

Strong dividend performance in 2022

Mutares reported preliminary results for Q4/FY 2022, which provided no surprises. Q4 revenues on holding level increased by 72% yoy to EUR 25.6m (PAsE: EUR 24.4m) and achieved a new record level. The main driver was the increased transaction activity and the higher number of portfolio companies. Considering the Q4 revenue as a new run rate, it is highly likely that Mutares will take the EUR 100m revenue hurdle in FY 2023e. Including the upstream dividends (EUR 69m in FY 2022) generated from its portfolio companies, Portfolio income in Q4 of EUR 90.4m significantly beat our estimate of EUR 41m. The received EUR 69m in dividends from its portfolio companies is a new record level and reflects the strength of its portfolio with several companies in the exit phase. The intended dividend payout of up to EUR 2.00 per share (including a performance dividend of up to EUR 1.00) implies a strong dividend yield for 2022 of 11% and shows the management's confidence in the company's exit pipeline. The performance dividend of EUR 1.00 depends on further exits until their Annual General Meeting in July. Mutares reported solid headline figures that reflect the robustness' of the company's business model. With a TP of EUR 33, we continue to rate the shares a Buy.

EURm	Actual			PAsE		PAsE		
	Q4 2022	Q4 2021	% yoy	Q4 2022e	Delta	2022e	2023e	2024e
Holding level								
Holding revenues	25.6	14.9	72.2%	24.4	5%	70	99	102
Portfolio income	90.4	28.9	213.2%	40.5	123%	90	123	127
Net income	11.1	33.1	-66.5%	9.9	12%	72	99	50
Revenues, consolidated	1,074	742	44.9%	906	18.5%	3,584	5,090	5,362
EBITDA	32.3	70.1	-53.9%	95.8	-66.3%	245	100	158
EBITDA margin	3.0%	9.5%	-645 BP	10.6%	-756 BP	6.8%	2.0%	2.9%
Adjusted EBITDA	5.0	(11.0)	-	7.7	-35.1%	-33	100	158
Adjusted EBITDA margin	0.5%	neg.	-	0.8%	-38 BP	neg.	2.0%	2.9%

- Holding net income in Q4 came in at EUR 11.1m (PAsE: EUR 9.9m). Full year net income improved to EUR 72.9m (2022: EUR 50.7m) and thus reached the lower end of the company's guidance range of EUR 72-88m.
- For the FY 2023e, Mutares guides net income on holding level of EUR 92-112m, compared to our estimate of EUR 99m.

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