

Buy (old: Buy)

ESG Rating: BB

14-April-25

Price target: EUR 47.50 (old: EUR 47.50)

Marie-Therese Gruebner
Analyst

Price: EUR 31.20 Next result: FY 24: 29.04.2024
Bloomberg: MUX GR Market cap: EUR 643.9 m
Reuters: MUXG.BE Enterprise Value: EUR 790.4 m

marie-therese.gruebner@ha-ib.de
Tel.: + 49 40 450 6342 - 3097

Dynamic exit activity in difficult markets

Recent deal-flow proves Mutares' core operational **turnaround and value realization model**.

Following **Steyr Motors'** ("Steyr") October 2024 listing at € 14.00 per share, yielding € 12.7m in gross proceeds (eHAIB c. € 11.5m net), MUX has further reduced its stake in the company, capitalizing on the strong investor interest in defense stocks in light of rapidly accelerating defense spend across NATO. Pursuant to the relaxation of the lock-up mid-March, **MUX has generated overall € 74m in gross proceeds**, including via the placement of 910,000 shares at € 34.00 per share. Combined with the **€ 12.7m** earned at listing, this brings total proceeds from Steyr to **€ 86.7m**, achieved in less than six months. The company still retains a 40% stake in Steyr, subject to a 180-day lock-up. We cover Steyr with a PT of € 61.00 per share, yielding an estimated fair value of c. € 127m for MUX's remaining stake ([update](#)).

MUX has also announced a **partial exit related to Alcura**, a French healthcare logistics business. According to HAIB estimates, the transaction consideration is approximately € 30m, with funds flowing directly to Alcura in the first place. While the full financial impact is still being assessed, conservative eHAIB suggests MUX could **derive around € 15m** in proceeds, although final figures are pending.

While the most recent Steyr sell-down should not count toward the 2024 Holding Net Income guidance of € 108-132m, hard-to-predict transaction timing is inherent to the business model. **More importantly, the overall eHAIB c. € 90m in recently announced gross inflows should count toward the € 200m in exit proceeds targeted for 2025, support balance sheet metrics while also underpinning the minimum € 2.00 per share dividend target (6.4% yield at current levels).**

The **"Harvesting" cluster of companies in active divestiture processes excluding Steyr** is expected to deliver a further **€ 145-175m in valuation uplifts**, applying historical exit multiples.

BUY, PT € 47.50 on a DDM

Y/E 31.12 (EUR m)	2020	2021	2022	2023	2024E
Sales	1,583.9	2,504.0	3,751.7	4,689.1	5,405.4
Sales growth	56 %	58 %	50 %	25 %	15 %
Adj. EBITDA	-28.8	-41.3	-32.7	3.5	15.6
EBIT (inc revaluation net)	41.2	447.3	-3.1	436.9	197.4
Net income	27.1	435.6	-6.7	397.1	124.9
EPS pro forma	2.16	2.46	3.24	19.24	6.10
CPS	-8.92	-10.79	-1.49	-1.82	7.04
DPS	1.50	1.50	1.75	2.25	2.00
EPS pro forma	2.16	2.46	3.24	19.24	6.10
Gross profit margin	37.6 %	37.1 %	35.8 %	40.2 %	41.0 %
Adj. EBITDA margin	-1.8 %	-1.6 %	-0.9 %	0.1 %	0.3 %
EBIT margin	2.6 %	17.9 %	-0.1 %	9.3 %	3.7 %
ROCE	6.4 %	38.4 %	-0.2 %	22.3 %	8.4 %
Holding Revenues	10.5	19.3	31.9	71.1	110.0
Portfolio Income	54.4	41.3	66.5	139.8	102.0
Net Income	20.1	22.5	33.4	72.9	114.1

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 11.04.2025



Source: Company data, HAIB

High/low 52 weeks: 43.30 / 22.20
Price/Book Ratio: 0.4
Relative performance (SDAX):
3 months 18.7 %
6 months 24.6 %
12 months -24.5 %

Changes in estimates

		Sales	EBIT	EPS
2024	old:	5,405.4	197.4	6.10
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 20.6
Authorised capital: (in € m) 7.0
Book value per share: (in €) 55.1
Ø trading volume: (12 months) 5,400

Major shareholders:

Free Float 63.0 %
Robin Laik 25.1 %
Management 11.9 %

Company description:

Turnaround investor focussed on corporate carve-outs with € 100-750m in revenues and ROIC target of 7-10x

Company guidance 2024E:

Group revenues € 5.7 - € 6.3 bn;
Holding Net Income € 108-132m

Company in a Nutshell

Mutares is a private equity investor focused on special situations active in Europe, the US and Asia. The company focuses on carve-outs and mid-sized companies in a distressed/turnaround phase. The portfolio comprises over 30 companies with an annualized revenue of over € 6 bn, grouped in four clusters: Automotive and Mobility (early cyclical c. € 2.2 bn in FY 23 sales); Engineering and technology (late-cyclical c. € 1.4 bn in FY 23 sales); Goods and Services (non-cyclical € 1.8 bn in FY 23 sales) and Retail and Food (cyclical c. € 1 bn in FY 23 sales).

Upcoming Catalysts

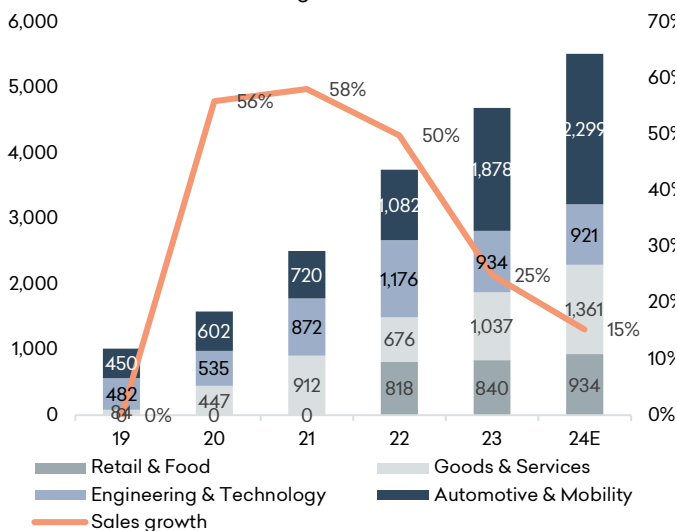
- Upcoming exits could fuel news flow with a “Harvesting” portfolio that could generate valuation uplifts of some € 180-220m over the next 12 to 24 months
- This could pave the way for sound shareholder remuneration

Investment Case

- Unique turnaround focus with cycle and geographic diversification
- Portfolio growth drives predictable consulting revenues at Holding company level
- MUX targets ROICs of 7-10x with an average holding period of 3-5 years. Invested capital as of Q3 24 amounted to € 647m, pointing to a strong exit pipeline
- Exits typically are to strategic partners and can afford to get executed at low multiples considering the minimal initial cash outlays for MUX. The average exit multiples are around 5x-6x EBITDA
- Attractive shareholder remuneration evident in a € 2.00 base dividend commitment (6%+ yield at current levels) with potential for a special dividend on top
- BUY PT € 47.50 on a DDM valuation model

Key Performance Indicators

Segment Sales

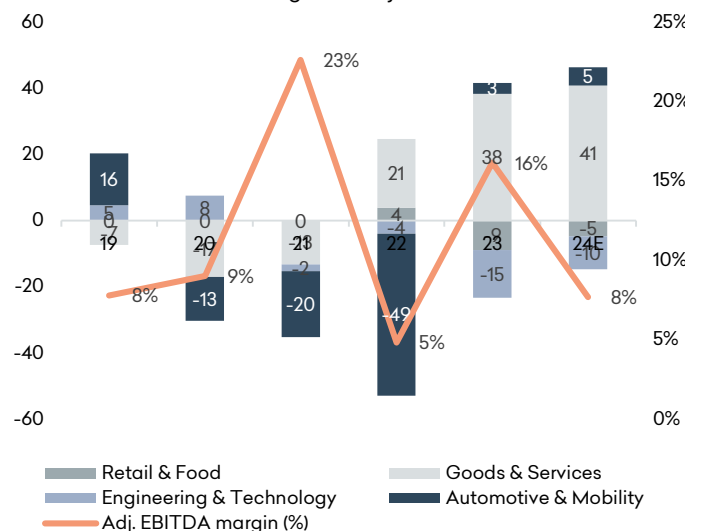


Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow summary	2022	2023	2024E
Operating cash flow	-20.8	-27.5	367.9
Capex	102.9	164.5	100.0
FCF	-123.7	-192.0	267.9
FCF per share	neg.	neg.	13.0
FCF yield	18.0 %	102.5 %	36.3 %
Net debt/adj. EBITDA	-13.7	49.4	0.0

Source: Company data, Hauck Aufhäuser Investment Banking

Segment Adj. EBITDA



Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios summary	2022	2023	2024E
EPS growth	-101.6 %	-5881.8 %	-67.2 %
Capital Turnover	2.2	2.1	2.3
Avg. working capital / sales	10.1 %	10.4 %	10.4 %
Cash conversion cycle (days)	35.5	38.1	38.1
FCF / Net profit	neg.	neg.	205.6 %
Interest cover	0.0	4.7	1.9

Source: Company data, Hauck Aufhäuser Investment Banking

Financials

Profit and loss (EUR m)	2020	2021	2022	2023	2024E
Net sales	1,583.9	2,504.0	3,751.7	4,689.1	5,405.4
Sales growth	55.9 %	58.1 %	49.8 %	25.0 %	15.3 %
Increase/decrease in finished goods and work-in-process	-23.1	6.8	-16.4	-4.4	-5.1
Total sales	1,560.8	2,510.8	3,735.3	4,684.7	5,400.3
Other operating income	241.3	770.1	355.5	986.1	1,081.1
Material expenses	974.6	1,579.7	2,398.6	2,799.5	3,186.2
Personnel expenses	423.9	660.4	909.6	1,369.6	1,458.1
Other operating expenses	260.8	474.3	601.1	744.8	1,421.5
Total operating expenses	1,418.1	1,944.3	3,553.8	3,927.8	4,984.7
EBITDA	142.7	566.5	181.5	756.9	415.6
Depreciation	88.7	109.2	174.6	320.0	216.2
EBITA	54.0	457.3	6.9	436.9	199.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	1.0
Amortisation of intangible assets	12.8	10.0	10.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	1.0
EBIT (inc revaluation net)	41.2	447.3	-3.1	436.9	197.4
Interest income	3.9	8.5	15.1	19.5	19.5
Interest expenses	28.2	27.2	68.4	92.9	104.9
Other financial result	0.0	0.0	0.0	0.0	1.0
Financial result	-24.3	-18.7	-53.3	-73.4	-86.4
Recurring pretax income from continuing operations	16.9	428.6	-56.5	363.5	111.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	1.0
Earnings before taxes	16.9	428.6	-56.5	363.5	112.0
Taxes	-2.8	-13.7	35.5	-3.6	-1.2
Net income from continuing operations	19.7	442.3	-21.0	367.1	114.3
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0
Net income	19.7	442.3	-21.0	367.1	114.3
Minority interest	-7.4	6.7	-14.2	-30.0	-15.0
Net profit (reported)	27.1	435.6	-6.7	397.1	129.3
Average number of shares	15.2	20.6	20.6	20.6	20.6
EPS reported	1.78	21.11	-0.33	19.08	6.26

Profit and loss (common size)	2020	2021	2022	2023	2024E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	neg.	0.3 %	neg.	neg.	neg.
Total sales	98.5 %	100.3 %	99.6 %	99.9 %	99.9 %
Other operating income	15.2 %	30.8 %	9.5 %	21.0 %	20.0 %
Material expenses	61.5 %	63.1 %	63.9 %	59.7 %	58.9 %
Personnel expenses	26.8 %	26.4 %	24.2 %	29.2 %	27.0 %
Other operating expenses	16.5 %	18.9 %	16.0 %	15.9 %	26.3 %
Total operating expenses	89.5 %	77.6 %	94.7 %	83.8 %	92.2 %
EBITDA	9.0 %	22.6 %	4.8 %	16.1 %	7.7 %
Depreciation	5.6 %	4.4 %	4.7 %	6.8 %	4.0 %
EBITA	3.4 %	18.3 %	0.2 %	9.3 %	3.7 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.8 %	0.4 %	0.3 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	2.6 %	17.9 %	neg.	9.3 %	3.7 %
Interest income	0.2 %	0.3 %	0.4 %	0.4 %	0.4 %
Interest expenses	1.8 %	1.1 %	1.8 %	2.0 %	1.9 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	1.1 %	17.1 %	neg.	7.8 %	2.1 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	1.1 %	17.1 %	neg.	7.8 %	2.1 %
Tax rate	0.0 %	0.0 %	-62.8 %	-1.5 %	-2.0 %
Net income from continuing operations	1.2 %	17.7 %	neg.	7.8 %	2.1 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	1.2 %	17.7 %	neg.	7.8 %	2.1 %
Minority interest	neg.	0.3 %	neg.	neg.	neg.
Net profit (reported)	1.7 %	17.4 %	neg.	8.5 %	2.4 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2020	2021	2022	2023	2024E
Intangible assets	76.0	134.0	143.9	245.3	244.3
Property, plant and equipment	390.0	875.3	1,140.9	1,632.8	1,556.6
Financial assets	8.7	73.6	73.0	137.1	136.1
FIXED ASSETS	474.7	1,082.9	1,357.8	2,015.2	1,937.0
Inventories	203.5	423.2	560.7	673.4	776.3
Accounts receivable	258.5	285.9	407.1	491.0	566.0
Other current assets	226.2	485.8	437.2	620.3	632.1
Liquid assets	145.3	255.1	246.4	520.2	755.6
Deferred taxes	18.9	27.4	20.4	28.6	29.5
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	852.5	1,477.4	1,671.8	2,333.5	2,759.4
TOTAL ASSETS	1,327.2	2,560.3	3,029.6	4,348.7	4,696.4
SHAREHOLDERS EQUITY	190.3	721.2	712.7	1,069.3	1,137.1
MINORITY INTEREST	16.9	15.2	1.4	50.3	35.3
Long-term debt	318.4	530.7	694.5	693.1	747.0
Provisions for pensions and similar obligations	116.1	153.0	94.4	130.6	150.7
Other provisions	94.1	172.8	225.3	240.9	325.7
Non-current liabilities	528.6	856.5	1,014.2	1,064.6	1,223.4
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0
Accounts payable	250.4	372.8	588.0	674.6	777.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	289.5	412.3	440.5	1,128.5	1,128.5
Deferred taxes	15.1	137.8	116.1	141.0	167.9
Deferred income	36.3	44.5	156.7	220.4	226.5
Current liabilities	591.4	967.4	1,301.3	2,164.5	2,300.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,327.2	2,560.3	3,029.6	4,348.7	4,696.4

Balance sheet (common size)	2020	2021	2022	2023	2024E
Intangible assets	5.7 %	5.2 %	4.7 %	5.6 %	5.2 %
Property, plant and equipment	29.4 %	34.2 %	37.7 %	37.5 %	33.1 %
Financial assets	0.7 %	2.9 %	2.4 %	3.2 %	2.9 %
FIXED ASSETS	35.8 %	42.3 %	44.8 %	46.3 %	41.2 %
Inventories	15.3 %	16.5 %	18.5 %	15.5 %	16.5 %
Accounts receivable	19.5 %	11.2 %	13.4 %	11.3 %	12.1 %
Other current assets	17.0 %	19.0 %	14.4 %	14.3 %	13.5 %
Liquid assets	11.0 %	10.0 %	8.1 %	12.0 %	16.1 %
Deferred taxes	1.4 %	1.1 %	0.7 %	0.7 %	0.6 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	64.2 %	57.7 %	55.2 %	53.7 %	58.8 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	14.3 %	28.2 %	23.5 %	24.6 %	24.2 %
MINORITY INTEREST	1.3 %	0.6 %	0.0 %	1.2 %	0.8 %
Long-term debt	24.0 %	20.7 %	22.9 %	15.9 %	15.9 %
Provisions for pensions and similar obligations	8.7 %	6.0 %	3.1 %	3.0 %	3.2 %
Other provisions	7.1 %	6.7 %	7.4 %	5.5 %	6.9 %
Non-current liabilities	39.8 %	33.5 %	33.5 %	24.5 %	26.1 %
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	18.9 %	14.6 %	19.4 %	15.5 %	16.6 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	21.8 %	16.1 %	14.5 %	26.0 %	24.0 %
Deferred taxes	1.1 %	5.4 %	3.8 %	3.2 %	3.6 %
Deferred income	2.7 %	1.7 %	5.2 %	5.1 %	4.8 %
Current liabilities	44.6 %	37.8 %	43.0 %	49.8 %	49.0 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2020	2021	2022	2023	2024E
Net profit/loss	19.7	442.3	-21.0	367.1	114.3
Depreciation of fixed assets (incl. leases)	88.7	109.2	0.0	-180.0	217.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	1.0
Amortisation of intangible assets	12.8	10.0	10.0	0.0	0.0
Others	-186.8	-677.0	-53.9	-102.0	110.2
Cash flow from operations before changes in w/c	-65.6	-115.5	-64.9	82.5	442.7
Increase/decrease in inventory	16.5	-22.4	-137.5	-112.7	-102.9
Increase/decrease in accounts receivable	7.1	43.1	-121.2	-83.9	-75.0
Increase/decrease in accounts payable	48.0	38.4	215.2	86.6	103.1
Increase/decrease in other working capital positions	-40.4	-47.1	87.6	0.0	0.0
Increase/decrease in working capital	31.2	12.0	44.1	-110.0	-74.8
Cash flow from operating activities	-34.4	-103.5	-20.8	-27.5	367.9
CAPEX	35.5	59.7	102.9	164.5	100.0
Payments for acquisitions	-78.6	-188.8	-152.0	-421.7	120.0
Financial investments	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	8.3	42.3	35.0	197.2	80.0
Cash flow from investing activities	51.4	171.5	84.1	454.4	-140.0
Cash flow before financing	17.0	68.0	63.3	426.9	227.9
Increase/decrease in debt position	104.0	44.0	163.8	47.3	53.9
Purchase of own shares	2.5	-5.4	0.0	0.0	0.0
Capital measures	0.0	94.3	0.0	0.0	0.0
Dividends paid	15.2	23.1	31.0	36.1	46.4
Others	-28.4	-72.8	-188.6	-155.8	0.0
Effects of exchange rate changes on cash	-9.2	-6.0	-16.1	-8.6	0.0
Cash flow from financing activities	57.9	47.8	-55.8	-144.6	7.5
Increase/decrease in liquid assets	65.7	109.7	-8.6	273.7	235.4
Liquid assets at end of period	145.4	255.1	246.5	520.2	755.6

Key ratios (EUR m)	2020	2021	2022	2023	2024E
P&L growth analysis					
Sales growth	55.9 %	58.1 %	49.8 %	25.0 %	15.3 %
EBITDA growth	80.2 %	296.9 %	-68.0 %	317.0 %	-45.1 %
EBIT growth	57.3 %	985.2 %	-100.7 %	-	-54.8 %
EPS growth	27.9 %	1085.7 %	-101.6 %	-	-67.2 %
Efficiency					
Total operating costs / sales	89.5 %	77.6 %	94.7 %	83.8 %	92.2 %
Sales per employee	138.0	178.9	197.2	171.5	n/a
EBITDA per employee	12.4	40.5	9.5	27.7	n/a
Balance sheet analysis					
Avg. working capital / sales	10.4 %	10.9 %	9.5 %	9.3 %	9.8 %
Inventory turnover (sales/inventory)	7.8	5.9	6.7	7.0	7.0
Trade debtors in days of sales	59.6	41.7	39.6	38.2	38.2
A/P turnover [(A/P*365)/sales]	57.7	54.3	57.2	52.5	52.5
Cash conversion cycle (days)	42.0	53.3	35.5	38.1	38.1
Cash flow analysis					
Free cash flow	-69.9	-163.2	-123.7	-192.0	267.9
Free cash flow/sales	-4.4 %	-6.5 %	-3.3 %	-4.1 %	5.0 %
FCF / net profit	neg.	neg.	neg.	neg.	207.3 %
Capex / depn	35.0 %	50.0 %	1029.0 %	-91.4 %	45.8 %
Capex / maintenance capex	49.3 %	50.0 %	0.0 %	0.0 %	45.8 %
Capex / sales	n/a	n/a	n/a	n/a	n/a
Security					
Net debt	173.1	275.6	448.1	172.9	-8.6
Net Debt/EBITDA	1.2	0.5	2.5	0.2	0.0
Net debt / equity	0.9	0.4	0.6	0.2	neg.
Interest cover	1.5	16.4	0.0	4.7	1.9
Dividend payout ratio	84.3 %	7.1 %	100.0 %	11.7 %	31.9 %
Asset utilisation					
Capital employed turnover	2.2	1.6	2.2	2.1	2.3
Operating assets turnover	2.6	2.1	2.5	2.2	2.5
Plant turnover	4.1	2.9	3.3	2.9	3.5
Inventory turnover (sales/inventory)	7.8	5.9	6.7	7.0	7.0
Returns					
ROCE	6.4 %	38.4 %	-0.2 %	22.3 %	8.6 %
ROE	14.3 %	60.4 %	-0.9 %	37.1 %	11.4 %
Other					
Interest paid / avg. debt	10.9 %	6.4 %	11.2 %	13.4 %	14.6 %
No. employees (average)	11480	14000	19021	27345	0
Number of shares	15.2	20.6	20.6	20.6	20.6
DPS	1.5	1.5	1.8	2.3	2.0
EPS reported	1.78	21.11	-0.33	19.08	6.05

Source: Company data, Hauck Aufhäuser Investment Banking

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Company	Disclosure
Mutares SE & Co. KGaA	2, 6

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



Mutares SE & Co. KGaA

Mutares SE & Co. KGaA	17.10.2024	Gruebner, Marie-Therese	Buy	EUR 47,50	EUR 23,55
	04.10.2024	Gruebner, Marie-Therese	Buy	EUR 47,50	EUR 24,45
	30.09.2024	Gruebner, Marie-Therese	Buy	EUR 47,50	EUR 21,00
	07.08.2024	Gruebner, Marie-Therese	Buy	EUR 47,50	EUR 31,10
	10.05.2024	Gruebner, Marie-Therese	Buy	EUR 47,50	EUR 40,85
	18.04.2024	Gruebner, Marie-Therese	Buy	EUR 47,50	EUR 39,50
	11.03.2024	Gruebner, Marie-Therese	Buy	EUR 46,40	EUR 33,10
	13.11.2023	Gruebner, Marie-Therese	Buy	EUR 46,40	EUR 31,70

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

Buy	67.68 %	80.65 %
Sell	7.58 %	3.23 %
Hold	24.75 %	16.13 %

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Contacts: Hauck Aufhäuser Investment Banking

HAIB Research

Hauck Aufhäuser Investment Banking
Mittelweg 16/17
20148 Hamburg
Germany

Hauck Aufhäuser Investment Banking
Goetheplatz 9-11
60313 Frankfurt am Main
Germany

Tel.: +49 (0) 40 414 3885 97
Fax: +49 (0) 40 414 3885 71
E-Mail: research@ha-ib.de
www.ha-research.de

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

Marie-Thérèse Grübner
Head of Research
Tel.: +49 40 450 6342 3097
E-Mail: marie-therese.gruebner@ha-ib.de

Alexander Galitsa
Analyst
Tel.: +49 40 414 3885 83
E-Mail: alexander.galitsa@ha-ib.de

Christian Glowa
Analyst
Tel.: +49 40 414 3885 95
E-Mail: christian.glowa@ha-ib.de

Christian Salis
Analyst
Tel.: +49 40 414 3885 96
E-Mail: christian.salis@ha-ib.de

Cornelis Kik
Analyst
Tel.: +49 40 450 6342 3096
E-Mail: cornelis.kik@ha-ib.de

Finn Kemper
Analyst
Tel.: +49 40 450 6342 3098
E-Mail: finn.kemper@ha-ib.de

Jorge González Sadornil
Analyst
Tel.: +49 40 414 3885 84
E-Mail: jorge.gonzalez@ha-ib.de

Simon Jouck
Analyst
Tel.: +49 40 450 6342 3093
E-Mail: simon.jouck@ha-ib.de

Simon Keller, CFA
Analyst
Tel.: +49 40 414 388 573
E-Mail: simon.keller@ha-ib.de

HAIB Sales

Alexander Lachmann
Equity Sales
Tel.: +41 43 49 73 023
E-Mail: alexander.lachmann@ha-ib.de

Carlos Becke
Equity Sales
Tel.: +44 203 34 59 603
E-Mail: carlos.becke@ha-ib.de

Carsten Kinder
Head of Equities
Tel.: +41 43 49 73 024
E-Mail: carsten.kinder@ha-ib.de

Christian Bybjerg
Equity Sales
Tel.: +44 203 34 59 602
E-Mail: christian.bybjerg@ha-ib.de

Florian Kurz
Equity Sales
Tel.: +49 69 84 2161 1793
E-Mail: florian.kurz@ha-ib.de

Hugues Madelin
Equity Sales
Tel.: +33 1 42 68 50 12
E-Mail: hugues.madelin@ha-ib.de

Imogen Voorspuy
Equity Sales
Tel.: +44 203 34 59 601
E-Mail: imogen.voorspuy@ha-ib.de

Markus Scharhag
Equity Sales
Tel.: +49 89 23 93 28 13
E-Mail: markus.scharhag@ha-ib.de

Vincent Bischoff
Equity Sales
Tel.: +49 40 41 43 88 588
E-Mail: 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
www.hal-privatbank.com

Fin Schaffer
Trading
Tel.: +49 40 414 38 85 98
E-Mail: fin.schaffer@ha-ib.de

Nils Carstens
Trading
Tel.: +49 40 414 38 85 85
E-Mail: nils.carstens@ha-ib.de

Carolin Heidrich
Middle-Office
Tel.: +49 40 414 3885 87
E-Mail: carolin.heidrich@hal-privatbank.com

Tom Warlich
Middle-Office
Tel.: +49 40 414 3885 78
E-Mail: tom.warlich@hal-privatbank.com