

| | | | | |
|----------------------|-------------------------------|-----------------------------|------------|---|
| Buy | Value Indicators: | Warburg Risk Score: | 2.5 | Description: |
| EUR 46.00 | SotP: EUR 45.53 | Balance Sheet Score: 2.0 | | Mutares is a PE group which specializes on turnaround and restructuring cases |
| | | Market Liquidity Score: 3.0 | | |
| Price EUR 32.10 | Market Snapshot: | Shareholders: | | Key Figures (WRe): |
| Upside 43.3 % | Market cap: 677 | Freefloat 65.10 % | | 2025e |
| | No. of shares (m): 21 | Robin Laik (CEO) 25.01 % | | Beta: 1.3 |
| | EV: 2,180 | Elber GmbH 10.10 % | | Price / Book: 0.7 x |
| | Freefloat MC: 441 | | | Equity Ratio: 20 % |
| | Ø Trad. Vol. (30d): 866.06 th | | | Net Fin. Debt / EBITDA: 1.7 x |
| | | | | Net Debt / EBITDA: 1.9 x |

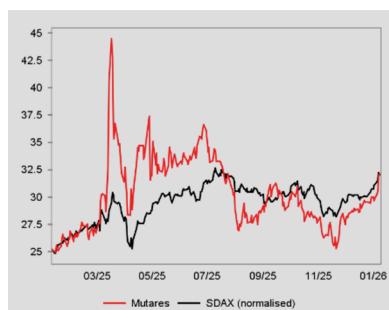
Major deal with SABIC is largest in company history

With its intention to purchase the Engineering Thermoplastics business from SABIC, Mutares has announced the largest deal in the company's history. The business operates eight plants in the US, Canada, Mexico, Brazil, the Netherlands, and Spain and, in 2024, generated sales of around USD 2.5bn of which 66% were generated in the Americas and 34% in Europe. Products include polycarbonates (PC), polybutylene terephthalate (PBT), and acrylonitrile butadiene styrene (ABS). With respect to end markets, 39% of sales stem from the automotive industry, 20% building & construction; 17% consumer products, 10% electrical & electronics and 3% healthcare. Mutares stated that it is the sole producer of PBT and the leading producer of ABS in the United States. The enterprise value of the transaction is USD 450m and SABIC stated that there is an earn-out mechanism, depending on FCF generation over the next four years or a resale by Mutares. In October, SABIC mentioned a closure of PC production in Spain, but the entity still seems to be part of the transaction. To our understanding, relevant provisions have been made and are included in the EV, together with pensions and other non-financial debt. Thus, the transaction price should be a lower double-digit million and is subject to working-capital adjustments as closure is expected in H2 26. We assume the business generates a slightly positive EBITDA margin but negative free cash flow.

We expect the rationale of this deal to be based on three important pillars, the US business, the favourable price, and good timing. There is also a smaller cross-selling opportunity with Mutares automotive business in the US. One of the plants was impacted by a negative one-off in 2025 that had a sizable impact on EBITDA. With the push by the US government to bring more production into the US, as well as the fact that the market has some protection from tariffs and the additional volume from the cross-selling, we see major upside potential. Double-digit EBITDA margins should be possible on higher-end market volume and shows the potential of the deal given Mutares' current market cap of c. EUR 670m.

Separately, Mutares had been very active since our last update at the beginning of December and has announced the exits of Fuentes, Connexion and Kalzip, as well as the purchase of the gasification business of Wartsilae, Greer Steel, Venator Pigments, and the IT business from Allegro group. In combination we estimate the exits to provide cash inflows and earnings of an upper double-digit million, providing for a good start to FY 26 as the transactions are expected to be effective in Q1 26. Our model update reflects these deals, but the SABIC deal is not included before closing. We keep our estimates for Holding net income unchanged for the time being but view them well underlined. The PT increase stems from realized exits gains versus the probability weighted values of the exit table. Buy reiterated.

| Changes in Estimates: | | | | | | Comment on Changes: | | |
|-------------------------|-------------|-------|-------------|--------|-------------|---------------------|--|--|
| FY End: 31.12. in EUR m | 2025e (old) | + / - | 2026e (old) | + / - | 2027e (old) | + / - | | |
| Sales | 6,965 | 0.0 % | 6,411 | 13.1 % | 6,612 | 16.4 % | | |
| EBITDA adj. | -18 | n.m. | 184 | -3.5 % | 295 | 21.4 % | | |
| Sales Holding | 108 | 0.0 % | 118 | 0.0 % | 129 | 0.0 % | | |
| Portfolio | 125 | 0.0 % | 142 | 0.0 % | 161 | 0.0 % | | |
| Net income | 146 | 0.0 % | 166 | 0.0 % | 193 | 0.0 % | | |



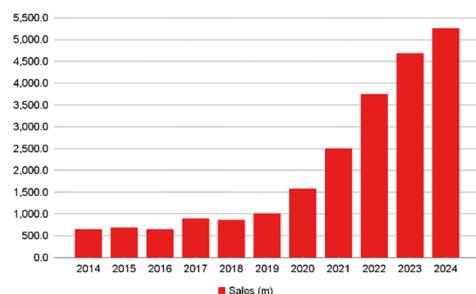
Rel. Performance vs SDAX:

| | |
|---------------------|--------|
| 1 month: | 5.4 % |
| 6 months: | -5.9 % |
| Year to date: | 2.7 % |
| Trailing 12 months: | 0.1 % |

Company events:

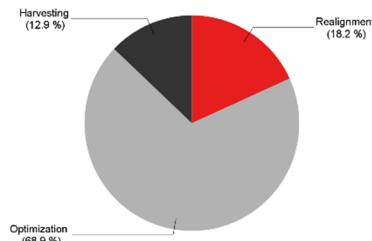
| FY End: 31.12. in EUR m (24-27e) | CAGR | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|----------------------------------|--|--------|---------|--------|--------|---------|---------|---------|
| Sales | 13.5 % | 2,504 | 3,752 | 4,689 | 5,262 | 6,965 | 7,251 | 7,694 |
| Change Sales yoy | | 58.1 % | 49.8 % | 25.0 % | 12.2 % | 32.4 % | 4.1 % | 6.1 % |
| Sales Holding | 5.5 % | 50 | 71 | 104 | 110 | 108 | 118 | 129 |
| Chg yoy | | 58.2 % | 40.9 % | 45.7 % | 5.9 % | -1.8 % | 9.4 % | 9.3 % |
| Portfolio equity distributions | | 14 | 69 | 9 | 8 | 17 | 24 | 32 |
| Portfolio income | | 65 | 140 | 112 | 118 | 125 | 142 | 161 |
| Exit gains | 10.0 % | 58 | 4 | 139 | 113 | 135 | 140 | 150 |
| Net income holding | | 50 | 71 | 102 | 108 | 146 | 166 | 193 |
| Net income margin holding | | 98.2 % | 100.3 % | 98.9 % | 98.6 % | 135.5 % | 141.0 % | 149.9 % |
| EBITDA adj. | | -41 | -33 | 18 | -85 | -19 | 178 | 358 |
| Net income | - | 449 | -7 | 397 | -406 | 160 | -404 | -252 |
| Net income adj. | | 50 | 71 | 102 | 108 | 146 | 166 | 193 |
| EPS adj. | | 3.00 | 3.46 | 4.92 | 5.09 | 6.84 | 7.79 | 9.05 |
| P / E adj. | | 7.4 x | 5.6 x | 4.9 x | 6.3 x | 4.7 x | 4.1 x | 3.5 x |
| DPS | 14.5 % | 1.50 | 2.00 | 2.25 | 2.00 | 2.25 | 2.50 | 3.00 |
| Dividend Yield | | 6.8 % | 10.4 % | 9.3 % | 6.2 % | 7.0 % | 7.8 % | 9.3 % |
| EPS | | 27.18 | -0.33 | 19.08 | -19.10 | 7.48 | -18.91 | -11.81 |
| P / E | | 0.8 x | n.a. | 1.3 x | n.a. | 4.3 x | n.a. | n.a. |
| Guidance: | Group sales EUR 6.5-7.5bn, net income holding EUR 130-160m | | | | | | | |

Sales development in EUR m



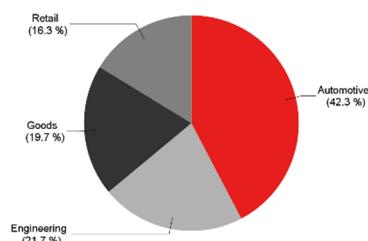
Source: Warburg Research

Sales by cycle phase 2024; in %



Source: Warburg Research

Sales by segment 2024; %



Source: Warburg Research

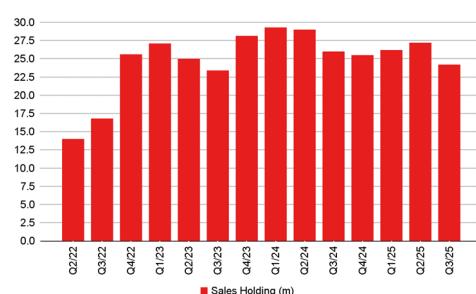
Company Background

- 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 around EUR 4.7bn in 2023 as the company made more than 100 transactions
- Mutares has consistently paid a dividend and targets a base dividend of EUR 2.0. The dividend yield has exceeded 5% over the past five years.
- The company issued a bond and raised equity of combined 350m in the last two years to accelerate growth as the Covid pandemic gave rise to unique investment opportunities

Competitive Quality

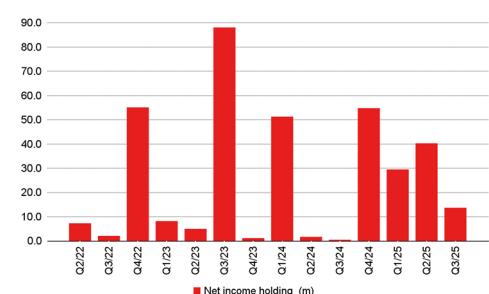
- With more than 120 consultants, who are turnaround specialists, at the end of 2022, Mutares has established a European network of offices enabling the generation of synergies across its portfolio holdings.
- European small-midcap special situations management is a niche market with limited competition
- Management and board members hold significant stakes of outstanding shares
- For FY 28 Mutares targets annual consolidated sales of EUR 10bn, holding net income of EUR 200m

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 Company | exit date | sales Wre | all Warburg Research estimates | EBITDA margin | EBITDA / EBIT | Exit multiple | EV | probability | NPV |
|---------------------------------|-----------|-----------|--------------------------------|---------------|---------------|---------------|--------|-------------|-------|
| Altegra | 2028 | 60 | 7% | 4,2 | | 8,0 | 34 | 10% | 2,5 |
| Amaneos | 2027 | 1.100 | 7% | 77,0 | | 6,0 | 462 | 25% | 95,8 |
| Aumovio | 2028 | 100 | 5% | 5,0 | | 6,0 | 30 | 10% | 2,3 |
| Byldis | 2028 | 80 | 6% | 4,8 | | 7,0 | 34 | 10% | 2,5 |
| Donges Group | 2026 | 150 | 8% | 12,0 | | 7,0 | 84 | 35% | 26,8 |
| Efasec | 2028 | 450 | 12% | 54,0 | | 10,0 | 540 | 25% | 102,0 |
| FerraI United | 2027 | 1.100 | 8% | 88,0 | | 7,0 | 616 | 25% | 127,7 |
| Ganter | 2026 | 80 | 7% | 5,6 | | 7,0 | 39 | 25% | 8,9 |
| GDL | 2028 | 125 | 6% | 7,5 | | 9,0 | 68 | 10% | 5,1 |
| Gemini / Adcoms | 2026 | 80 | 8% | 6,4 | | 8,0 | 51 | 25% | 11,7 |
| Gläserne Molkerei | 2028 | 100 | 6% | 6,0 | | 8,0 | 48 | 10% | 3,6 |
| Go Collective (Arriva) | 2027 | 400 | 7% | 28,0 | | 6,0 | 168 | 25% | 34,8 |
| Greer Steel | 2028 | 35 | 6% | 2,1 | | 5,0 | 11 | 10% | 0,8 |
| Guascor Energy | 2026 | 100 | 8% | 8,0 | | 7,0 | 56 | 35% | 17,9 |
| inTime | 2028 | 125 | 6% | 7,5 | | 8,0 | 60 | 10% | 4,5 |
| IT Allegro | 2028 | 100 | 9% | 9,0 | | 8,0 | 72 | 10% | 5,4 |
| Kaw neer | 2028 | 125 | 6% | 7,5 | | 7,0 | 53 | 10% | 4,0 |
| keepper | 2025 | 90 | 8% | 7,2 | | 9,0 | 65 | 35% | 22,7 |
| Klujettava | 2028 | 70 | 5% | 3,5 | | 6,0 | 21 | 10% | 1,6 |
| La Rochette | 2026 | 90 | 4% | 3,6 | | 7,0 | 25 | 35% | 8,0 |
| Lapyere | 2027 | 650 | 4% | 26,0 | | 3,0 | 178 | 25% | 36,9 |
| Locapharm | 2028 | 40 | 5% | 2,0 | | 8,0 | 16 | 10% | 1,2 |
| Magirus | 2028 | 400 | 8% | 32,0 | | 8,0 | 256 | 25% | 48,3 |
| Natura | 2028 | 100 | 4% | 4,0 | | 7,0 | 28 | 10% | 2,1 |
| NEM | 2027 | 300 | 8% | 24,0 | | 6,0 | 144 | 35% | 41,8 |
| Nervion | 2028 | 240 | 8% | 19,2 | | 7,0 | 134 | 10% | 10,2 |
| Palmia | 2026 | 180 | 6% | 10,8 | | 6,0 | 65 | 35% | 20,7 |
| Peugeot Motor | 2028 | 140 | 7% | 9,8 | | 6,0 | 59 | 10% | 2,2 |
| Prenatal | 2028 | 100 | 7% | 7,0 | | 7,0 | 49 | 10% | 1,9 |
| Redo | 2028 | 35 | 7% | 2,5 | | 8,0 | 20 | 35% | 4,1 |
| SFC | 2026 | 430 | 10% | 43,0 | | 7,0 | 301 | 35% | 95,9 |
| Sofinter | 2028 | 300 | 8% | 24,0 | | 6,0 | 144 | 10% | 10,9 |
| Stuart | 2028 | 80 | 5% | 4,0 | | 9,0 | 36 | 10% | 2,7 |
| Terranor (Nordic Road Services) | 2025 | | | | | | | | 30,2 |
| Venator Pigments | 2028 | 40 | 10% | 4,0 | | 8,0 | 32 | 10% | 2,4 |
| Wartsilae Gas | 2028 | 300 | 9% | 27,0 | | 7,0 | 189 | 10% | 14,3 |
| Zendra | 2028 | 80 | 5% | 4,0 | | 6,0 | 24 | 10% | 1,8 |
| | | | | | | | 4176,1 | | |
| | | | | | | | | 805,3 | |

| | 2023 | 2024e | 2025e | 2026e | 2027e |
|--|-------|-------|-------|-------|-------|
| Sum of the Parts (EURm) | | | | | |
| Consulting revenues | 103,6 | 109,8 | 107,8 | 117,9 | 128,9 |
| Consulting profit (EBITDA) | 18,7 | 19,8 | 19,4 | 21,2 | 23,2 |
| WACC | | | | 9,8% | 9,8% |
| Equity distributions | 9 | 8,2 | 17,0 | 24,0 | 32,0 |
| WACC | | | | 9,8% | 9,8% |
| (+) NPV portfolio | | | TV | 217 | 237 |
| (-) Discounted TV equity distributions | | | | 245 | 326 |
| NPV portfolio surplus | | | 805 | | |
| | | | 271 | | |
| | | | 534,5 | | |

| | | | |
|------------------------------|--------|------|-------|
| Enterprise Value / CF | 570,9 | 45,2 | 563,2 |
| Discounted values | 570,9 | 41,2 | 467,1 |
| Discounted sum EV/CF | 1079,2 | | |
| Debt | 385,0 | | |
| Cash | 49,9 | | |
| Other debt / asset items | -228,0 | | |
| Equity Value | 972 | | |
| Number of shares outstanding | 21,3 | | |
| Fair value per share (EUR) | 45,5 | | |

- As debt we deduct the outstanding bond and given guarantees
- Assets are identified distributable assets of portfolio companies

Valuation

| | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Price / Book | 0.5 x | 0.6 x | 0.5 x | 1.0 x | 0.7 x | 1.1 x | 1.8 x |
| Book value per share ex intangibles | 28.56 | 27.56 | 39.05 | 16.48 | 31.34 | 13.45 | 2.42 |
| EV / Sales | 0.3 x | 0.3 x | 0.3 x | 0.4 x | 0.3 x | 0.3 x | 0.3 x |
| EV / EBITDA | 1.5 x | 6.0 x | 1.7 x | 17.2 x | 2.8 x | 12.3 x | 6.0 x |
| EV / EBIT | 2.0 x | n.a. | 2.9 x | n.a. | 7.4 x | n.a. | n.a. |
| EV / EBIT adj.* | n.a. | 7.8 x | 2.9 x | n.a. | 7.4 x | n.a. | n.a. |
| P / FCF | n.a. | n.a. | n.a. | n.a. | 3.4 x | n.a. | 9.1 x |
| P / E | 0.8 x | n.a. | 1.3 x | n.a. | 4.3 x | n.a. | n.a. |
| P / E adj.* | 7.4 x | 5.6 x | 4.9 x | 6.3 x | 4.7 x | 4.1 x | 3.5 x |
| Dividend Yield | 6.8 % | 10.4 % | 9.3 % | 6.2 % | 7.0 % | 7.8 % | 9.3 % |
| FCF Potential Yield (on market EV) | 66.4 % | 20.0 % | 59.7 % | 10.3 % | 35.2 % | 8.1 % | 16.5 % |

*Adjustments made for: -

Company Specific Items

| | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|--------------------------------|--------|---------|--------|--------|---------|---------|---------|
| Sales Holding | 50 | 71 | 104 | 110 | 108 | 118 | 129 |
| Portfolio equity distributions | 14 | 69 | 9 | 8 | 17 | 24 | 32 |
| Exit gains | 58 | 4 | 139 | 113 | 135 | 140 | 150 |
| Net income holding | 50 | 71 | 102 | 108 | 146 | 166 | 193 |
| adj. EBITDA holding | -18 | -7 | -46 | -2 | 7 | 16 | 25 |
| Income investments holding | 71 | 72 | 149 | 121 | 152 | 164 | 182 |
| Chg yoy | 58.2 % | 40.9 % | 45.7 % | 5.9 % | -1.8 % | 9.4 % | 9.3 % |
| Net income margin holding | 98.2 % | 100.3 % | 98.9 % | 98.6 % | 135.5 % | 141.0 % | 149.9 % |
| Consulting income | 7 | 13 | 19 | 20 | 19 | 21 | 23 |
| Portfolio income | 65 | 140 | 112 | 118 | 125 | 142 | 161 |

Consolidated profit & loss

| In EUR m | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Sales | 2,504 | 3,752 | 4,689 | 5,262 | 6,965 | 7,251 | 7,694 |
| Change Sales yoy | 58.1 % | 49.8 % | 25.0 % | 12.2 % | 32.4 % | 4.1 % | 6.1 % |
| Increase / decrease in inventory | 7 | -16 | -4 | -19 | 0 | 0 | 0 |
| Total Sales | 2,511 | 3,735 | 4,685 | 5,243 | 6,965 | 7,251 | 7,694 |
| Material expenses | 1,580 | 2,399 | 2,800 | 3,092 | 4,109 | 4,242 | 4,501 |
| Gross profit | 931 | 1,337 | 1,885 | 2,151 | 2,856 | 3,009 | 3,193 |
| Gross profit margin | 37.2 % | 35.6 % | 40.2 % | 40.9 % | 41.0 % | 41.5 % | 41.5 % |
| Personnel expenses | 660 | 910 | 1,370 | 1,645 | 2,090 | 2,175 | 2,308 |
| Other operating income | 770 | 356 | 986 | 507 | 817 | 850 | 902 |
| Other operating expenses | 474 | 601 | 745 | 895 | 851 | 1,506 | 1,429 |
| Unfrequent items | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBITDA | 567 | 181 | 757 | 117 | 731 | 178 | 358 |
| <i>Margin</i> | 22.6 % | 4.8 % | 16.1 % | 2.2 % | 10.5 % | 2.4 % | 4.7 % |
| Depreciation of fixed assets | 119 | 185 | 320 | 464 | 453 | 471 | 500 |
| EBITA | 448 | -3 | 437 | -347 | 279 | -294 | -142 |
| Amortisation of intangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Goodwill amortisation | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBIT | 448 | -3 | 437 | -347 | 279 | -294 | -142 |
| <i>Margin</i> | 17.9 % | -0.1 % | 9.3 % | -6.6 % | 4.0 % | -4.1 % | -1.8 % |
| EBIT adj. | -160 | 140 | 437 | -347 | 279 | -294 | -142 |
| Interest income | 9 | 15 | 20 | 27 | 20 | 20 | 20 |
| Interest expenses | 27 | 68 | 93 | 231 | 130 | 130 | 130 |
| Other financial income (loss) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBT | 429 | -56 | 364 | -551 | 169 | -404 | -252 |
| <i>Margin</i> | 17.1 % | -1.5 % | 7.8 % | -10.5 % | 2.4 % | -5.6 % | -3.3 % |
| Total taxes | -14 | -36 | -4 | -91 | 9 | 0 | 0 |
| Net income from continuing operations | 443 | -21 | 367 | -460 | 160 | -404 | -252 |
| Income from discontinued operations (net of tax) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net income before minorities | 443 | -21 | 367 | -460 | 160 | -404 | -252 |
| Minority interest | -7 | -14 | -30 | -54 | 0 | 0 | 0 |
| Net income | 449 | -7 | 397 | -406 | 160 | -404 | -252 |
| <i>Margin</i> | 17.9 % | -0.2 % | 8.5 % | -7.7 % | 2.3 % | -5.6 % | -3.3 % |
| Net income adj. | 50 | 71 | 102 | 108 | 146 | 166 | 193 |
| Number of shares, average | 17 | 21 | 21 | 21 | 21 | 21 | 21 |
| EPS | 27.18 | -0.33 | 19.08 | -19.10 | 7.48 | -18.91 | -11.81 |
| EPS adj. | 3.00 | 3.46 | 4.92 | 5.09 | 6.84 | 7.79 | 9.05 |

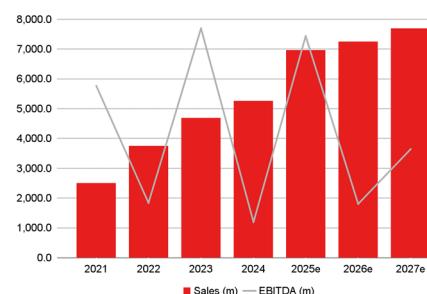
*Adjustments made for:

Guidance: Group sales EUR 6.5-7.5bn, net income holding EUR 130-160m

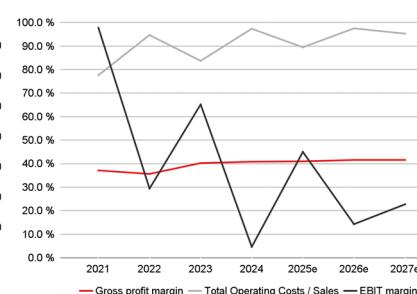
Financial Ratios

| | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|-------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Total Operating Costs / Sales | 77.6 % | 94.7 % | 83.8 % | 97.4 % | 89.5 % | 97.6 % | 95.3 % |
| Operating Leverage | 17.0 x | n.a. | n.a. | n.a. | n.a. | n.a. | -8.5 x |
| EBITDA / Interest expenses | 20.8 x | 2.7 x | 8.1 x | 0.5 x | 5.6 x | 1.4 x | 2.8 x |
| Tax rate (EBT) | -3.2 % | 62.8 % | -1.0 % | 16.5 % | 5.3 % | 0.0 % | 0.0 % |
| Dividend Payout Ratio | 5.6 % | n.m. | 12.8 % | n.m. | 30.1 % | n.m. | n.m. |
| Sales per Employee | n.a. |

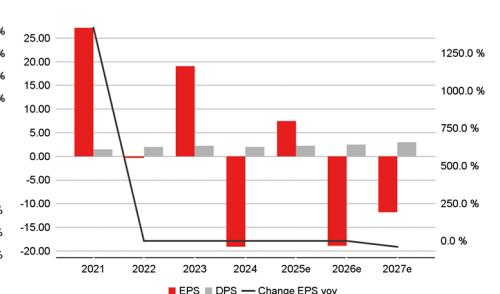
Sales, EBITDA in EUR m



Operating Performance in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

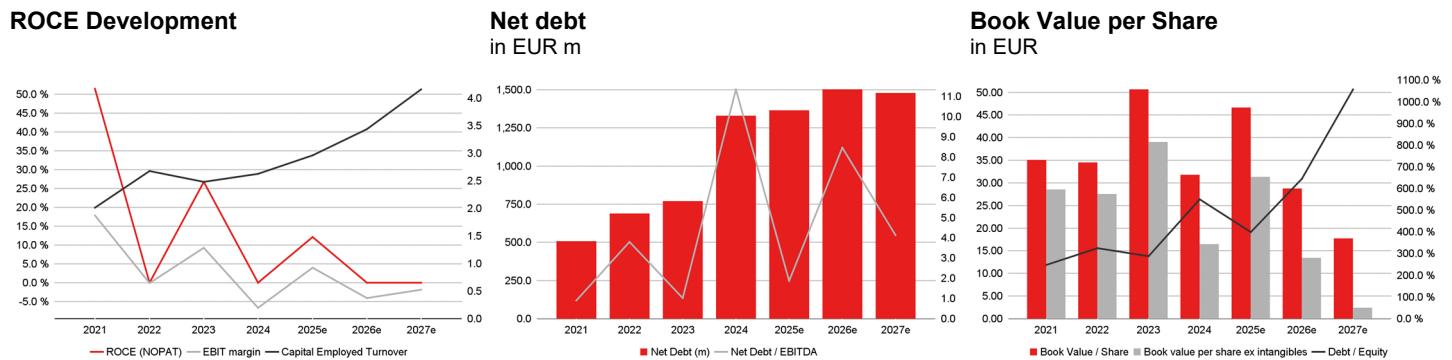
Consolidated balance sheet

| In EUR m | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | | | |
| Goodwill and other intangible assets | 134 | 144 | 245 | 327 | 327 | 327 | 327 |
| thereof other intangible assets | 134 | 144 | 245 | 327 | 327 | 327 | 327 |
| thereof Goodwill | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Property, plant and equipment | 557 | 764 | 1,167 | 1,168 | 1,346 | 1,005 | 636 |
| Financial assets | 74 | 46 | 129 | 80 | 80 | 80 | 80 |
| Other long-term assets | 324 | 398 | 475 | 523 | 523 | 523 | 523 |
| Fixed assets | 1,088 | 1,352 | 2,015 | 2,099 | 2,277 | 1,936 | 1,567 |
| Inventories | 423 | 561 | 673 | 699 | 995 | 1,036 | 1,099 |
| Accounts receivable | 342 | 458 | 595 | 764 | 883 | 919 | 975 |
| Liquid assets | 255 | 246 | 520 | 412 | 377 | 239 | 263 |
| Other short-term assets | 452 | 412 | 545 | 396 | 396 | 396 | 396 |
| Current assets | 1,472 | 1,677 | 2,334 | 2,271 | 2,651 | 2,591 | 2,734 |
| Total Assets | 2,560 | 3,030 | 4,349 | 4,370 | 4,928 | 4,527 | 4,300 |
| Liabilities and shareholders' equity | | | | | | | |
| Subscribed capital | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Capital reserve | 134 | 135 | 139 | 142 | 142 | 142 | 142 |
| Retained earnings | 566 | 527 | 900 | 484 | 601 | 149 | -156 |
| Other equity components | 1 | 31 | 9 | 32 | 232 | 302 | 372 |
| Shareholders' equity | 721 | 713 | 1,069 | 679 | 996 | 614 | 379 |
| Minority interest | 15 | 1 | 50 | -7 | -7 | -7 | -7 |
| Total equity | 736 | 714 | 1,120 | 672 | 989 | 607 | 372 |
| Provisions | 326 | 332 | 533 | 528 | 628 | 558 | 488 |
| thereof provisions for pensions and similar obligations | 153 | 94 | 131 | 117 | 117 | 117 | 117 |
| Financial liabilities (total) | 610 | 841 | 1,160 | 1,625 | 1,625 | 1,625 | 1,625 |
| Short-term financial liabilities | 69 | 136 | 134 | 213 | 213 | 213 | 213 |
| Accounts payable | 525 | 754 | 904 | 1,100 | 1,240 | 1,291 | 1,370 |
| Other liabilities | 363 | 389 | 632 | 447 | 447 | 447 | 447 |
| Liabilities | 1,824 | 2,316 | 3,229 | 3,698 | 3,939 | 3,920 | 3,929 |
| Total liabilities and shareholders' equity | 2,560 | 3,030 | 4,349 | 4,370 | 4,928 | 4,527 | 4,300 |

Financial Ratios

| | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|---|--------|---------|--------|----------|---------|---------|---------|
| Efficiency of Capital Employment | | | | | | | |
| Operating Assets Turnover | 3.1 x | 3.6 x | 3.1 x | 3.4 x | 3.5 x | 4.3 x | 5.7 x |
| Capital Employed Turnover | 2.0 x | 2.7 x | 2.5 x | 2.6 x | 3.0 x | 3.4 x | 4.2 x |
| ROA | 41.3 % | -0.5 % | 19.7 % | -19.4 % | 7.0 % | -20.9 % | -16.1 % |
| Return on Capital | | | | | | | |
| ROCE (NOPAT) | 51.4 % | n.a. | 26.8 % | n.a. | 12.1 % | n.a. | n.a. |
| ROE | 98.6 % | -0.9 % | 44.6 % | -46.5 % | 19.1 % | -50.1 % | -50.8 % |
| Adj. ROE | 10.9 % | 9.9 % | 11.5 % | 12.4 % | 17.4 % | 20.6 % | 38.9 % |
| Balance sheet quality | | | | | | | |
| Net Debt | 508 | 689 | 771 | 1,330 | 1,365 | 1,503 | 1,479 |
| Net Financial Debt | 355 | 595 | 640 | 1,213 | 1,248 | 1,385 | 1,362 |
| Net Gearing | 69.0 % | 96.6 % | 68.8 % | 198.0 % | 138.1 % | 247.6 % | 398.1 % |
| Net Fin. Debt / EBITDA | 62.6 % | 328.0 % | 84.5 % | 1035.5 % | 170.6 % | 780.4 % | 380.4 % |
| Book Value / Share | 35.1 | 34.5 | 50.7 | 31.8 | 46.7 | 28.8 | 17.7 |
| Book value per share ex intangibles | 28.6 | 27.6 | 39.1 | 16.5 | 31.3 | 13.5 | 2.4 |

ROCE Development



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

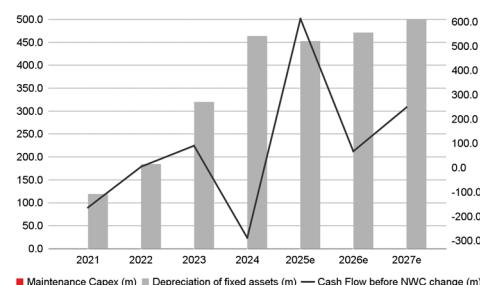
| In EUR m | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|--|-------------|------------|-------------|-------------|-------------|-------------|-------------|
| Net income | 443 | -21 | 367 | -460 | 160 | -404 | -252 |
| Depreciation of fixed assets | 119 | 185 | 320 | 464 | 453 | 471 | 500 |
| 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 | -59 | 36 | -13 | 0 | 0 | 0 |
| Other non-cash income and expenses | -705 | -100 | -633 | -278 | 0 | 0 | 0 |
| Cash Flow before NWC change | -163 | 5 | 91 | -288 | 612 | 68 | 248 |
| Increase / decrease in inventory | -22 | -138 | -113 | -25 | -297 | -41 | -63 |
| Increase / decrease in accounts receivable | 43 | -117 | -136 | -169 | -119 | -36 | -56 |
| Increase / decrease in accounts payable | 38 | 228 | 151 | 195 | 141 | 51 | 79 |
| Increase / decrease in other working capital positions | 0 | 0 | -20 | 0 | 0 | 0 | 0 |
| Increase / decrease in working capital (total) | 59 | -26 | -118 | 1 | -275 | -26 | -41 |
| Net cash provided by operating activities [1] | -104 | -21 | -27 | -287 | 338 | 41 | 207 |
| Investments in intangible assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Investments in property, plant and equipment | -48 | -84 | -138 | -131 | -131 | -131 | -131 |
| Payments for acquisitions | 189 | 110 | 354 | 165 | -500 | 0 | 0 |
| Financial investments | 1 | 2 | 11 | 23 | 0 | 0 | 0 |
| Income from asset disposals | 33 | 46 | 186 | 50 | 0 | 0 | 0 |
| Net cash provided by investing activities [2] | 172 | 84 | 455 | 124 | -631 | -131 | -131 |
| Change in financial liabilities | 236 | 232 | 319 | 465 | 0 | 0 | 0 |
| Dividends paid | -25 | -31 | -36 | -47 | -43 | -48 | -53 |
| Purchase of own shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital measures | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | -256 | -427 | -362 | 300 | 0 | 0 |
| Net cash provided by financing activities [3] | 211 | -56 | -145 | 56 | 257 | -48 | -53 |
| Change in liquid funds [1]+[2]+[3] | 280 | 8 | 282 | -108 | -35 | -137 | 24 |
| Effects of exchange-rate changes on cash | 0 | -16 | -9 | 0 | 0 | 0 | 0 |
| Cash and cash equivalent at end of period | 425 | 246 | 520 | 413 | 377 | 239 | 263 |

Financial Ratios

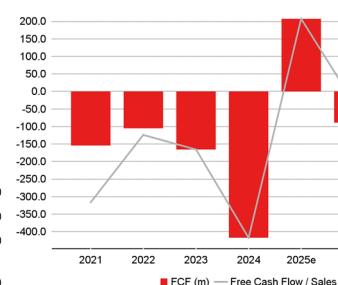
| | 2021 | 2022 | 2023 | 2024 | 2025e | 2026e | 2027e |
|--------------------------------------|---------|----------|---------|---------|---------|--------|---------|
| Cash Flow | | | | | | | |
| FCF | -154 | -105 | -166 | -417 | 207 | -89 | 77 |
| Free Cash Flow / Sales | -6.2 % | -2.8 % | -3.5 % | -7.9 % | 3.0 % | -1.2 % | 1.0 % |
| Free Cash Flow Potential | 580 | 217 | 761 | 208 | 723 | 178 | 358 |
| Free Cash Flow / Net Profit | -34.3 % | 1547.1 % | -41.7 % | 102.7 % | 129.7 % | 22.1 % | -30.5 % |
| Interest Received / Avg. Cash | 4.2 % | 6.0 % | 5.1 % | 5.7 % | 5.1 % | 6.5 % | 8.0 % |
| Interest Paid / Avg. Debt | 5.5 % | 9.4 % | 9.3 % | 16.6 % | 8.0 % | 8.0 % | 8.0 % |
| Management of Funds | | | | | | | |
| Investment ratio | 1.9 % | 2.2 % | 2.9 % | 2.5 % | 1.9 % | 1.8 % | 1.7 % |
| Maint. Capex / Sales | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % | 0.0 % |
| Capex / Dep | 40.0 % | 45.7 % | 43.2 % | 28.1 % | 28.8 % | 27.7 % | 26.1 % |
| Avg. Working Capital / Sales | 8.4 % | 6.7 % | 6.7 % | 6.9 % | 7.2 % | 9.0 % | 8.9 % |
| Trade Debtors / Trade Creditors | 65.0 % | 60.8 % | 65.7 % | 69.5 % | 71.2 % | 71.2 % | 71.2 % |
| Inventory Turnover | 3.7 x | 4.3 x | 4.2 x | 4.4 x | 4.1 x | 4.1 x | 4.1 x |
| Receivables collection period (days) | 50 | 45 | 46 | 53 | 46 | 46 | 46 |
| Payables payment period (days) | 121 | 115 | 118 | 130 | 110 | 111 | 111 |
| Cash conversion cycle (Days) | 26 | 15 | 16 | 6 | 24 | 24 | 24 |

CAPEX and Cash Flow

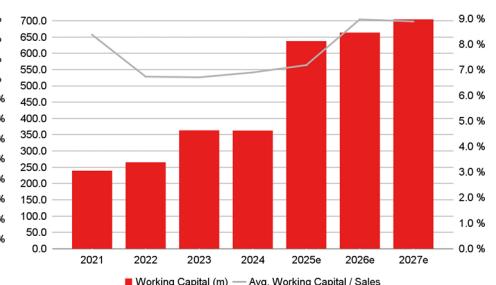
in EUR m



Free Cash Flow Generation



Working Capital



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|---------|------------|---|
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| | | |
|-----|--------------------------|---|
| -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 | 134 | 69 |
| Hold | 51 | 26 |
| Sell | 5 | 3 |
| Rating suspended | 3 | 2 |
| Total | 193 | 100 |

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies for which affiliated companies provided major investment services in the last twelve months.

| Rating | Number of stocks | % of Universe |
|------------------|------------------|---------------|
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| Hold | 12 | 25 |
| Sell | 1 | 2 |
| Rating suspended | 1 | 2 |
| Total | 48 | 100 |

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