<b>1.1</b>	<b>0.7</b>
<b>Margin</b>	<b>28.4 %</b>	<b>42.1 %</b>	<b>28.3 %</b>	<b>30.3 %</b>	<b>23.7 %</b>	<b>9.2 %</b>	<b>6.9 %</b>
Number of shares, average	1.7	1.8	1.8	1.8	1.8	1.8	1.8
<b>EPS</b>	<b>2.16</b>	<b>3.76</b>	<b>1.86</b>	<b>3.05</b>	<b>1.94</b>	<b>0.58</b>	<b>0.39</b>
EPS adj.	2.16	3.76	1.86	3.05	1.94	0.58	0.39

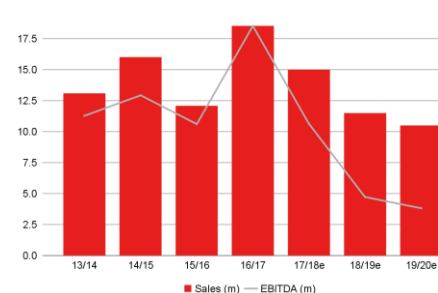
\*Adjustments made for:

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

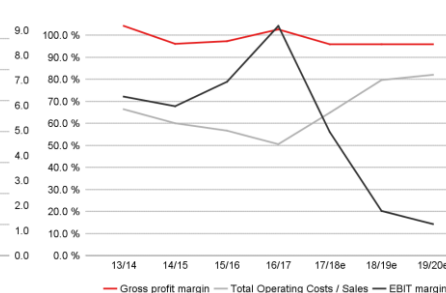
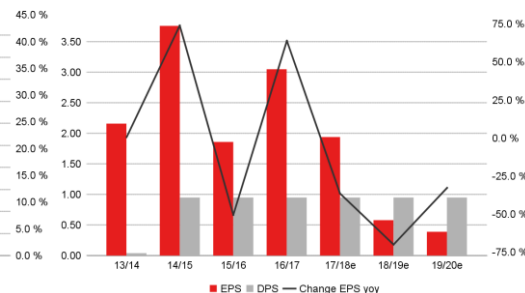
	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Total Operating Costs / Sales	66.5 %	60.0 %	56.6 %	50.5 %	64.9 %	79.7 %	82.1 %
Operating Leverage	0.4 x	0.7 x	0.5 x	1.9 x	3.0 x	3.1 x	4.1 x
EBITDA / Interest expenses	253.9 x	291.3 x	437.2 x	1146.9 x	n.a.	n.a.	n.a.
Tax rate (EBT)	24.9 %	-36.0 %	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

**Operating Performance**

in %

**Performance per Share**

Source: Warburg Research

Source: Warburg Research

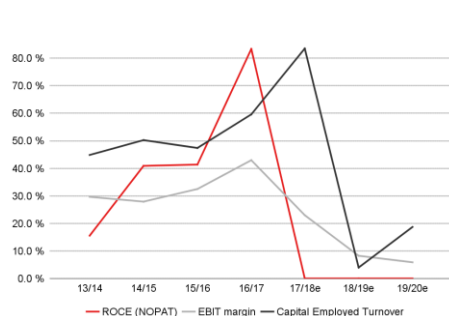
Source: Warburg Research

**Consolidated balance sheet**

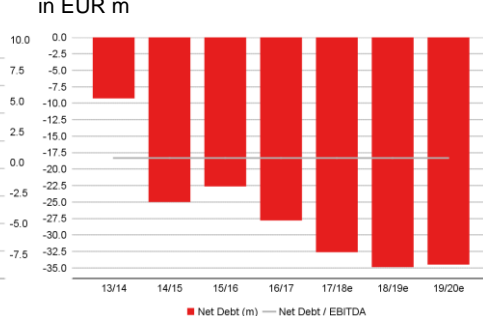
In EUR m	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
<b>Assets</b>							
Goodwill and other intangible assets	15.6	13.9	12.7	11.7	10.8	10.1	9.6
thereof other intangible assets	5.0	3.2	2.1	1.0	0.1	-0.5	-1.1
thereof Goodwill	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Property, plant and equipment	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
<b>Fixed assets</b>	<b>17.6</b>	<b>16.8</b>	<b>16.1</b>	<b>15.7</b>	<b>14.9</b>	<b>12.4</b>	<b>11.9</b>
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
<b>Current assets</b>	<b>20.7</b>	<b>28.7</b>	<b>26.9</b>	<b>33.4</b>	<b>36.6</b>	<b>38.1</b>	<b>37.5</b>
<b>Total Assets</b>	<b>38.3</b>	<b>45.5</b>	<b>43.0</b>	<b>49.1</b>	<b>51.5</b>	<b>50.5</b>	<b>49.4</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	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
<b>Total equity</b>	<b>30.3</b>	<b>33.7</b>	<b>32.9</b>	<b>32.5</b>	<b>34.2</b>	<b>33.5</b>	<b>32.5</b>
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
<b>Liabilities</b>	<b>8.0</b>	<b>11.8</b>	<b>10.1</b>	<b>16.6</b>	<b>17.2</b>	<b>16.9</b>	<b>16.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>38.3</b>	<b>45.5</b>	<b>43.0</b>	<b>49.1</b>	<b>51.5</b>	<b>50.5</b>	<b>49.4</b>

**Financial Ratios**

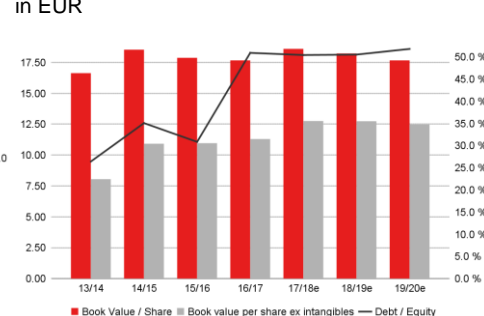
	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	5.2 x	6.1 x	3.6 x	4.0 x	6.2 x	6.0 x	5.8 x
Capital Employed Turnover	0.6 x	1.8 x	1.2 x	3.9 x	9.3 x	-8.6 x	-5.3 x
ROA	21.1 %	40.0 %	21.3 %	35.9 %	24.0 %	8.5 %	6.1 %
<b>Return on Capital</b>							
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 %
<b>Balance sheet quality</b>							
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**

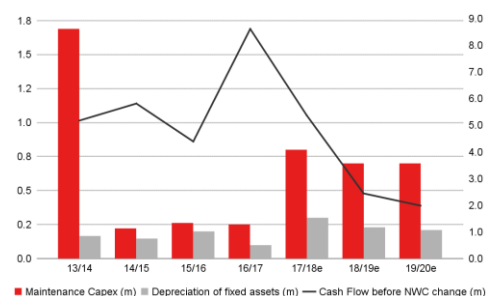
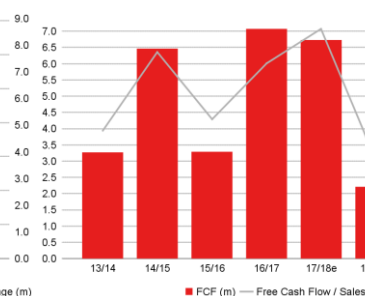
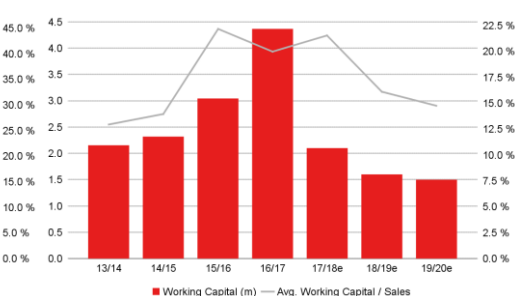
In EUR m	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
Net income	3.7	6.7	3.4	5.6	3.6	1.1	0.7
Depreciation of fixed assets	0.2	0.1	0.2	0.1	0.3	0.2	0.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.5	1.8	1.1	1.1	1.5	1.2	1.1
Increase/decrease in long-term 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
<b>Cash Flow before NWC change</b>	<b>5.2</b>	<b>5.8</b>	<b>4.4</b>	<b>8.6</b>	<b>5.4</b>	<b>2.4</b>	<b>2.0</b>
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
<b>Net cash provided by operating activities [1]</b>	<b>4.8</b>	<b>6.6</b>	<b>3.5</b>	<b>7.3</b>	<b>7.6</b>	<b>2.9</b>	<b>2.1</b>
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
<b>Net cash provided by investing activities [2]</b>	<b>-5.0</b>	<b>7.9</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.9</b>	<b>-0.7</b>	<b>-0.7</b>
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
<b>Net cash provided by financing activities [3]</b>	<b>0.0</b>	<b>1.6</b>	<b>-4.6</b>	<b>0.0</b>	<b>-1.7</b>	<b>-1.7</b>	<b>-1.7</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-0.2</b>	<b>16.1</b>	<b>-1.4</b>	<b>7.1</b>	<b>5.0</b>	<b>0.5</b>	<b>-0.4</b>
Effects of exchange-rate changes on cash	0.2	0.2	0.0	0.0	0.0	0.0	0.0
<b>Cash and cash equivalent at end of period</b>	<b>9.3</b>	<b>25.6</b>	<b>24.3</b>	<b>31.4</b>	<b>34.7</b>	<b>35.2</b>	<b>34.8</b>

**Financial Ratios**

	2013/14	2014/15	2015/16	2016/17	2017/18e	2018/19e	2019/20e
<b>Cash Flow</b>							
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.
<b>Management of Funds</b>							
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

**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.

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Rating	Number of stocks	% of Universe
Buy	110	53
Hold	91	44
Sell	5	2
Rating suspended	0	0
<b>Total</b>	<b>206</b>	<b>100</b>

**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
<b>Total</b>	<b>41</b>	<b>100</b>

**PRICE AND RATING HISTORY MEVIS MEDICAL SOLUTIONS AS OF 22.02.2018**

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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