

# Mutares SE & Co. KGaA

## Germany - Others



HAUCK  
AUFHÄUSER  
INVESTMENT BANKING

**Buy** (old: Buy)

**Price target: EUR 37.50** (old: EUR 37.50)

**Price:** EUR 21.50      **Next result:** H1'22 11.08.22  
**Bloomberg:** MUX GR      **Market cap:** EUR 443.7 m  
**Reuters:** MUXG.BE      **Enterprise Value:** EUR 888.1 m

17-May-22

**Alina Köhler**  
Analyst

alina.koehler@ha-ib.de

Tel.: +49 40 4506 342 3095

## Q2'22: More deals to come

**M&A activity should remain buoyant.** In fact, Mutares' management expects an extremely high transaction activity for Q2'22, and could hence achieve the target of at least 12 transactions for the full year already earlier than planned. Importantly, visibility is strong. The current M&A pipeline comprises a revenue volume of > € 11bn, of which targets with a combined volume of c. € 1.1bn are already signed. Note that Mutares has c. € 40m in cash available for M&A (ex-dividends). While purchase prices typically are of symbolic nature, management tends to inject equity through granted guarantees or other off-balance sheet items (€ 40m in FY'21).

Meanwhile, Mutares' current portfolio harbors a solid pipeline of potential exit candidates, e.g. Donges Group and keeper (eHAIB combined gross proceeds of > € 250m), in our view. In fact, of its 26 portfolio companies, which are active in automotive & mobility (29% of FY'21 sales), engineering & technology (35%) and goods & services (36%), four have already entered the divestiture process, and one deal was just recently signed:

Frigoscandia, an operator of transport and terminal services in the field of food-logistics, has received an irrevocable offer to sell all shares in its French subsidiary Frigoscandia SAS to the French logistics company Olano Services SAS. The transaction is expected to be completed in Q3'22 and should yield some € 10m in exit proceeds, in our view. Notably, the portfolio company was acquired in December'21 and the partial exit is seen to underpin Mutares' opportunistic approach.

Overall, Mutares looks well equipped to produce an increasingly predictable income stream for shareholders thanks to diversification across maturity stages and industries. In fact, management expects holding net income of c. € 100m (or 1.8%-2.2% of group revenues) by 2023E. Three income streams will contribute to this: (i) Consulting services and management fees, (ii) cash upstreaming via dividends paid by mature portfolio companies, and (iii) exit proceeds.

Already in Q1'22, Holding level revenues from consulting services and management fees increased by 35% yoy to € 14.7m thanks to strong deal activity in FY'21 and the larger portfolio accordingly. Holding net income came it at € 6.8m vs € -4.3m in Q1'21 thanks to operating leverage and no negative one-offs (€ 4m in FY'21).

**Reiterate BUY with an unchanged PT of € 37.50** based on a dividend yield model (hurdle rate: 4% dividend yield).

Y/E 31.12 (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Sales	865.1	1,015.9	1,583.9	2,504.0	3,273.5	3,498.9	3,650.0
Sales growth	-4 %	17 %	56 %	58 %	31 %	7 %	4 %
EBITDA	49.1	79.2	142.7	566.5	46.1	104.6	160.2
EBIT	19.4	26.2	41.2	447.3	-80.4	-22.7	30.4
Net income	14.7	21.2	27.1	435.6	-91.3	-34.3	14.7
Net debt	31.5	204.7	289.2	428.6	444.4	399.3	317.3
Net gearing	-8.6 %	63.4 %	90.9 %	38.2 %	42.2 %	36.8 %	24.4 %
Net Debt/EBITDA	0.6	2.6	2.0	0.8	9.7	3.8	2.0
EPS pro forma (Holding)	1.32	1.48	2.16	2.46	1.66	2.51	2.82
CPS	-2.68	-4.18	-8.92	-10.79	-0.96	2.86	11.79
DPS	1.00	1.00	1.50	1.50	1.50	1.50	1.50
Dividend yield	4.7 %	4.7 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %
Gross profit margin	38.5 %	38.5 %	37.6 %	37.1 %	40.0 %	41.0 %	41.0 %
EBITDA margin	5.7 %	7.8 %	9.0 %	22.6 %	1.4 %	3.0 %	4.4 %
EBIT margin	2.2 %	2.6 %	2.6 %	17.9 %	-2.5 %	-0.6 %	0.8 %
ROCE	4.8 %	5.6 %	7.3 %	41.9 %	-7.0 %	-1.4 %	2.0 %
Holding Revenues		19.3	31.9	50.5	74.0	107.1	126.0
Portfolio Income		41.3	66.5	64.9	94.0	132.1	156.0
Net Income		22.5	33.4	50.7	34.2	51.7	58.2

Source: Company data, HAIB Close price as of: 16.05.2022; estimates exclude potential M&A and exits

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

**High/low 52 weeks:** 29.80 / 19.16

**Price/Book Ratio:** 0.6

**Relative performance (SDAX):**

3 months 8.4 %

6 months 12.7 %

12 months 5.2 %

## Changes in estimates

		Sales	EBIT	EPS
2022	old:	3,273.5	-80.4	1.66
	Δ	-	-	-
2023	old:	3,498.9	-22.7	2.51
	Δ	-	-	-
2024	old:	3,650.0	30.4	2.82
	Δ	-	-	-

## Key share data:

Number of shares: (in m pcs) 20.6

Authorised capital: (in € m) 7.0

Book value per share: (in €) 33.5

Ø trading volume: (12 months) 42,300

## Major shareholders:

Free Float 60.0 %

Robin Laik 29.0 %

Management 11.0 %

## Company description:

Mutares is a turnaround investor focussed on generating a return on its investment through the purchase of underperforming corporate spin offs, their operational turnaround and subsequent sale.

## Financials

Profit and loss (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>865.1</b>	<b>1,015.9</b>	<b>1,583.9</b>	<b>2,504.0</b>	<b>3,273.5</b>	<b>3,498.9</b>	<b>3,650.0</b>
<i>Sales growth</i>	-3.8 %	17.4 %	55.9 %	58.1 %	30.7 %	6.9 %	4.3 %
Increase/decrease in finished goods and work-in-process	0.1	-3.9	-23.1	6.8	-16.4	-17.5	-18.3
<b>Total sales</b>	<b>865.2</b>	<b>1,012.0</b>	<b>1,560.8</b>	<b>2,510.8</b>	<b>3,257.1</b>	<b>3,481.4</b>	<b>3,631.8</b>
Other operating income	107.4	119.1	241.3	770.1	0.0	0.0	1.0
Material expenses	532.4	622.6	974.6	1,579.7	1,954.3	2,054.0	2,142.8
Personnel expenses	244.7	291.8	423.9	660.4	818.4	874.7	912.5
Other operating expenses	146.4	137.5	260.8	474.3	438.4	448.1	417.3
Total operating expenses	816.1	932.8	1,418.1	1,944.3	3,211.1	3,376.8	3,471.6
<b>EBITDA</b>	<b>49.1</b>	<b>79.2</b>	<b>142.7</b>	<b>566.5</b>	<b>46.1</b>	<b>104.6</b>	<b>160.2</b>
Depreciation	23.5	43.1	88.7	109.2	115.0	115.0	115.0
<b>EBITA</b>	<b>25.6</b>	<b>36.1</b>	<b>54.0</b>	<b>457.3</b>	<b>-69.0</b>	<b>-10.4</b>	<b>45.2</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Amortisation of intangible assets	6.2	9.9	12.8	10.0	11.5	12.2	12.8
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	1.0
<b>EBIT (inc revaluation net)</b>	<b>19.4</b>	<b>26.2</b>	<b>41.2</b>	<b>447.3</b>	<b>-80.4</b>	<b>-22.7</b>	<b>30.4</b>
Interest income	0.5	1.5	3.9	8.5	2.2	2.4	2.9
Interest expenses	5.1	11.0	28.2	27.2	13.1	14.0	14.6
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	2.0
Financial result	-4.6	-9.5	-24.3	-18.7	-10.9	-11.6	-11.7
<b>Recurring pretax income from continuing operations</b>	<b>14.8</b>	<b>16.7</b>	<b>16.9</b>	<b>428.6</b>	<b>-91.3</b>	<b>-34.3</b>	<b>18.7</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	1.0
<b>Earnings before taxes</b>	<b>14.8</b>	<b>16.7</b>	<b>16.9</b>	<b>428.6</b>	<b>-91.3</b>	<b>-34.3</b>	<b>19.7</b>
Taxes	2.8	0.0	-2.8	-13.7	0.0	0.0	1.0
<b>Net income from continuing operations</b>	<b>12.0</b>	<b>16.7</b>	<b>19.7</b>	<b>442.3</b>	<b>-91.3</b>	<b>-34.3</b>	<b>18.7</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	2.0
<b>Net income</b>	<b>12.0</b>	<b>16.7</b>	<b>19.7</b>	<b>442.3</b>	<b>-91.3</b>	<b>-34.3</b>	<b>15.7</b>
Minority interest	-2.7	-4.5	-7.4	6.7	0.0	0.0	1.0
<b>Net profit (reported)</b>	<b>14.7</b>	<b>21.2</b>	<b>27.1</b>	<b>435.6</b>	<b>-91.3</b>	<b>-34.3</b>	<b>14.7</b>
Average number of shares	15.2	15.2	15.2	20.6	20.6	20.6	20.6
<b>EPS reported</b>	<b>0.96</b>	<b>1.39</b>	<b>1.78</b>	<b>21.11</b>	<b>-4.42</b>	<b>-1.66</b>	<b>0.71</b>

Profit and loss (common size)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	0.0 %	neg.	neg.	0.3 %	neg.	neg.	neg.
<b>Total sales</b>	<b>100.0 %</b>	<b>99.6 %</b>	<b>98.5 %</b>	<b>100.3 %</b>	<b>99.5 %</b>	<b>99.5 %</b>	<b>99.5 %</b>
Other operating income	12.4 %	11.7 %	15.2 %	30.8 %	0.0 %	0.0 %	0.0 %
Material expenses	61.5 %	61.3 %	61.5 %	63.1 %	59.7 %	58.7 %	58.7 %
Personnel expenses	28.3 %	28.7 %	26.8 %	26.4 %	25.0 %	25.0 %	25.0 %
Other operating expenses	16.9 %	13.5 %	16.5 %	18.9 %	13.4 %	12.8 %	11.4 %
Total operating expenses	94.3 %	91.8 %	89.5 %	77.6 %	98.1 %	96.5 %	95.1 %
<b>EBITDA</b>	<b>5.7 %</b>	<b>7.8 %</b>	<b>9.0 %</b>	<b>22.6 %</b>	<b>1.4 %</b>	<b>3.0 %</b>	<b>4.4 %</b>
Depreciation	2.7 %	4.2 %	5.6 %	4.4 %	3.5 %	3.3 %	3.2 %
<b>EBITA</b>	<b>3.0 %</b>	<b>3.6 %</b>	<b>3.4 %</b>	<b>18.3 %</b>	<b>neg.</b>	<b>neg.</b>	<b>1.2 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.7 %	1.0 %	0.8 %	0.4 %	0.4 %	0.4 %	0.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>2.2 %</b>	<b>2.6 %</b>	<b>2.6 %</b>	<b>17.9 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.8 %</b>
Interest income	0.1 %	0.1 %	0.2 %	0.3 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.6 %	1.1 %	1.8 %	1.1 %	0.4 %	0.4 %	0.4 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>1.7 %</b>	<b>1.6 %</b>	<b>1.1 %</b>	<b>17.1 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.5 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>1.7 %</b>	<b>1.6 %</b>	<b>1.1 %</b>	<b>17.1 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.5 %</b>
Tax rate	18.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income from continuing operations</b>	<b>1.4 %</b>	<b>1.6 %</b>	<b>1.2 %</b>	<b>17.7 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.5 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.1 %
<b>Net income</b>	<b>1.4 %</b>	<b>1.6 %</b>	<b>1.2 %</b>	<b>17.7 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.4 %</b>
Minority interest	neg.	neg.	neg.	0.3 %	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>1.7 %</b>	<b>2.1 %</b>	<b>1.7 %</b>	<b>17.4 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.4 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets</b>	<b>41.4</b>	<b>58.7</b>	<b>76.0</b>	<b>134.0</b>	<b>123.5</b>	<b>112.3</b>	<b>100.5</b>
Property, plant and equipment	133.3	296.2	390.0	875.3	790.3	705.3	621.3
Financial assets	16.9	16.6	8.7	73.6	73.6	73.6	73.6
<b>FIXED ASSETS</b>	<b>191.6</b>	<b>371.5</b>	<b>474.7</b>	<b>1,082.9</b>	<b>987.4</b>	<b>891.2</b>	<b>795.4</b>
Inventories	100.8	134.0	203.5	423.2	553.3	591.3	616.9
Accounts receivable	147.6	143.0	258.5	291.0	380.4	406.6	424.2
Other current assets	69.4	96.5	226.2	480.7	480.7	480.7	480.7
Liquid assets	108.1	79.7	145.3	255.1	239.3	284.4	366.5
Deferred taxes	13.3	23.8	18.9	27.4	27.4	27.4	27.4
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>439.2</b>	<b>477.0</b>	<b>852.5</b>	<b>1,477.4</b>	<b>1,681.1</b>	<b>1,790.5</b>	<b>1,915.6</b>
<b>TOTAL ASSETS</b>	<b>630.8</b>	<b>848.5</b>	<b>1,327.2</b>	<b>2,560.3</b>	<b>2,668.5</b>	<b>2,681.7</b>	<b>2,711.1</b>
SHAREHOLDERS EQUITY	180.7	185.3	190.3	721.2	691.0	668.9	673.7
MINORITY INTEREST	27.4	22.9	16.9	15.2	15.2	15.2	16.2
Long-term debt	92.6	197.1	318.4	530.7	530.7	530.7	530.7
Provisions for pensions and similar obligations	47.0	87.3	116.1	153.0	153.0	153.0	153.0
Other provisions	49.7	50.5	94.1	172.8	172.8	172.8	172.8
<b>Non-current liabilities</b>	<b>189.3</b>	<b>334.9</b>	<b>528.6</b>	<b>856.5</b>	<b>856.5</b>	<b>856.5</b>	<b>856.5</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	111.9	159.9	250.4	372.8	511.2	546.4	570.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	115.1	130.4	289.5	412.3	412.3	412.3	412.3
Deferred taxes	6.4	15.1	15.1	137.8	137.8	137.8	137.8
Deferred income	0.0	0.0	36.3	44.5	44.5	44.5	44.5
<b>Current liabilities</b>	<b>233.4</b>	<b>305.4</b>	<b>591.4</b>	<b>967.4</b>	<b>1,105.8</b>	<b>1,141.0</b>	<b>1,164.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>630.8</b>	<b>848.5</b>	<b>1,327.2</b>	<b>2,560.3</b>	<b>2,668.5</b>	<b>2,681.7</b>	<b>2,711.1</b>

Balance sheet (common size)	2018	2019	2020	2021	2022E	2023E	2024E
<b>Intangible assets</b>	<b>6.6 %</b>	<b>6.9 %</b>	<b>5.7 %</b>	<b>5.2 %</b>	<b>4.6 %</b>	<b>4.2 %</b>	<b>3.7 %</b>
Property, plant and equipment	21.1 %	34.9 %	29.4 %	34.2 %	29.6 %	26.3 %	22.9 %
Financial assets	2.7 %	2.0 %	0.7 %	2.9 %	2.8 %	2.7 %	2.7 %
<b>FIXED ASSETS</b>	<b>30.4 %</b>	<b>43.8 %</b>	<b>35.8 %</b>	<b>42.3 %</b>	<b>37.0 %</b>	<b>33.2 %</b>	<b>29.3 %</b>
Inventories	16.0 %	15.8 %	15.3 %	16.5 %	20.7 %	22.1 %	22.8 %
Accounts receivable	23.4 %	16.9 %	19.5 %	11.4 %	14.3 %	15.2 %	15.6 %
Other current assets	11.0 %	11.4 %	17.0 %	18.8 %	18.0 %	17.9 %	17.7 %
Liquid assets	17.1 %	9.4 %	11.0 %	10.0 %	9.0 %	10.6 %	13.5 %
Deferred taxes	2.1 %	2.8 %	1.4 %	1.1 %	1.0 %	1.0 %	1.0 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>69.6 %</b>	<b>56.2 %</b>	<b>64.2 %</b>	<b>57.7 %</b>	<b>63.0 %</b>	<b>66.8 %</b>	<b>70.7 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
SHAREHOLDERS EQUITY	28.6 %	21.8 %	14.3 %	28.2 %	25.9 %	24.9 %	24.9 %
MINORITY INTEREST	4.3 %	2.7 %	1.3 %	0.6 %	0.6 %	0.6 %	0.6 %
Long-term debt	14.7 %	23.2 %	24.0 %	20.7 %	19.9 %	19.8 %	19.6 %
Provisions for pensions and similar obligations	7.5 %	10.3 %	8.7 %	6.0 %	5.7 %	5.7 %	5.6 %
Other provisions	7.9 %	6.0 %	7.1 %	6.7 %	6.5 %	6.4 %	6.4 %
<b>Non-current liabilities</b>	<b>30.0 %</b>	<b>39.5 %</b>	<b>39.8 %</b>	<b>33.5 %</b>	<b>32.1 %</b>	<b>31.9 %</b>	<b>31.6 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	17.7 %	18.8 %	18.9 %	14.6 %	19.2 %	20.4 %	21.0 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	18.2 %	15.4 %	21.8 %	16.1 %	15.5 %	15.4 %	15.2 %
Deferred taxes	1.0 %	1.8 %	1.1 %	5.4 %	5.2 %	5.1 %	5.1 %
Deferred income	0.0 %	0.0 %	2.7 %	1.7 %	1.7 %	1.7 %	1.6 %
<b>Current liabilities</b>	<b>37.0 %</b>	<b>36.0 %</b>	<b>44.6 %</b>	<b>37.8 %</b>	<b>41.4 %</b>	<b>42.5 %</b>	<b>43.0 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	12.0	16.7	19.7	442.3	-91.3	-34.3	15.7
Depreciation of fixed assets (incl. leases)	23.5	43.1	88.7	109.2	115.0	115.0	115.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Amortisation of intangible assets	6.2	9.9	12.8	10.0	11.5	12.2	12.8
Others	-85.1	-127.6	-186.8	-677.0	0.0	0.0	0.0
Cash flow from operations before changes in w/c	-43.4	-57.9	-65.6	-115.5	35.2	93.0	144.5
Increase/decrease in inventory	13.0	20.1	16.5	-22.4	42.3	55.3	59.1
Increase/decrease in accounts receivable	39.0	34.4	7.1	43.1	29.1	38.0	40.7
Increase/decrease in accounts payable	-31.2	-1.9	48.0	38.4	0.0	0.0	0.0
Increase/decrease in other working capital positions	11.5	-5.4	-40.4	-47.1	0.0	0.0	0.0
Increase/decrease in working capital	32.3	47.2	31.2	12.0	71.4	93.4	99.8
<b>Cash flow from operating activities</b>	<b>-11.1</b>	<b>-10.7</b>	<b>-34.4</b>	<b>-103.5</b>	<b>106.6</b>	<b>186.3</b>	<b>244.3</b>
CAPEX	23.7	31.4	35.5	59.7	30.0	30.0	31.0
Payments for acquisitions	-19.4	-32.6	-78.6	-188.8	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	1.0
Income from asset disposals	1.1	43.2	8.3	42.3	15.0	0.0	-15.0
<b>Cash flow from investing activities</b>	<b>-3.2</b>	<b>44.4</b>	<b>51.4</b>	<b>171.5</b>	<b>-15.0</b>	<b>-30.0</b>	<b>-47.0</b>
Cash flow before financing	-14.3	33.7	17.0	23.1	31.0	31.0	31.0
Increase/decrease in debt position	0.1	-0.1	104.0	44.0	0.0	0.0	0.0
Purchase of own shares	3.0	0.0	2.5	-5.4	0.0	0.0	0.0
Capital measures	46.9	0.0	0.0	94.3	0.0	0.0	0.0
Dividends paid	15.2	15.2	15.2	23.1	31.0	31.0	31.0
Others	-5.3	-47.1	-28.4	-72.8	-76.4	-80.3	-84.3
Effects of exchange rate changes on cash	0.0	0.3	-9.2	-6.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>23.5</b>	<b>-62.4</b>	<b>57.9</b>	<b>47.8</b>	<b>-107.4</b>	<b>-111.2</b>	<b>-115.2</b>
Increase/decrease in liquid assets	9.2	-28.4	65.7	n/a	n/a	n/a	n/a
<b>Liquid assets at end of period</b>	<b>108.1</b>	<b>79.7</b>	<b>145.4</b>	<b>255.1</b>	<b>239.3</b>	<b>284.4</b>	<b>366.5</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Domestic	103.1	121.1	188.8	298.5	390.2	417.1	435.1
yoy change	-59.1 %	17.4 %	55.9 %	58.1 %	30.7 %	6.9 %	4.3 %
Rest of Europe	709.4	833.0	1,298.8	2,053.3	2,684.3	2,869.1	2,993.0
yoy change	17.9 %	17.4 %	55.9 %	58.1 %	30.7 %	6.9 %	4.3 %
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	8.0	9.4	14.6	23.1	30.2	32.3	33.7
yoy change	-82.6 %	17.4 %	55.9 %	58.1 %	30.7 %	6.9 %	4.3 %
<b>TTL</b>	<b>820.5</b>	<b>963.5</b>	<b>1,502.2</b>	<b>2,374.9</b>	<b>3,104.7</b>	<b>3,318.4</b>	<b>3,461.8</b>
yoy change	-8.8 %	17.4 %	55.9 %	58.1 %	30.7 %	6.9 %	4.3 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
<b>P&amp;L growth analysis</b>							
Sales growth	-3.8 %	17.4 %	55.9 %	58.1 %	30.7 %	6.9 %	4.3 %
EBITDA growth	-26.8 %	61.3 %	190.7 %	615.3 %	-67.7 %	-81.5 %	247.8 %
EBIT growth	-51.5 %	35.1 %	112.5 %	1607.3 %	-295.1 %	-105.1 %	-137.8 %
EPS growth	-66.1 %	44.2 %	84.5 %	1416.8 %	-348.5 %	-107.9 %	-116.1 %
<b>Efficiency</b>							
Total operating costs / sales	94.3 %	91.8 %	89.5 %	77.6 %	98.1 %	96.5 %	95.1 %
Sales per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
EBITDA per employee	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	19.0 %	12.5 %	11.0 %	9.2 %	9.7 %	11.3 %	12.2 %
Inventory turnover (sales/inventory)	8.6	7.6	7.8	5.9	5.9	5.9	5.9
Trade debtors in days of sales	62.3	51.4	59.6	42.4	42.4	42.4	42.4
A/P turnover [(A/P*365)/sales]	47.2	57.5	57.7	54.3	57.0	57.0	57.0
Cash conversion cycle (days)	54.7	36.2	42.0	54.1	50.3	50.4	50.4
<b>Cash flow analysis</b>							
Free cash flow	-34.8	-42.1	-69.9	-163.2	76.6	156.3	213.3
Free cash flow/sales	-4.0 %	-4.1 %	-4.4 %	-6.5 %	2.3 %	4.5 %	5.8 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	neg.	1448.1 %
Capex / depre	79.8 %	59.2 %	35.0 %	50.0 %	23.7 %	23.6 %	24.8 %
Capex / maintenance capex	52.5 %	139.2 %	49.3 %	50.0 %	23.7 %	23.6 %	3100.0 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	31.5	204.7	289.2	428.6	444.4	399.3	317.3
Net Debt/EBITDA	0.6	2.6	2.0	0.8	9.7	3.8	2.0
Net debt / equity	0.2	1.1	1.5	0.6	0.6	0.6	0.5
Interest cover	3.8	2.4	1.5	16.4	0.0	0.0	2.1
Dividend payout ratio	103.6 %	71.9 %	84.3 %	7.1 %	100.0 %	100.0 %	210.1 %
<b>Asset utilisation</b>							
Capital employed turnover	2.2	1.9	2.2	1.6	2.1	2.3	2.4
Operating assets turnover	3.2	2.5	2.6	2.1	2.7	3.0	3.3
Plant turnover	6.5	3.4	4.1	2.9	4.1	5.0	5.9
Inventory turnover (sales/inventory)	8.6	7.6	7.8	5.9	5.9	5.9	5.9
<b>Returns</b>							
ROCE	4.8 %	5.6 %	7.3 %	41.9 %	-7.0 %	-1.4 %	2.0 %
ROE	8.1 %	11.4 %	14.3 %	60.4 %	-13.2 %	-5.1 %	2.2 %
<b>Other</b>							
Interest paid / avg. debt	5.2 %	7.6 %	13.7 %	7.5 %	3.1 %	2.6 %	2.8 %
No. employees (average)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of shares	15.2	15.2	15.2	20.6	20.6	20.6	20.6
DPS	1.0	1.0	1.5	1.5	1.5	1.5	1.5
EPS reported	0.96	1.39	1.78	21.11	-4.42	-1.66	0.71
<b>Valuation ratios</b>							
P/BV	1.8	1.8	1.7	0.6	0.6	0.7	0.7
EV/sales	0.4	0.5	0.4	0.3	0.3	0.2	0.2
EV/EBITDA	7.3	6.7	4.3	1.5	19.3	8.1	4.8
EV/EBITA	14.0	14.7	11.4	1.9	-12.9	-81.0	16.8
EV/EBIT	18.5	20.3	15.0	2.0	-11.0	-37.2	25.0
EV/FCF	-10.3	-12.6	-8.8	-5.3	11.6	5.4	3.6
Adjusted FCF yield	5.2 %	5.2 %	7.3 %	48.9 %	-8.6 %	-2.5 %	19.5 %
Dividend yield	4.7 %	4.7 %	7.0 %	7.0 %	7.0 %	7.0 %	7.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

**Disclosures regarding research publications of Hauck Aufhäuser Lampe Privatbank AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under the Temporary Permission Regime for EEA firms, subject to the FCA requirements on research recommendation disclosures**

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. Further to this, under the FCA’s rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if Hauck Aufhäuser Lampe Privatbank AG

- (1) or any other person belonging to the same group with that person (as part of a consortium) within the past twelve months, acquired the financial instruments of the analysed company,
- (2) or any other person belonging to the same group with that person has entered into an agreement on the production of the research report with the analysed company,
- (3) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement,
- (4) holds a) 5% or more of the share capital of the analysed company, or b) the analysed company holds 5% or more of the share capital of Hauck Aufhäuser Lampe Privatbank AG or its affiliate(s),
- (5) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analysed company or derivatives thereof,
- (6) or any other person belonging to the same group with that person is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

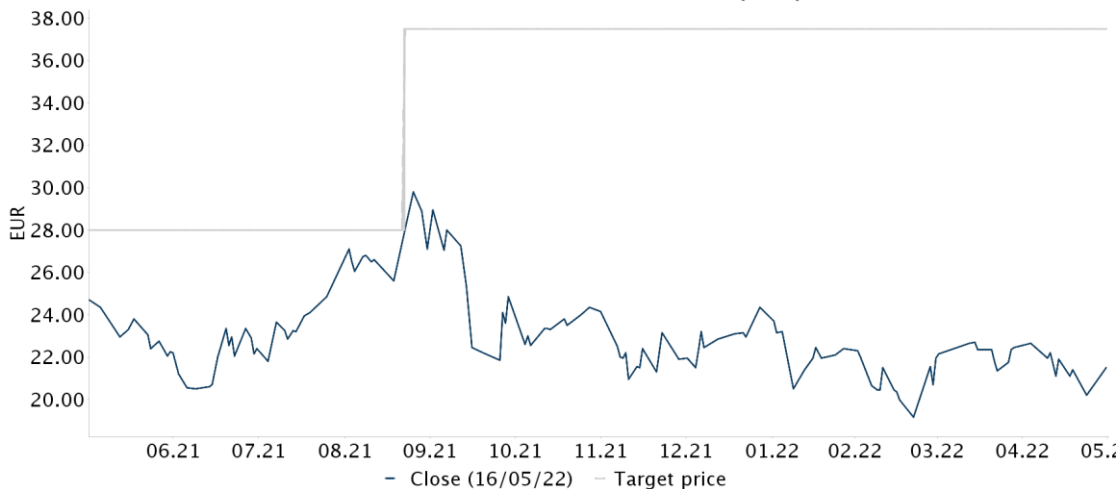
**Conflicts of interest that existed at the time when this research report was published:**

Company	Disclosure
Mutares SE & Co. KGaA	2, 6

**Historical target price and rating changes for Mutares SE & Co. KGaA in the last 12 months**

**Price and Rating History  
Mutares SE & Co. KGaA as of 16/05/22**

**Initiation coverage**  
24-March-14



Company	Date	Analyst	Rating	Target price	Close
Mutares SE & Co. KGaA	22.04.2022	Köhler, Alina	Buy	EUR 37,50	EUR 22,65
	02.03.2022	Köhler, Alina	Buy	EUR 37,50	EUR 20,35
	10.11.2021	Köhler, Alina	Buy	EUR 37,50	EUR 24,00
	05.10.2021	Köhler, Alina	Buy	EUR 37,50	EUR 22,20
	28.09.2021	Köhler, Alina	Buy	EUR 37,50	EUR 27,25

16.09.2021	Köhler, Alina	Buy	EUR 37,50	EUR 27,10
08.09.2021	Köhler, Alina	Buy	EUR 37,50	EUR 25,60

### Hauck Aufhäuser Investment Banking distribution of ratings and in proportion to investment banking services

<b>Buy</b>	80.25 %	96.77 %
<b>Sell</b>	3.09 %	0.00 %
<b>Hold</b>	16.67 %	3.23 %

Date of publication creation: 17/05/2022 07:43 AM

Date of publication dissemination: 17/05/2022 08:11 AM



## 1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by Hauck Aufhäuser Lampe Privatbank AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of Hauck Aufhäuser Lampe Privatbank AG. Reproduction of this document, in whole or in part, is not permitted without prior permission Hauck Aufhäuser Lampe Privatbank AG. All rights reserved.

Under no circumstances shall Hauck Aufhäuser Lampe Privatbank AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

## 2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

## 3. Organisational Requirements

Hauck Aufhäuser Lampe Privatbank AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of Hauck Aufhäuser Lampe Privatbank AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

## 4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

Hauck Aufhäuser Lampe Privatbank AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 10% within 12 months  
Sell: Sustainable downside potential of more than 10% within 12 months.  
Hold: Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of Hauck Aufhäuser Lampe Privatbank AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analysed in this document was solely made by Hauck Aufhäuser Lampe Privatbank AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of Hauck Aufhäuser Lampe Privatbank AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

## 5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. Hauck Aufhäuser Lampe Privatbank AG has checked the information for plausibility but not for accuracy or completeness.

## 6. Competent Supervisory Authority

Hauck Aufhäuser Lampe Privatbank AG are under supervision of the BaFin – German Federal Financial Supervisory Authority Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

This document is distributed in the UK under the Temporary Permission Regime for EEA firms and in compliance with the applicable FCA requirements.

## 7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

## 8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under:

<https://www.hal-privatbank.com/en/investmentbank/investment-banking>



## Disclosures for U.S. persons only

This research report is a product of HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, HAUCK AUFHÄUSER LAMPE PRIVATBANK AG, has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

## Contacts: Hauck Aufhäuser Investment Banking

### HAIB Research

Hauck Aufhäuser Investment Banking  
Mittelweg 16/17  
20148 Hamburg  
Germany

Tel.: +49 (0) 40 414 3885 91  
Fax: +49 (0) 40 414 3885 71  
E-Mail: [research@ha-ib.de](mailto:research@ha-ib.de)  
[www.ha-research.de](http://www.ha-research.de)

**Tim Wunderlich, CFA**  
Head of Transactional Research  
Tel.: +49 40 414 3885 81  
E-Mail: [tim.wunderlich@ha-ib.de](mailto:tim.wunderlich@ha-ib.de)

**Marie-Thérèse Grübner**  
Head of Capital Advisory  
Tel.: +49 40 450 6342 3097  
E-Mail: [marie-therese.gruebner@ha-ib.de](mailto:marie-therese.gruebner@ha-ib.de)

**Christian Sandherr**  
Head of Equity Advisory  
Tel.: +49 40 414 3885 79  
E-Mail: [christian.sandherr@ha-ib.de](mailto:christian.sandherr@ha-ib.de)

**Alexander Galitsa**  
Analyst  
Tel.: +49 40 414 3885 83  
E-Mail: [alexander.galitsa@ha-ib.de](mailto:alexander.galitsa@ha-ib.de)

**Alina Köhler**  
Analyst  
Tel.: +49 40 450 6342 3095  
E-Mail: [alina.koehler@ha-ib.de](mailto:alina.koehler@ha-ib.de)

**Christian Glowa**  
Analyst  
Tel.: +49 40 414 3885 95  
E-Mail: [christian.glowa@ha-ib.de](mailto:christian.glowa@ha-ib.de)

**Christian Salis**  
Analyst  
Tel.: +49 40 414 3885 96  
E-Mail: [christian.salis@ha-ib.de](mailto:christian.salis@ha-ib.de)

**Frederik Jarchow**  
Analyst  
Tel.: +49 40 414 3885 76  
E-Mail: [frederik.jarchow@ha-ib.de](mailto:frederik.jarchow@ha-ib.de)

**Jonah Emerson**  
Analyst  
Tel.: +49 40 450 6342 3098  
E-Mail: [jonah.emerson@ha-ib.de](mailto:jonah.emerson@ha-ib.de)

**Jorge González Sadornil**  
Analyst  
Tel.: +49 40 414 3885 84  
E-Mail: [jorge.gonzalez@ha-ib.de](mailto:jorge.gonzalez@ha-ib.de)

**Nicole Winkler**  
Analyst  
Tel.: +49 40 414 3885 97  
E-Mail: [nicole.winkler@ha-ib.de](mailto:nicole.winkler@ha-ib.de)

**Philipp Sennewald**  
Analyst  
Tel.: +49 40 450 6342 3091  
E-Mail: [philipp.sennewald@ha-ib.de](mailto:philipp.sennewald@ha-ib.de)

**Simon Bentlage**  
Analyst  
Tel.: +49 40 450 6342 3096  
E-Mail: [simon.bentlage@ha-ib.de](mailto:simon.bentlage@ha-ib.de)

**Simon Jouck**  
Analyst  
Tel.: +49 40 450 6342 3093  
E-Mail: [simon.jouck@ha-ib.de](mailto:simon.jouck@ha-ib.de)

### HAIB Sales

**Alexander Lachmann**  
Equity Sales  
Tel.: +41 43 497 30 23  
E-Mail: [alexander.lachmann@ha-ib.de](mailto:alexander.lachmann@ha-ib.de)

**Carlos Becke**  
Equity Sales  
Tel.: +44 203 84 107 97  
E-Mail: [carlos.becke@ha-ib.de](mailto:carlos.becke@ha-ib.de)

**Christian Bybjerg**  
Equity Sales  
Tel.: +49 414 3885 74  
E-Mail: [christian.bybjerg@ha-ib.de](mailto:christian.bybjerg@ha-ib.de)

**Hugues Madelin**  
Equity Sales  
Tel.: +33 1 78 41 40 62  
E-Mail: [hugues.madelin@ha-ib.de](mailto:hugues.madelin@ha-ib.de)

**Imogen Voorspuy**  
Equity Sales  
Tel.: +44 203 84 107 98  
E-Mail: [imogen.voorspuy@ha-ib.de](mailto:imogen.voorspuy@ha-ib.de)

**James Bonsor**  
Equity Sales  
Tel.: +44 203 84 107 96  
E-Mail: [james.bonsor@ha-ib.de](mailto:james.bonsor@ha-ib.de)

**Markus Scharhag**  
Equity Sales  
Tel.: +49 89 23 93 2813  
E-Mail: [markus.scharhag@ha-ib.de](mailto:markus.scharhag@ha-ib.de)

**Vincent Bischoff**  
Equity Sales  
Tel.: +49 40 414 38 85 88  
E-Mail: [vincent.bischoff@ha-ib.de](mailto:vincent.bischoff@ha-ib.de)

### HAIB Trading

Hauck Aufhäuser Investment Banking  
Privatbank AG  
Mittelweg 16/17  
20148 Hamburg  
Germany

Tel.: +49 40 414 3885 78  
Fax: +49 40 414 3885 71  
E-Mail: [info@hal-privatbank.com](mailto:info@hal-privatbank.com)  
[www.hal-privatbank.com](http://www.hal-privatbank.com)

**Fin Schaffer**  
Trading  
Tel.: +49 40 414 38 85 98  
E-Mail: [fin.schaffer@hal-privatbank.com](mailto:fin.schaffer@hal-privatbank.com)

**Nils Carstens**  
Trading  
Tel.: +49 40 414 38 85 85  
E-Mail: [nils.carstens@ha-ib.de](mailto:nils.carstens@ha-ib.de)

**Tom Warlich**  
Middle-Office  
Tel.: +49 40 414 3885 78  
E-Mail: [tom.warlich@hal-privatbank.com](mailto:tom.warlich@hal-privatbank.com)

**Martin Aruschanjan**  
Middle-Office  
Tel.: +49 40 450 6342 35 87  
E-Mail: [martin.aruschanjan@hal-privatbank.com](mailto:martin.aruschanjan@hal-privatbank.com)