

Buy EUR 33.00 (EUR 31.00) Price EUR 22.55 Upside 46.3 %	Value Indicators: EUR SotP: 32.80	Warburg ESG Risk Score: 2.8 ESG Score (MSCI based): 3.0 Balance Sheet Score: 3.3 Market Liquidity Score: 2.0	Description: Mutares is a PE group which specializes on turnaround and restructuring cases
	Market Snapshot: EUR m Market cap: 348 No. of shares (m): 15 EV: 352 Freefloat MC: 212 Ø Trad. Vol. (30d): 439.29 th	Shareholders: Freefloat 61.1 % Robin Laik (CEO) 28.8 % Elber GmbH 10.1 %	Key Figures (WRe): 2021e Beta: 1.3 Price / Book: 0.7 x Equity Ratio: 21 % Net Debt / EBITDA: 0.0 x

Strong deal activity and closing of important transactions

Mutares was able to finalise its two most important deals, Lapeyre and Magna Exterior. In our view, the negotiations ended on favourable terms and strong statements from the DIY industry should bode well for Lapeyre's operational performance. As we outlined in previous comments, we estimate that Mutares has acquired substantial assets with these deals. We expect these to be visible as bargain purchases to a larger extent than initially anticipated and therefore raise our FY 21 estimate for bargain purchases from EUR 300 to EUR 500m.

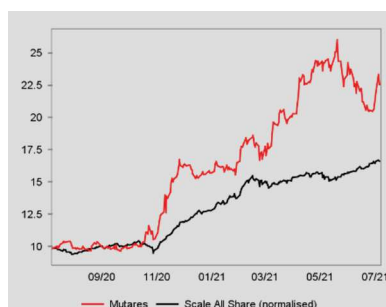
But Mutares has been far more active in recent weeks than just the standout big deals. With the purchase of Permasteelisa España as an add-on to Donges, Mutares expanded its European reach to Spain and its product offering (glass exterior) in continental Europe. Permasteelisa adds EUR 22m in annual sales. Donges should be able to exceed the EUR 400m sales threshold by FY 22. Mutares also acquired Rasche Umformtechnik as an add-on to Primo Tec, expanding its product offering and customer reach. We estimate that both transactions combined have an investment in the lower single-digit range.

On the sell side, Mutares was able to finalise the sale of STS Group to Adler Pelzer. The disclosed terms show a cash inflow of EUR 33m and based on the stated ROIC of 9x, the exit gain to be booked in Q2 should be in the amount of EUR 30m. The deal alone would be nearly sufficient to raise the dividend payment for FY 21e to EUR 2.0 per share. We remain conservative and do not raise our estimate yet, as we assume that management does not want to "look back" and keep a stable dividend (incl. the performance dividend) for FY 22 as well. Therefore, a somewhat larger buffer and more visibility would be welcome.

In addition to STS, Mutares sold EUPEC, TrefilUnion and La Meusienne. We do not estimate any exit gains here, as Eupec and Trefil Union were significantly loss-making. In our view, the step is a clean-up of the portfolio and an exit from investments that tie up consultant capacities for comparatively low rewards or for too long time. The sales of all three companies add up to EUR 80m.

We remain at Buy. Mutares's deal activity in recent months has been impressive with the closure of the seventh transaction on the buy side in July. On the sell side, there has been one significant transaction so far (STS Group) with some more announcements to be finalised. Management is well on track to meet expectations. Including the completed transactions in our valuation, the PT increases slightly from EUR 31 to EUR 33, offering a potential of more than 40%. Achieving sustainable mid-term profit targets would unlock further massive potential.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2021e (old)	+ / -	2022e (old)	+ / -	2023e (old)	+ / -	
Sales	2,454	1.3 %	2,961	-1.9 %	3,021	-2.2 %	<ul style="list-style-type: none"> We have included the bolt-on acquisitions of Permasteelisa and Rasche Umformtechnik and deconsolidated EUPEC, TrefilUnion and La Meusienne from the end of FY 21. These mainly affect adj. EBITDA. Instead of bargain purchases of EUR 300m, we now assume EUR 500m on closing Lapeyre and Magna Exterior. We also assume a slightly better operational development for Lapeyre. Holding forecasts remain unchanged for the time being.
EBITDA	280	73.3 %	55	-0.9 %	126	-1.1 %	
EBITDA adj.	-20	n.m.	55	-0.9 %	126	-1.1 %	

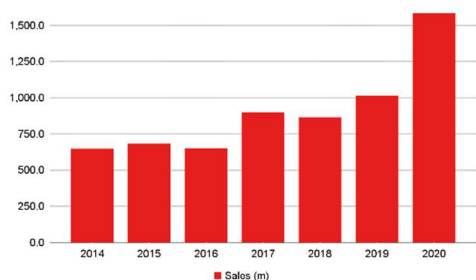


Rel. Performance vs Scale All	
1 month:	-7.0 %
6 months:	13.9 %
Year to date:	13.6 %
Trailing 12 months:	63.2 %

Company events:	
04.08.21	Q2
09.11.21	Q3

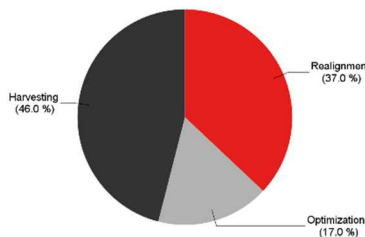
FY End: 31.12. in EUR m	CAGR (20-23e)	2017	2018	2019	2020	2021e	2022e	2023e
Sales	23.1 %	900	865	1,016	1,584	2,485	2,906	2,955
Change Sales yoy		38.4 %	-3.8 %	17.4 %	55.9 %	56.9 %	17.0 %	1.7 %
Sales Holding	38.1 %	n.a.	11	19	32	48	64	84
Chg yoy		n.a.	n.a.	83.0 %	65.0 %	49.1 %	35.3 %	30.4 %
Portfolio equity distributions		n.a.	0	3	12	12	18	20
Consulting income		n.a.	-8	-1	4	8	14	20
Exit gains		n.a.	68	0	23	30	0	0
Net income holding		n.a.	20	23	33	49	30	38
Net income margin holding		n.a.	189.9 %	116.6 %	104.7 %	102.2 %	47.3 %	45.3 %
EBITDA adj.		-28	5	7	-29	-15	55	125
Net income		44	15	21	27	344	-93	-10
Net inc. adj.		n.a.	20	23	33	49	30	38
EPS adj.		n.a.	1.32	1.48	2.20	3.15	1.97	2.46
P / E adj.		n.a.	10.1 x	6.8 x	5.1 x	7.2 x	11.4 x	9.2 x
DPS	0.0 %	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Dividend Yield		7.3 %	7.5 %	10.0 %	13.3 %	6.7 %	6.7 %	6.7 %
EPS		2.85	0.96	1.37	1.79	22.33	-6.01	-0.65
P / E		4.8 x	13.9 x	7.3 x	6.3 x	1.0 x	n.a.	n.a.
Guidance:	Annualized group sales above EUR 2.2bn (including signed acquisitions)							

Sales development in EUR m



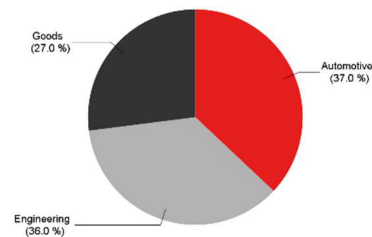
Source: Warburg Research

Sales by cycle phase 2020; in %



Source: Warburg Research

Sales by Segment 2020; %



Source: Warburg Research

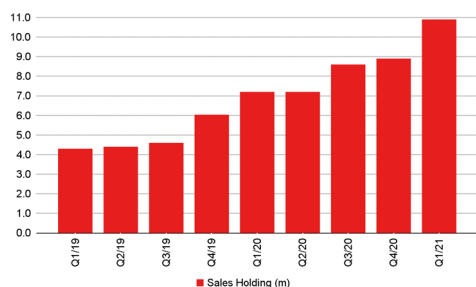
Company Background

- Mutares was co-founded in 2008 by CEO Robin Laik.
- Mutares invests in small/midcap (sales 50-500m) companies in special situations and manages the turnaround with its own consultants
- Consolidated sales increased from EUR 60m in 2010 to above EUR 1bn in 2019 as the company made more than 70 transactions
- Mutares has consistently paid a dividend and targets a base dividend of EUR 1.0. The dividend yield has exceeded 5% over the past five years.
- The company issued a bond in 2020 with a nominal value of EUR 80m to accelerate growth as the Covid pandemic gave rise to unique investment opportunities

Competitive Quality

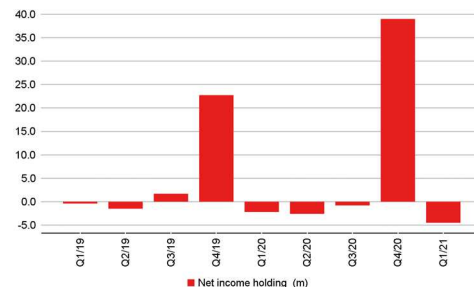
- With around 70 consultants, who are turnaround specialists, at the end of 2020, Mutares has established a European network of offices enabling the generation of synergies across its portfolio holdings.
- European small-midcap special situations management is a niche market with limited competition
- Management and board members hold significant stakes of outstanding shares
- For FY 23 Mutares targets annual consolidated sales of EUR 3bn, which translates into EUR 100m sales at Mutares holding level and a holding profit above EUR 60m including exit gains.

Sales Mutares Holding in EUR m



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

Sum of the parts

Net Asset Value	all Warburg Research estimates							
Company	exit date	sales Wre	EBITDA margin	EBITDA / EBIT	Exit multiple	EV	probability	NPV
Balcke-Dürr Group	2024	70	6%	4,2	6,0	25	25%	4,9
BEXity	2025	200	3%	6,2	9,0	56	35%	14,2
Carglas Maison (CGM)	2026	42	7%	2,9	7,0	21	10%	1,1
Cenpa	2024	27	7%	1,9	6,0	11	25%	2,2
Donges Group	2023	220	8%	17,6	7,0	123	60%	62,9
Donges Group (Nordic)	2021	200	6%	11,0	6,0	66	75%	49,5
Elastomer Solutions Group	2023	36	7%	2,5	6,0	15	35%	4,5
Exi (Ericsson Services Italia)	2026	45	6%	2,7	8,0	22	10%	1,4
EUPEC	2021	12	0%	0,0	6,0	0	80%	0,0
Gemini Rail Group	2024	110	8%	8,8	8,0	70	25%	13,8
iinovis group (Valmet Automotive)	2026	55	5%	2,8	5,0	14	10%	0,9
keeper	2024	140	12%	16,8	9,0	151	35%	41,6
Kico Group	2026	100	8%	8,0	6,0	48	25%	8,0
La Rochette	2026	120	10%	12,0	7,0	84	10%	5,6
Lacroix & Kress / Plati	2026	160	8%	13,0	7,0	91	25%	15,2
Lapyere	2026	600	8%	48,0	6,0	288	10%	19,3
Magna	2026	360	6%	21,6	6,0	130	10%	8,7
Clecim (Primetals)	2026	55	9%	5,0	7,0	35	10%	2,3
Primo TECS (Tekfor)	2026	120	7%	8,4	6,0	50	25%	8,4
Royal de Boer / Japy Tech	2026	50	10%	5,0	7,0	35	10%	2,3
Sabo	2026	25	10%	2,5	8,0	20	25%	3,3
SFC Solutions	2026	180	8%	14,4	6,0	86	25%	14,4
Terranor (Nordic Road Services)	2026	140	8%	11,2	6,0	67	25%	11,2
Trefil Union	2021	30	0%	0,0	7,0	0	80%	0,0
								329,3

	2020	2021e	2022e	2023e
Sum of the Parts (EURm)				
Consulting revenues	31,9	47,6	64,4	83,9
Consulting profit (EBITDA)	3,7	8,2	13,8	19,7
WACC				8,4%
			TV	235
Equity distributions	12	12,0	18,0	20,0
WACC				8,4%
			TV	239
(+) NPV portfolio		329		
(-) Discounted TV equity distributions		203		
NPV portfolio surplus		126,3		
Exits				
Balcke Dürr Rothemühle	5,6			
Nexive	17			
Enterprise Value / CF	22,6	146,4	31,8	473,7
Discounted values	22,6	146,4	29,3	403,3
Discounted sum EV/CF		601,6		
Debt		80		
Cash		26,5		
Other debt like items		39,8		
Equity Value		508		
Number of shares outstanding		15,5		
Fair value per share (EUR)		32,8		

■ As debt we deduct the outstanding bond and given guarantees

Valuation	2017	2018	2019	2020	2021e	2022e	2023e
Price / Book	1.3 x	1.1 x	0.8 x	0.9 x	0.7 x	0.9 x	1.0 x
Book value per share ex intangibles	8.43	8.99	8.17	7.38	28.10	20.59	18.45
EV / Sales	0.4 x	0.3 x	0.4 x	0.3 x	0.1 x	0.2 x	0.2 x
EV / EBITDA	5.6 x	5.5 x	4.6 x	3.6 x	0.7 x	8.8 x	4.0 x
EV / EBIT	9.4 x	14.0 x	14.0 x	12.5 x	1.1 x	n.a.	72.7 x
EV / EBIT adj.*	9.4 x	14.0 x	14.0 x	n.a.	n.a.	n.a.	72.7 x
P / FCF	n.a.	n.a.	n.a.	n.a.	3.6 x	n.a.	185.0 x
P / E	4.8 x	13.9 x	7.3 x	6.3 x	1.0 x	n.a.	n.a.
P / E adj.*	n.a.	10.1 x	6.8 x	5.1 x	7.2 x	11.4 x	9.2 x
Dividend Yield	7.3 %	7.5 %	10.0 %	13.3 %	6.7 %	6.7 %	6.7 %
FCF Potential Yield (on market EV)	20.1 %	17.1 %	21.5 %	28.2 %	136.9 %	11.3 %	24.8 %

*Adjustments made for: -

Company Specific Items	2017	2018	2019	2020	2021e	2022e	2023e
Sales Holding	n.a.	11	19	32	48	64	84
Portfolio equity distributions	n.a.	0	3	12	12	18	20
Exit gains	n.a.	68	0	23	30	0	0
Net income holding	n.a.	20	23	33	49	30	38
adj. EBITDA holding	n.a.	-18	1	5	11	17	23
Income investments holding	n.a.	44	22	35	42	18	20
Chg yoy	n.a.	n.a.	83.0 %	65.0 %	49.1 %	35.3 %	30.4 %
Net income margin holding	n.a.	189.9 %	116.6 %	104.7 %	102.2 %	47.3 %	45.3 %
Consulting income	n.a.	-8	-1	4	8	14	20

Consolidated profit & loss

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Sales	900	865	1,016	1,584	2,485	2,906	2,955
Change Sales yoy	38.4 %	-3.8 %	17.4 %	55.9 %	56.9 %	17.0 %	1.7 %
Increase / decrease in inventory	-4	0	-4	-23	0	0	0
Own work capitalised	0	0	0	0	0	0	0
Total Sales	896	865	1,012	1,561	2,485	2,906	2,955
Material expenses	570	532	623	975	1,565	1,889	1,891
Gross profit	326	333	389	586	919	1,017	1,064
<i>Gross profit margin</i>	<i>36.2 %</i>	<i>38.5 %</i>	<i>38.3 %</i>	<i>37.0 %</i>	<i>37.0 %</i>	<i>35.0 %</i>	<i>36.0 %</i>
Personnel expenses	252	245	292	424	721	872	857
Other operating income	156	107	119	241	291	341	346
Other operating expenses	164	146	138	261	5	431	428
Unfrequent items	0	0	0	0	0	0	0
EBITDA	67	49	79	143	485	55	125
<i>Margin</i>	<i>7.5 %</i>	<i>5.7 %</i>	<i>7.8 %</i>	<i>9.0 %</i>	<i>19.5 %</i>	<i>1.9 %</i>	<i>4.2 %</i>
Depreciation of fixed assets	27	30	53	102	162	131	118
EBITA	40	19	26	41	323	-76	7
Amortisation of intangible assets	0	0	0	0	0	0	0
Goodwill amortisation	0	0	0	0	0	0	0
EBIT	40	19	26	41	323	-76	7
<i>Margin</i>	<i>4.4 %</i>	<i>2.2 %</i>	<i>2.6 %</i>	<i>2.6 %</i>	<i>13.0 %</i>	<i>-2.6 %</i>	<i>0.2 %</i>
EBIT adj.	40	19	26	-130	-77	-76	7
Interest income	3	1	2	4	1	1	1
Interest expenses	8	5	11	28	18	18	18
Other financial income (loss)	0	0	0	0	38	0	0
EBT	35	15	17	17	344	-93	-10
<i>Margin</i>	<i>3.9 %</i>	<i>1.7 %</i>	<i>1.6 %</i>	<i>1.1 %</i>	<i>13.9 %</i>	<i>-3.2 %</i>	<i>-0.3 %</i>
Total taxes	-8	3	0	-3	0	0	0
Net income from continuing operations	44	12	17	20	344	-93	-10
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
Net income before minorities	44	12	17	20	344	-93	-10
Minority interest	0	-3	-4	-7	0	0	0
Net income	44	15	21	27	344	-93	-10
<i>Margin</i>	<i>4.9 %</i>	<i>1.7 %</i>	<i>2.0 %</i>	<i>1.7 %</i>	<i>13.9 %</i>	<i>-3.2 %</i>	<i>-0.3 %</i>
Number of shares, average	15	15	15	15	15	15	15
EPS	2.85	0.96	1.37	1.79	22.33	-6.01	-0.65
EPS adj.	n.a.	1.32	1.48	2.20	3.15	1.97	2.46

*Adjustments made for:

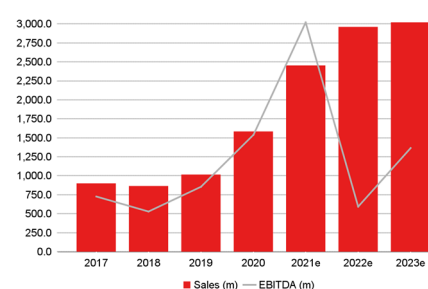
Guidance: Annualized group sales above EUR 2.2bn (including signed acquisitions)

Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Total Operating Costs / Sales	92.1 %	94.3 %	91.8 %	89.5 %	80.5 %	98.1 %	95.8 %
Operating Leverage	0.4 x	13.4 x	2.0 x	1.0 x	12.0 x	n.a.	n.a.
EBITDA / Interest expenses	8.5 x	9.6 x	7.2 x	5.1 x	26.9 x	3.0 x	7.0 x
Tax rate (EBT)	-23.7 %	18.9 %	0.0 %	-16.6 %	0.0 %	0.0 %	0.0 %
Dividend Payout Ratio	35.3 %	127.0 %	91.2 %	115.6 %	6.7 %	n.m.	n.m.
Sales per Employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

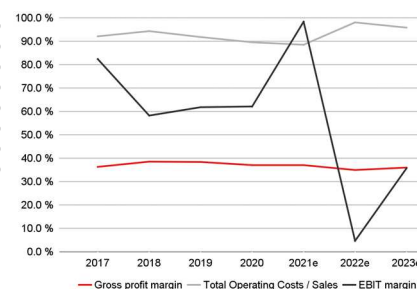
Sales, EBITDA

in EUR m

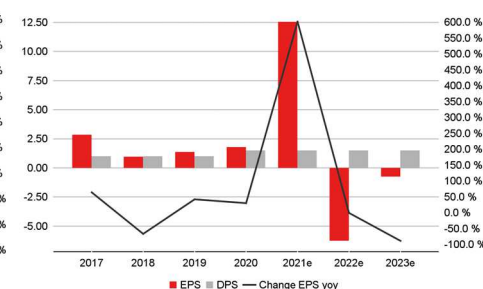


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

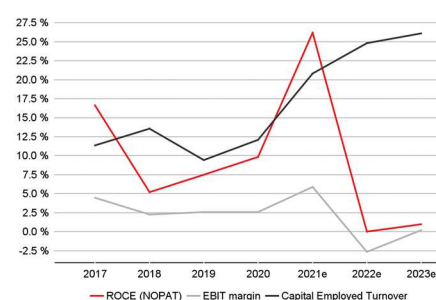
Consolidated balance sheet

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Assets							
Goodwill and other intangible assets	36	41	59	76	76	76	76
thereof other intangible assets	36	41	59	76	76	76	76
thereof Goodwill	0	0	0	0	0	0	0
Property, plant and equipment	171	133	176	243	511	410	322
Financial assets	6	17	17	9	9	9	9
Other long-term assets	4	5	123	150	350	350	350
Fixed assets	216	196	375	478	946	845	757
Inventories	131	101	134	204	355	415	422
Accounts receivable	183	163	172	295	463	542	551
Liquid assets	99	108	80	145	545	416	394
Other short-term assets	44	62	88	206	206	206	206
Current assets	457	435	474	850	1,569	1,578	1,573
Total Assets	673	631	849	1,327	2,515	2,423	2,330
Liabilities and shareholders' equity							
Subscribed capital	16	15	15	15	15	15	15
Capital reserve	37	37	37	38	38	38	38
Retained earnings	111	129	135	144	465	349	316
Other equity components	3	-1	-2	-7	-7	-7	-7
Shareholders' equity	166	181	185	190	512	395	362
Minority interest	-1	27	23	17	17	17	17
Total equity	166	208	208	207	528	412	379
Provisions	147	97	138	210	460	400	330
thereof provisions for pensions and similar obligations	103	47	87	116	166	166	166
Financial liabilities (total)	160	129	208	374	384	384	384
Short-term financial liabilities	36	26	41	57	57	57	57
Accounts payable	122	144	195	319	501	586	595
Other liabilities	79	53	100	217	642	642	642
Liabilities	507	423	640	1,120	1,987	2,011	1,951
Total liabilities and shareholders' equity	673	631	849	1,327	2,515	2,423	2,330

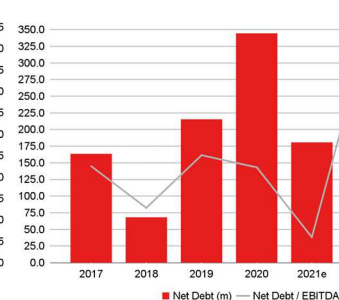
Financial Ratios

	2017	2018	2019	2020	2021e	2022e	2023e
Efficiency of Capital Employment							
Operating Assets Turnover	2.5 x	3.4 x	3.5 x	3.8 x	3.0 x	3.7 x	4.2 x
Capital Employed Turnover	2.7 x	3.1 x	2.4 x	2.9 x	4.7 x	5.3 x	5.5 x
ROA	20.4 %	7.5 %	5.5 %	5.7 %	36.4 %	-11.0 %	-1.3 %
Return on Capital							
ROCE (NOPAT)	16.6 %	5.2 %	7.5 %	9.8 %	59.6 %	n.a.	1.3 %
ROE	30.9 %	8.5 %	11.4 %	14.4 %	98.1 %	-20.5 %	-2.7 %
Adj. ROE	n.a.	11.6 %	12.3 %	17.8 %	13.9 %	6.7 %	10.1 %
Balance sheet quality							
Net Debt	164	68	215	345	5	134	155
Net Financial Debt	61	21	128	228	-161	-32	-11
Net Gearing	98.8 %	32.8 %	103.5 %	166.3 %	0.9 %	32.5 %	41.0 %
Net Fin. Debt / EBITDA	90.6 %	43.2 %	161.7 %	160.1 %	n.a.	n.a.	n.a.
Book Value / Share	10.7	11.7	12.0	12.3	33.0	25.5	23.3
Book value per share ex intangibles	8.4	9.0	8.2	7.4	28.1	20.6	18.4

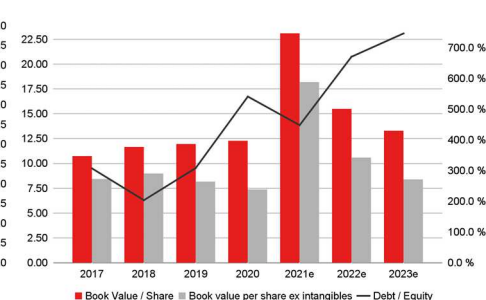
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

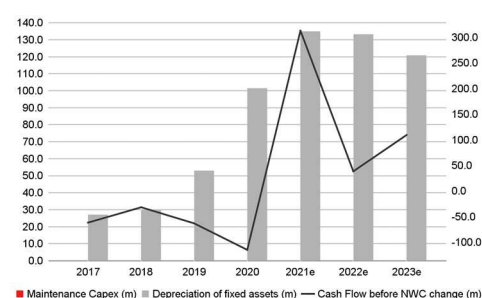
Consolidated cash flow statement

In EUR m	2017	2018	2019	2020	2021e	2022e	2023e
Net income	44	12	17	20	344	-93	-10
Depreciation of fixed assets	27	30	53	102	162	131	118
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	0	0	0	0
Increase/decrease in long-term provisions	19	-9	-15	29	50	0	0
Other non-cash income and expenses	-152	-65	-118	-265	-38	0	0
Cash Flow before NWC change	-62	-32	-63	-115	518	38	108
Increase / decrease in inventory	34	13	20	17	-152	-60	-7
Increase / decrease in accounts receivable	-2	39	34	7	-168	-79	-9
Increase / decrease in accounts payable	0	-31	-2	48	182	85	10
Increase / decrease in other working capital positions	0	0	0	0	-250	-60	-70
Increase / decrease in working capital (total)	33	21	53	72	-388	-114	-76
Net cash provided by operating activities [1]	-29	-11	-11	-43	130	-76	32
Investments in intangible assets	0	0	0	0	0	0	0
Investments in property, plant and equipment	0	0	0	-29	-30	-30	-30
Payments for acquisitions	2	19	33	79	275	0	0
Financial investments	0	0	0	1	0	0	0
Income from asset disposals	25	-3	23	1	38	0	0
Net cash provided by investing activities [2]	24	-3	44	51	283	-30	-30
Change in financial liabilities	12	0	0	104	10	0	0
Dividends paid	-5	-15	-15	-15	-23	-23	-23
Purchase of own shares	0	-3	0	-3	0	0	0
Capital measures	0	0	0	0	0	0	0
Other	28	42	-47	-29	0	0	0
Net cash provided by financing activities [3]	35	23	-62	58	-13	-23	-23
Change in liquid funds [1]+[2]+[3]	29	9	-29	66	400	-129	-21
Effects of exchange-rate changes on cash	0	0	0	-1	0	0	0
Cash and cash equivalent at end of period	99	108	80	145	545	416	394

Financial Ratios

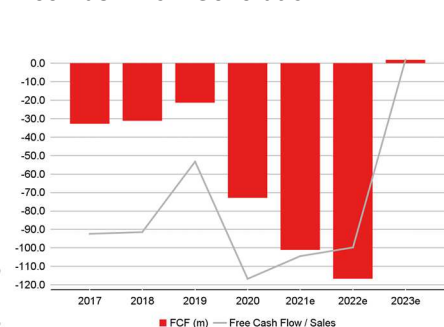
	2017	2018	2019	2020	2021e	2022e	2023e
Cash Flow							
FCF	-33	-31	-21	-73	100	-106	2
Free Cash Flow / Sales	-3.6 %	-3.6 %	-2.1 %	-4.6 %	4.0 %	-3.7 %	0.1 %
Free Cash Flow Potential	75	46	79	146	485	55	125
Free Cash Flow / Net Profit	-74.2 %	-212.2 %	-102.9 %	-269.0 %	29.0 %	114.0 %	-19.4 %
Interest Received / Avg. Cash	4.0 %	0.5 %	1.6 %	3.5 %	0.3 %	0.2 %	0.2 %
Interest Paid / Avg. Debt	5.9 %	3.5 %	6.5 %	9.7 %	4.8 %	4.7 %	4.7 %
Management of Funds							
Investment ratio	0.0 %	0.0 %	0.0 %	1.8 %	1.2 %	1.0 %	1.0 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	0.0 %	0.0 %	0.0 %	28.3 %	18.6 %	22.9 %	25.4 %
Avg. Working Capital / Sales	21.6 %	18.0 %	11.4 %	9.2 %	10.0 %	11.9 %	12.7 %
Trade Debtors / Trade Creditors	149.4 %	113.3 %	88.5 %	92.5 %	92.5 %	92.5 %	92.5 %
Inventory Turnover	4.3 x	5.3 x	4.6 x	4.8 x	4.4 x	4.5 x	4.5 x
Receivables collection period (days)	74	69	62	68	68	68	68
Payables payment period (days)	78	99	114	119	117	113	115
Cash conversion cycle (Days)	80	39	26	25	34	35	35

CAPEX and Cash Flow in EUR m



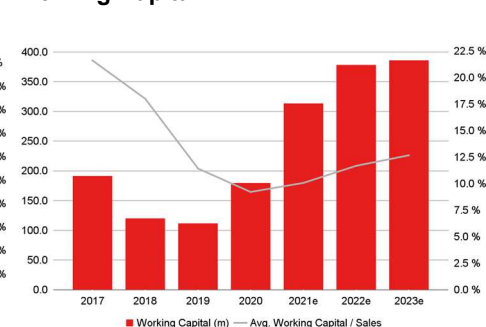
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All **data and consensus estimates** have been obtained from FactSet except where stated otherwise.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M. Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Mutares	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A2NB650.htm

INVESTMENT RECOMMENDATION

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

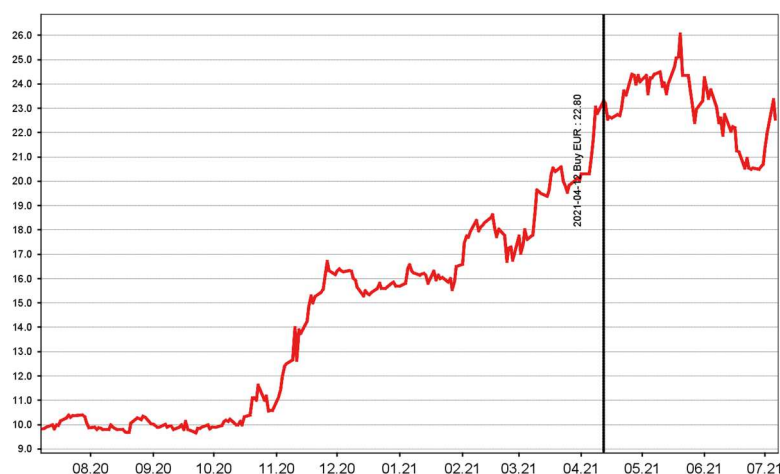
Rating	Number of stocks	% of Universe
Buy	153	72
Hold	53	25
Sell	5	2
Rating suspended	2	1
Total	213	100

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	45	88
Hold	4	8
Sell	0	0
Rating suspended	2	4
Total	51	100

PRICE AND RATING HISTORY MUTARES AS OF 07.07.2021



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.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemier +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +49 40 309537-240
Telco, Media, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Mustafa Hidir +49 40 309537-230
Automobiles, Car Suppliers mhidir@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate sstippig@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Klaus Schilling +49 69 5050-7400
Head of Equity Sales, Germany kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Alexander Eschweiler +49 40 3282-2669
Germany, Luxembourg aeschweiler@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Christopher Seedorf +49 40 3282-2695
Switzerland cseedorf@mmwarburg.com

Sophie Hauer +49 69 5050-7417
Roadshow/Marketing shauer@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Marcel Magiera +49 40 3282-2662
Sales Trading mmagiera@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg RESP MMWA GO
FactSet www.factset.com

Refinitiv www.refinitiv.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com