

# Mutares SE & Co. KGaA

## Germany - Others

**Buy** (old: Buy)

**Price target: EUR 37.00** (old: EUR 37.00)

<b>Price:</b>	EUR 23.75	<b>Next result:</b>	Q2 10.08.23
<b>Bloomberg:</b>	MUX GR	<b>Market cap:</b>	EUR 490.1 m
<b>Reuters:</b>	MUXG.BE	<b>Enterprise Value:</b>	EUR 1,123.5 m

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## SMP steels the show from a strong Q1, chg. & upside potential

Mutares recently reported strong Q1 results and announced the **landmark divestiture of SMP**. Here are the main takeaways from the management conference call:

**Summary portfolio review. Q1 revenues amounted to c. € 1.1 bn (eHAIB € 1.0bn)**, up 30% yoy of which c. 3% was organic. The current 2023 revenue run-rate is € 4.4bn vs. € 4.8 – € 5.4 bn guided for 2023. Adjusted EBITDA was € 5.1m (eHAIB - € 2m), representing a **€ 26m profitability swing** yoy on sustained restructuring measures helped by easing supply chain tailwinds mostly in Automotive & Mobility (c. 40% of sales) and in Goods & Services (c. 36% of sales). Worth highlighting are the newly formed clusters Amaneos in the plastics parts automotive space (c. € 1.2bn in revenues) and a yet to be named “Metals Group”, signaling more synergies and cost efficiencies to come. Cash & Cash equivalents were a solid € 255.5m vs. € 246.4m as of end FY 2022.

**Holding metrics review & Bond refinancing. Revenue of € 27.1m (eHAIB € 20m)** quasi doubled yoy on an expanding portfolio and headcount, resulting in an as-of-now € 108.4m annualized figure, with potential for more. Dividends (eHAIB € 25m) typically are collected in Q4. Net income came in at € 8.2m burdened by one-off bond refinancing costs of € 4.5m. Mutares refinanced and upsized the € 80m bond maturing in 2024 ahead of schedule with a new € 100m security (Euribor + 850 bps vs. Euribor + 600 bps prior) maturing in 2027. While increasing the interest burden, this helps secure further accretive M&A firepower (ROI 7-10x) and extends maturities in challenging markets.

**Deal flow remains brisk.** The company closed seven transactions year-to-date and signed another two including the sale of Special Melted Products (“SMP”), a € 140m - revenue UK company acquired in May 2022 to strategic buyer Cogne Acciai Speciali. The deal is expected to close in Q2 (**not yet in figures**). SMP is active in premium specialty steels for highly demanding industries such as Aerospace Oil & Gas or Nuclear. The transaction value is c. € 180m with an expected **cash inflow to Mutares of € 150m or over € 7 share**, theoretically putting the company in a position to pay the upper end of the € 1.00 - € 2.00 (8.4% yield) per share dividend guided for FY 2022. A closing would also imply a **beat of the currently 2023 guided € 92-112m Holding Net Income figure**.

We overhaul Group & Holding figures following the release of full FY 2022 financials and upgrade Holding Net Income by 16% on average into 2025E on the back of a growing portfolio. **Remains a BUY, PT € 37 on an updated DDM (see p. 2 for details).**

Y/E 31.12 (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Sales	1,015.9	1,583.9	2,504.0	3,751.7	4,783.4	5,112.6	5,477.5
Sales growth	17 %	56 %	58 %	50 %	27 %	7 %	7 %
EBITDA	79.2	142.7	566.5	181.5	258.0	312.1	346.9
EBIT	26.2	41.2	447.3	-3.1	56.7	95.6	115.8
Net income	21.2	27.1	435.6	-6.7	-6.9	28.4	39.6
Net debt	204.7	289.2	428.6	542.5	633.3	702.7	637.5
Net gearing	63.4 %	90.9 %	38.2 %	62.9 %	74.9 %	84.1 %	72.3 %
Net Debt/EBITDA	2.6	2.0	0.8	3.0	2.5	2.3	1.8
EPS pro forma	1.48	2.16	2.46	3.24	2.92	3.09	0.00
CPS	-4.18	-8.92	-10.79	-1.49	-7.01	7.65	14.94
DPS	1.00	1.50	1.50	1.00	1.50	1.50	1.50
Dividend yield	9.9 %	13.3 %	6.8 %	4.2 %	6.3 %	6.3 %	6.3 %
Gross profit margin	38.5 %	37.6 %	37.1 %	35.8 %	38.0 %	38.5 %	38.5 %
EBITDA margin	7.8 %	9.0 %	22.6 %	4.8 %	5.4 %	6.1 %	6.3 %
EBIT margin	2.6 %	2.6 %	17.9 %	-0.1 %	1.2 %	1.9 %	2.1 %
ROCE	5.6 %	7.3 %	41.9 %	-0.3 %	3.3 %	5.4 %	6.3 %
Holding Revenues	10.5	19.3	31.9	71.1	108.0	115.0	120.0
Portfolio Income	54.4	41.3	66.5	139.8	133.0	143.0	150.0
Net Income	20.1	22.5	33.4	72.9	60.3	63.8	68.0

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 10.05.2023

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

**High/low 52 weeks:** 23.85 / 14.58

**Price/Book Ratio:** 0.7

**Relative performance (SDAX):**

3 months 12.0 %

6 months 11.3 %

12 months 10.2 %

### Changes in estimates

		Sales	EBIT	EPS
2023	<b>old:</b>	4,398.9	-24.0	2.23
	Δ	8.7%	n.m.	31%.
2024	<b>old:</b>	3,650.0	4.1	2.52
	Δ	40.1%	n.m.	23%

### Key share data:

Number of shares: (in m pcs) 20.6  
 Authorised capital: (in € m) 7.0  
 Book value per share: (in €) 33.0  
 Ø trading volume: (12 months) 5,400

### Major shareholders:

Free Float 63.0 %  
 Robin Laik 25.1 %  
 Management 11.9 %

### Company description:

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

# Mutares SE & Co. KGaA

<i>in € m except per share data</i>	Min	Max	
Number of shares outstanding (m)	20.6	20.6	
Market cap	€490.4	€490.4	
Dividend per share	1.00	2.00	
Total dividend payout	<b>€20.6</b>	<b>€41.1</b>	
<b>Hurdle rate*</b>	<b>3.6%</b>	<b>3.6%</b>	
Dividend yield	4.2%	8.4%	
Fair equity value	€571.2	1,142	
Fair equity value per share	<b>€27.8</b>	<b>€55.6</b>	<b>€37.0</b>

Source: Hauck Aufhäuser Investment Banking

\*FactSet estimates - average dividend yield of selected peers.

€m	Q1 23	Q1 22	yoy	Q1 23E	FY 23E
<b>GROUP</b>					
Revenues	1,108.0	852.5	0.3	1,070.0	4,783.4
Adjusted EBITDA	5.1	-30.7	n.m.	-2.0	8.0
Reported EBITDA	112.4	-14.3	n.m.	88.0	258.0
Cash & Cash Equivalents	255.5	n.a.	n.a.	240.0	202.2
<b>HOLDING</b>					
Revenues	27.1	14.7	84.4%	20.0	108.0
Portfolio Income	27.1	14.7	84.4%	20.0	133.0
Net Income	8.2	6.8	20.6%	3.5	60.3

Source: Company Data, Hauck Aufhäuser Investment Banking

## Financials

Profit and loss (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
<b>Net sales</b>	<b>1,015.9</b>	<b>1,583.9</b>	<b>2,504.0</b>	<b>3,751.7</b>	<b>4,783.4</b>	<b>5,112.6</b>	<b>5,477.5</b>
Sales growth	17.4 %	55.9 %	58.1 %	49.8 %	27.5 %	6.9 %	7.1 %
Increase/decrease in finished goods and work-in-process	-3.9	-23.1	6.8	-16.4	-23.9	-25.6	-27.4
<b>Total sales</b>	<b>1,012.0</b>	<b>1,560.8</b>	<b>2,510.8</b>	<b>3,735.3</b>	<b>4,759.5</b>	<b>5,087.0</b>	<b>5,450.1</b>
Other operating income	119.1	241.3	770.1	355.5	300.0	300.0	300.0
Material expenses	622.6	974.6	1,579.7	2,398.6	2,950.9	3,128.5	3,351.8
Personnel expenses	291.8	423.9	660.4	909.6	1,148.0	1,216.8	1,292.7
Other operating expenses	137.5	260.8	474.3	601.1	702.6	729.6	758.7
Total operating expenses	932.8	1,418.1	1,944.3	3,553.8	4,501.5	4,774.9	5,103.2
<b>EBITDA</b>	<b>79.2</b>	<b>142.7</b>	<b>566.5</b>	<b>181.5</b>	<b>258.0</b>	<b>312.1</b>	<b>346.9</b>
Depreciation	43.1	88.7	109.2	174.6	191.3	204.5	219.1
<b>EBITA</b>	<b>36.1</b>	<b>54.0</b>	<b>457.3</b>	<b>6.9</b>	<b>66.7</b>	<b>107.6</b>	<b>127.8</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Amortisation of intangible assets	9.9	12.8	10.0	10.0	10.0	10.0	10.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	1.0	1.0
<b>EBIT (inc revaluation net)</b>	<b>26.2</b>	<b>41.2</b>	<b>447.3</b>	<b>-3.1</b>	<b>56.7</b>	<b>95.6</b>	<b>115.8</b>
Interest income	1.5	3.9	8.5	15.1	15.1	15.1	15.1
Interest expenses	11.0	28.2	27.2	68.4	79.4	72.4	72.4
Other financial result	0.0	0.0	0.0	0.0	0.0	2.0	2.0
Financial result	-9.5	-24.3	-18.7	-53.3	-64.3	-57.3	-57.3
<b>Recurring pretax income from continuing operations</b>	<b>16.7</b>	<b>16.9</b>	<b>428.6</b>	<b>-56.5</b>	<b>-7.6</b>	<b>38.3</b>	<b>58.5</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	1.0	1.0
<b>Earnings before taxes</b>	<b>16.7</b>	<b>16.9</b>	<b>428.6</b>	<b>-56.5</b>	<b>-7.6</b>	<b>39.3</b>	<b>59.5</b>
Taxes	0.0	-2.8	-13.7	35.5	-0.8	6.9	15.9
<b>Net income from continuing operations</b>	<b>16.7</b>	<b>19.7</b>	<b>442.3</b>	<b>-21.0</b>	<b>-6.9</b>	<b>32.4</b>	<b>43.6</b>
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	2.0	2.0
<b>Net income</b>	<b>16.7</b>	<b>19.7</b>	<b>442.3</b>	<b>-21.0</b>	<b>-6.9</b>	<b>29.4</b>	<b>40.6</b>
Minority interest	-4.5	-7.4	6.7	-14.2	0.0	1.0	1.0
<b>Net profit (reported)</b>	<b>21.2</b>	<b>27.1</b>	<b>435.6</b>	<b>-6.7</b>	<b>-6.9</b>	<b>28.4</b>	<b>39.6</b>
Average number of shares	15.2	15.2	20.6	20.6	20.6	20.6	20.6
<b>EPS reported</b>	<b>1.39</b>	<b>1.78</b>	<b>21.11</b>	<b>-0.33</b>	<b>-0.33</b>	<b>1.38</b>	<b>1.92</b>

Profit and loss (common size)	2019	2020	2021	2022	2023E	2024E	2025E
<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	neg.	neg.	0.3 %	neg.	neg.	neg.	neg.
<b>Total sales</b>	<b>99.6 %</b>	<b>98.5 %</b>	<b>100.3 %</b>	<b>99.6 %</b>	<b>99.5 %</b>	<b>99.5 %</b>	<b>99.5 %</b>
Other operating income	11.7 %	15.2 %	30.8 %	9.5 %	6.3 %	5.9 %	5.5 %
Material expenses	61.3 %	61.5 %	63.1 %	63.9 %	61.7 %	61.2 %	61.2 %
Personnel expenses	28.7 %	26.8 %	26.4 %	24.2 %	24.0 %	23.8 %	23.6 %
Other operating expenses	13.5 %	16.5 %	18.9 %	16.0 %	14.7 %	14.3 %	13.9 %
Total operating expenses	91.8 %	89.5 %	77.6 %	94.7 %	94.1 %	93.4 %	93.2 %
<b>EBITDA</b>	<b>7.8 %</b>	<b>9.0 %</b>	<b>22.6 %</b>	<b>4.8 %</b>	<b>5.4 %</b>	<b>6.1 %</b>	<b>6.3 %</b>
Depreciation	4.2 %	5.6 %	4.4 %	4.7 %	4.0 %	4.0 %	4.0 %
<b>EBITA</b>	<b>3.6 %</b>	<b>3.4 %</b>	<b>18.3 %</b>	<b>0.2 %</b>	<b>1.4 %</b>	<b>2.1 %</b>	<b>2.3 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.0 %	0.8 %	0.4 %	0.3 %	0.2 %	0.2 %	0.2 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT (inc revaluation net)</b>	<b>2.6 %</b>	<b>2.6 %</b>	<b>17.9 %</b>	<b>neg.</b>	<b>1.2 %</b>	<b>1.9 %</b>	<b>2.1 %</b>
Interest income	0.1 %	0.2 %	0.3 %	0.4 %	0.3 %	0.3 %	0.3 %
Interest expenses	1.1 %	1.8 %	1.1 %	1.8 %	1.7 %	1.4 %	1.3 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>1.6 %</b>	<b>1.1 %</b>	<b>17.1 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.7 %</b>	<b>1.1 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>1.6 %</b>	<b>1.1 %</b>	<b>17.1 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.8 %</b>	<b>1.1 %</b>
Tax rate	0.0 %	0.0 %	0.0 %	-62.8 %	10.0 %	15.0 %	25.0 %
<b>Net income from continuing operations</b>	<b>1.6 %</b>	<b>1.2 %</b>	<b>17.7 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.6 %</b>	<b>0.8 %</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</b>	<b>1.6 %</b>	<b>1.2 %</b>	<b>17.7 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.6 %</b>	<b>0.7 %</b>
Minority interest	neg.	neg.	0.3 %	neg.	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>2.1 %</b>	<b>1.7 %</b>	<b>17.4 %</b>	<b>neg.</b>	<b>neg.</b>	<b>0.6 %</b>	<b>0.7 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets</b>	<b>58.7</b>	<b>76.0</b>	<b>134.0</b>	<b>143.9</b>	<b>263.9</b>	<b>383.9</b>	<b>523.9</b>
Property, plant and equipment	296.2	390.0	875.3	1,140.9	1,049.6	945.1	826.0
Financial assets	16.6	8.7	73.6	73.0	73.0	73.0	73.0
<b>FIXED ASSETS</b>	<b>371.5</b>	<b>474.7</b>	<b>1,082.9</b>	<b>1,357.8</b>	<b>1,386.5</b>	<b>1,402.0</b>	<b>1,422.9</b>
Inventories	134.0	203.5	423.2	560.7	771.5	881.5	869.4
Accounts receivable	143.0	258.5	285.9	407.1	519.1	554.8	594.4
Other current assets	96.5	226.2	485.8	437.2	559.9	598.4	641.1
Liquid assets	79.7	145.3	255.1	246.4	202.2	141.2	215.6
Deferred taxes	23.8	18.9	27.4	20.4	26.0	27.8	29.8
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>477.0</b>	<b>852.5</b>	<b>1,477.4</b>	<b>1,671.8</b>	<b>2,078.7</b>	<b>2,203.6</b>	<b>2,350.3</b>
<b>TOTAL ASSETS</b>	<b>848.5</b>	<b>1,327.2</b>	<b>2,560.3</b>	<b>3,029.6</b>	<b>3,465.1</b>	<b>3,605.6</b>	<b>3,773.1</b>
SHAREHOLDERS EQUITY	185.3	190.3	721.2	712.7	685.2	682.7	691.3
MINORITY INTEREST	22.9	16.9	15.2	1.4	1.4	2.4	3.4
Long-term debt	197.1	318.4	530.7	694.5	715.3	715.3	715.3
Provisions for pensions and similar obligations	87.3	116.1	153.0	94.4	120.3	128.6	137.7
Other provisions	50.5	94.1	172.8	225.3	287.1	306.8	328.7
<b>Non-current liabilities</b>	<b>334.9</b>	<b>528.6</b>	<b>856.5</b>	<b>1,014.2</b>	<b>1,122.7</b>	<b>1,150.7</b>	<b>1,181.8</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	159.9	250.4	372.8	588.0	747.0	798.4	855.4
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)	130.4	289.5	412.3	440.5	561.3	599.9	642.7
Deferred taxes	15.1	15.1	137.8	116.1	147.9	158.1	169.4
Deferred income	0.0	36.3	44.5	156.7	199.7	213.4	229.0
<b>Current liabilities</b>	<b>305.4</b>	<b>591.4</b>	<b>967.4</b>	<b>1,301.3</b>	<b>1,655.9</b>	<b>1,769.8</b>	<b>1,896.6</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>848.5</b>	<b>1,327.2</b>	<b>2,560.3</b>	<b>3,029.6</b>	<b>3,465.2</b>	<b>3,605.6</b>	<b>3,773.1</b>

Balance sheet (common size)	2019	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets</b>	<b>6.9 %</b>	<b>5.7 %</b>	<b>5.2 %</b>	<b>4.7 %</b>	<b>7.6 %</b>	<b>10.6 %</b>	<b>13.9 %</b>
Property, plant and equipment	34.9 %	29.4 %	34.2 %	37.7 %	30.3 %	26.2 %	21.9 %
Financial assets	2.0 %	0.7 %	2.9 %	2.4 %	2.1 %	2.0 %	1.9 %
<b>FIXED ASSETS</b>	<b>43.8 %</b>	<b>35.8 %</b>	<b>42.3 %</b>	<b>44.8 %</b>	<b>40.0 %</b>	<b>38.9 %</b>	<b>37.7 %</b>
Inventories	15.8 %	15.3 %	16.5 %	18.5 %	22.3 %	24.4 %	23.0 %
Accounts receivable	16.9 %	19.5 %	11.2 %	13.4 %	15.0 %	15.4 %	15.8 %
Other current assets	11.4 %	17.0 %	19.0 %	14.4 %	16.2 %	16.6 %	17.0 %
Liquid assets	9.4 %	11.0 %	10.0 %	8.1 %	5.8 %	3.9 %	5.7 %
Deferred taxes	2.8 %	1.4 %	1.1 %	0.7 %	0.8 %	0.8 %	0.8 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>56.2 %</b>	<b>64.2 %</b>	<b>57.7 %</b>	<b>55.2 %</b>	<b>60.0 %</b>	<b>61.1 %</b>	<b>62.3 %</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	21.8 %	14.3 %	28.2 %	23.5 %	19.8 %	18.9 %	18.3 %
MINORITY INTEREST	2.7 %	1.3 %	0.6 %	0.0 %	0.0 %	0.1 %	0.1 %
Long-term debt	23.2 %	24.0 %	20.7 %	22.9 %	20.6 %	19.8 %	19.0 %
Provisions for pensions and similar obligations	10.3 %	8.7 %	6.0 %	3.1 %	3.5 %	3.6 %	3.7 %
Other provisions	6.0 %	7.1 %	6.7 %	7.4 %	8.3 %	8.5 %	8.7 %
<b>Non-current liabilities</b>	<b>39.5 %</b>	<b>39.8 %</b>	<b>33.5 %</b>	<b>33.5 %</b>	<b>32.4 %</b>	<b>31.9 %</b>	<b>31.3 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	18.8 %	18.9 %	14.6 %	19.4 %	21.6 %	22.1 %	22.7 %
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)	15.4 %	21.8 %	16.1 %	14.5 %	16.2 %	16.6 %	17.0 %
Deferred taxes	1.8 %	1.1 %	5.4 %	3.8 %	4.3 %	4.4 %	4.5 %
Deferred income	0.0 %	2.7 %	1.7 %	5.2 %	5.8 %	5.9 %	6.1 %
<b>Current liabilities</b>	<b>36.0 %</b>	<b>44.6 %</b>	<b>37.8 %</b>	<b>43.0 %</b>	<b>47.8 %</b>	<b>49.1 %</b>	<b>50.3 %</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)	2019	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	16.7	19.7	442.3	-21.0	-6.9	29.4	40.6
Depreciation of fixed assets (incl. leases)	43.1	88.7	109.2	0.0	191.3	204.5	219.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Amortisation of intangible assets	9.9	12.8	10.0	10.0	10.0	10.0	10.0
Others	-127.6	-186.8	-677.0	-53.9	25.9	8.3	9.2
Cash flow from operations before changes in w/c	-57.9	-65.6	-115.5	-64.9	220.3	253.2	279.9
Increase/decrease in inventory	20.1	16.5	-22.4	-137.5	-210.8	-110.0	12.0
Increase/decrease in accounts receivable	34.4	7.1	43.1	-121.2	-112.0	-35.7	-39.6
Increase/decrease in accounts payable	-1.9	48.0	38.4	215.2	159.0	51.4	57.0
Increase/decrease in other working capital positions	-5.4	-40.4	-47.1	87.6	0.0	0.0	0.0
Increase/decrease in working capital	47.2	31.2	12.0	44.1	-163.8	-94.3	29.4
<b>Cash flow from operating activities</b>	<b>-10.7</b>	<b>-34.4</b>	<b>-103.5</b>	<b>-20.8</b>	<b>56.6</b>	<b>158.9</b>	<b>309.3</b>
CAPEX	31.4	35.5	59.7	102.9	-100.0	-100.0	-100.0
Payments for acquisitions	-32.6	-78.6	-188.8	-152.0	-120.0	-120.0	-140.0
Financial investments	0.0	0.0	0.0	0.0	0.0	1.0	1.0
Income from asset disposals	43.2	8.3	42.3	35.0	50.0	50.0	50.0
<b>Cash flow from investing activities</b>	<b>44.4</b>	<b>51.4</b>	<b>171.5</b>	<b>84.1</b>	<b>-170.0</b>	<b>-171.0</b>	<b>-191.0</b>
Cash flow before financing	33.7	17.0	23.1	31.0	20.6	31.0	31.0
Increase/decrease in debt position	-0.1	104.0	44.0	163.8	20.8	0.0	0.0
Purchase of own shares	0.0	2.5	-5.4	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	94.3	0.0	0.0	0.0	0.0
Dividends paid	15.2	15.2	23.1	31.0	20.6	31.0	31.0
Others	-47.1	-28.4	-72.8	-188.6	69.0	-18.0	-13.0
Effects of exchange rate changes on cash	0.3	-9.2	-6.0	-16.1	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-62.4</b>	<b>57.9</b>	<b>47.8</b>	<b>-55.8</b>	<b>69.2</b>	<b>-49.0</b>	<b>-44.0</b>
Increase/decrease in liquid assets	-28.4	65.7	n/a	n/a	n/a	n/a	n/a
<b>Liquid assets at end of period</b>	<b>79.7</b>	<b>145.4</b>	<b>255.1</b>	<b>246.5</b>	<b>202.2</b>	<b>141.2</b>	<b>215.6</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Domestic	121.1	188.8	298.5	447.2	570.2	609.4	652.9
yoy change	17.4 %	55.9 %	58.1 %	49.8 %	27.5 %	6.9 %	7.1 %
Rest of Europe	833.0	1,298.8	2,053.3	3,076.4	3,922.4	4,192.3	4,491.6
yoy change	17.4 %	55.9 %	58.1 %	49.8 %	27.5 %	6.9 %	7.1 %
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	9.4	14.6	23.1	34.6	44.1	47.2	50.6
yoy change	17.4 %	55.9 %	58.1 %	49.8 %	27.5 %	6.9 %	7.1 %
<b>TTL</b>	<b>963.5</b>	<b>1,502.2</b>	<b>2,374.9</b>	<b>3,558.2</b>	<b>4,536.7</b>	<b>4,848.9</b>	<b>5,195.0</b>
yoy change	17.4 %	55.9 %	58.1 %	49.8 %	27.5 %	6.9 %	7.1 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
<b>P&amp;L growth analysis</b>							
Sales growth	17.4 %	55.9 %	58.1 %	49.8 %	27.5 %	6.9 %	7.1 %
EBITDA growth	61.3 %	190.7 %	615.3 %	27.2 %	-54.5 %	72.0 %	34.5 %
EBIT growth	35.1 %	112.5 %	1607.3 %	-107.5 %	-87.3 %	-	104.4 %
EPS growth	44.2 %	84.5 %	1416.8 %	-118.5 %	-101.6 %	-517.1 %	-676.6 %
<b>Efficiency</b>							
Total operating costs / sales	91.8 %	89.5 %	77.6 %	94.7 %	94.1 %	93.4 %	93.2 %
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	12.5 %	11.0 %	9.1 %	7.9 %	9.2 %	10.0 %	10.5 %
Inventory turnover (sales/inventory)	7.6	7.8	5.9	6.7	6.2	5.8	6.3
Trade debtors in days of sales	51.4	59.6	41.7	39.6	39.6	39.6	39.6
A/P turnover [(A/P*365)/sales]	57.5	57.7	54.3	57.2	57.0	57.0	57.0
Cash conversion cycle (days)	36.2	42.0	53.3	35.5	42.6	49.3	41.1
<b>Cash flow analysis</b>							
Free cash flow	-42.1	-69.9	-163.2	-123.7	156.6	258.9	409.3
Free cash flow/sales	-4.1 %	-4.4 %	-6.5 %	-3.3 %	3.3 %	5.1 %	7.5 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	911.6 %	1033.0 %
Capex / deprn	59.2 %	35.0 %	50.0 %	1029.0 %	-49.7 %	-45.9 %	-43.0 %
Capex / maintenance capex	139.2 %	49.3 %	50.0 %	0.0 %	49.7 %	10000.0	10000.0
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	204.7	289.2	428.6	542.5	633.3	702.7	637.5
Net Debt/EBITDA	2.6	2.0	0.8	3.0	2.5	2.3	1.8
Net debt / equity	1.1	1.5	0.6	0.8	0.9	1.0	0.9
Interest cover	2.4	1.5	16.4	0.0	0.7	1.3	1.6
Dividend payout ratio	71.9 %	84.3 %	7.1 %	100.0 %	100.0 %	109.0 %	78.1 %
<b>Asset utilisation</b>							
Capital employed turnover	1.9	2.2	1.6	2.2	2.6	2.8	2.9
Operating assets turnover	2.5	2.6	2.1	2.5	3.0	3.2	3.8
Plant turnover	3.4	4.1	2.9	3.3	4.6	5.4	6.6
Inventory turnover (sales/inventory)	7.6	7.8	5.9	6.7	6.2	5.8	6.3
<b>Returns</b>							
ROCE	5.6 %	7.3 %	41.9 %	-0.3 %	3.3 %	5.4 %	6.3 %
ROE	11.4 %	14.3 %	60.4 %	-0.9 %	-1.0 %	4.2 %	5.7 %
<b>Other</b>							
Interest paid / avg. debt	7.6 %	13.7 %	7.5 %	13.5 %	12.7 %	10.3 %	10.1 %
No. employees (average)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of shares	15.2	15.2	20.6	20.6	20.6	20.6	20.6
DPS	1.0	1.5	1.5	1.0	1.5	1.5	1.5
EPS reported	1.39	1.78	21.11	-0.33	-0.33	1.38	1.92
<b>Valuation ratios</b>							
P/BV	2.0	1.9	0.7	0.7	0.7	0.7	0.7
EV/sales	0.4	0.3	0.4	0.3	0.2	0.2	0.2
EV/EBITDA	4.5	3.2	1.6	5.7	4.4	3.8	3.3
EV/EBITA	9.9	8.5	1.9	149.7	16.9	11.1	8.8
EV/EBIT	13.7	11.2	2.0	-333.1	19.8	12.5	9.7
EV/FCF	-8.5	-6.6	-5.4	-8.3	7.2	4.6	2.8
Adjusted FCF yield	7.4 %	9.3 %	48.2 %	14.7 %	5.0 %	25.0 %	28.4 %
Dividend yield	9.9 %	13.3 %	6.8 %	4.2 %	6.3 %	6.3 %	6.3 %

Source: Company data, Hauck Aufhäuser Investment Banking

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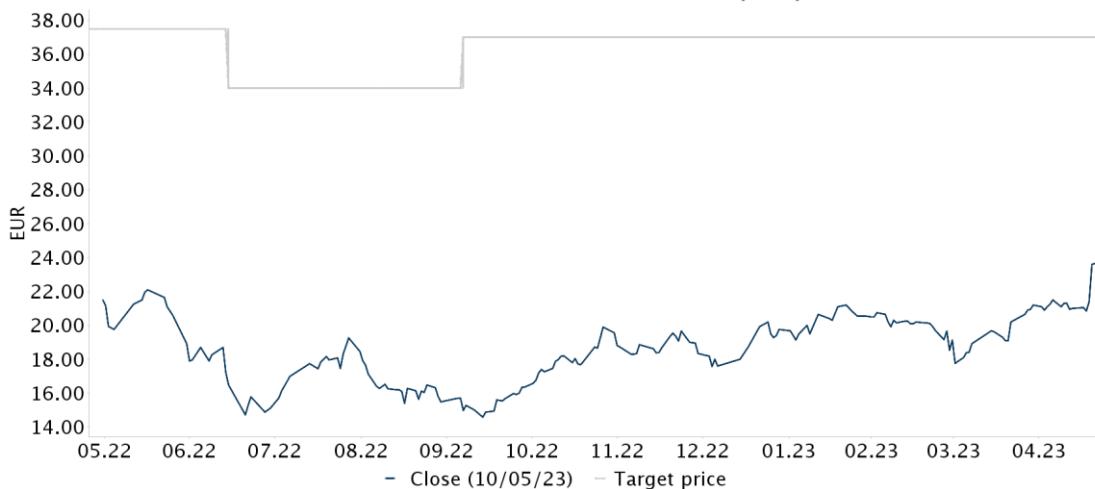
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Company	Disclosure
Mutares SE & Co. KGaA	2, 6, 8

**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 10/05/23**

**Initiation coverage**  
24-March-14



Company	Date	Analyst	Rating	Target price	Close
Mutares SE & Co. KGaA	12.04.2023	Gruebner, Marie-Therese	Buy	EUR 37,00	EUR 20,90
	17.02.2023	Gruebner, Marie-Therese	Buy	EUR 37,00	EUR 20,75
	23.12.2022	Gruebner, Marie-Therese	Buy	EUR 37,00	EUR 17,60
	11.11.2022	Gruebner, Marie-Therese	Buy	EUR 37,00	EUR 19,90
	24.10.2022	Gruebner, Marie-Therese	Buy	EUR 37,00	EUR 17,46

23.09.2022	Gruebner, Marie-Therese	Buy	EUR 37,00	EUR 15,28
15.08.2022	Gruebner, Marie-Therese	Buy	EUR 34,00	EUR 18,66
04.07.2022	Gruebner, Marie-Therese	Buy	EUR 34,00	EUR 16,48
17.05.2022	Köhler, Alina	Buy	EUR 37,50	EUR 21,15

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