



**Buy** (old: Buy)

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

<b>Price:</b>	EUR 27.10	<b>Next result:</b>	Q3'21 09.11.21
<b>Bloomberg:</b>	MUX GR	<b>Market cap:</b>	EUR 412.9 m
<b>Reuters:</b>	MUXG.BE	<b>Enterprise Value:</b>	EUR 742.0 m

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## Reassuring CMD confirms bright prospects

Mutares' management gave a bullish presentation during yesterday's well-attended CMD and provided insights into the recent guidance hike, aiming for strong top-line growth in the coming years to € > 5bn group sales by 2023. This is expected to translate into net profits at holding level 1.8%-2.2% of group revenues or € 90m-110m i.e. the basis for its at least € 1.50 DPS payout (eCons). Visibility is grounded in:

- **Attractive deal pipeline:** Currently, the company has 71 live deals worth > € 9bn revenues. This should include mainly larger deals with revenues of > € 100m, in our view. Note that Mutares intends to accelerate its dynamic acquisition pace from c. 1 transaction per month on average (2018-2020).
- **Strong pipeline execution on the back of Mutares' growing operations team:** Since 2018, Mutares has grown its Operations team by 240% to 85 consultants and expects headcount to increase to 200 by FY'23 to manage the turnaround processes. We expect Mutares to bill consultants for c. € 3,200 per day (eH&A).

Thus, **Mutares looks well equipped to expand its broad-based portfolio, and produce an ever more predictable income stream for its shareholders thanks to diversification across stages and industries.** In fact, thanks to a growing consulting fee base (charged during the turnaround phase), dividends of maturing (and larger) companies as well as attractive exit returns, Mutares expects a portfolio income of € 200m by FY'23. Overall, Mutares targets 7-10x ROIC on its investments.

Furthermore, Mutares' diversification by regions and verticals thanks to its three segments automotive & mobility, engineering & technology and goods & services further supports earnings visibility AND its ability to manage earnings' stability throughout the cycle. Mutares is flexible in timing exits, taking into account industry and country cycles.

**Deep dive into portfolio addition and gem Lapeyre (€ > 600m revenues; € -30m EBITDA in 2020):** The manufacturer of home improvement products was acquired for a nominal purchase price and € 20m equity injection (vs € 204m cash contribution by the seller). Considering the EBITDA target of > € 50m EBITDA by FY'24 and exit multiples around 8-10x (and no financial debt at closing) on top of consulting and dividend income, Mutares should clearly exceed its required ROIC of 7-10x, i.e. generate cash well above the implied € 140m.

Hence, we **confirm our BUY recommendation** with an **unchanged PT of € 37.50**, based on a dividend yield model.

Y/E 31.12 (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales*	899.7	865.1	1,015.9	1,583.9	2,443.4	2,889.5	2,962.0
Sales growth	38 %	-4 %	17 %	56 %	54 %	18 %	3 %
EBITDA	67.1	49.1	79.2	142.7	392.0	87.4	128.3
EBIT	40.0	19.4	26.2	41.2	293.2	-12.8	26.0
Holding profits**	17.6	20.1	22.5	33.4	45.5	45.8	55.6
Net debt	107.9	31.5	204.7	289.2	329.2	277.0	174.2
Net gearing	3.1 %	-8.6 %	63.4 %	90.9 %	117.9 %	79.5 %	24.2 %
Net Debt/EBITDA	1.6	0.6	2.6	2.0	0.8	3.2	1.4
Holding EPS pro forma**	1.14	1.32	1.48	2.19	2.99	3.01	3.65
CPS	-2.89	-2.68	-4.18	-9.49	-8.64	2.38	5.66
DPS	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Dividend yield	3.7 %	3.7 %	3.7 %	5.5 %	5.5 %	5.5 %	5.5 %
Gross profit margin	36.4 %	38.5 %	38.5 %	37.6 %	38.5 %	40.0 %	41.0 %
EBITDA margin	7.5 %	5.7 %	7.8 %	9.0 %	16.0 %	3.0 %	4.3 %
EBIT margin	4.4 %	2.2 %	2.6 %	2.6 %	12.0 %	-0.4 %	0.9 %
ROCE	10.8 %	4.8 %	5.6 %	7.3 %	45.9 %	-1.7 %	3.4 %
EV/sales	0.6	0.5	0.6	0.4	0.3	0.2	0.2
EV/EBITDA	7.8	9.1	7.8	4.9	1.9	7.9	4.6
EV/EBIT	13.0	22.9	23.6	17.0	2.5	-54.1	22.6
PER	9.5	28.1	19.5	15.2	1.4	-17.9	25.6
Adjusted FCF yield	9.9 %	4.2 %	4.6 %	6.5 %	35.8 %	-1.6 %	3.9 %

Source: Company data, H&A Close price as of: 15.09.2021 \*organic growth \*\*excl. potential exits



Source: Company data, Hauck & Aufhäuser

**High/low 52 weeks:** 29.80 / 9.71

**Price/Book Ratio:** 2.4

**Relative performance (SDAX):**

3 months 24.6 %

6 months 37.4 %

12 months 157.9 %

## Changes in estimates

		Sales	EBIT	EPS
2021	old:	2,443.4	293.2	18.80
	Δ	-	-	-
2022	old:	2,889.5	-12.8	-1.51
	Δ	-	-	-
2023	old:	2,962.0	26.0	1.06
	Δ	-	-	-

## Key share data:

Number of shares: (in m pcs) 15.2

Authorised capital: (in € m) 7.0

Book value per share: (in €) 11.9

Ø trading volume: (12 months) 22,525

## 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)	2017	2018	2019	2020	2021E	2022E	2023E
<b>Net sales</b>	<b>899.7</b>	<b>865.1</b>	<b>1,015.9</b>	<b>1,583.9</b>	<b>2,443.4</b>	<b>2,889.5</b>	<b>2,962.0</b>
<i>Sales growth</i>	38.4 %	-3.8 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
Increase/decrease in finished goods and work-in-process	-4.1	0.1	-3.9	-23.1	-12.2	-14.4	-14.8
<b>Total sales</b>	<b>895.6</b>	<b>865.2</b>	<b>1,012.0</b>	<b>1,560.8</b>	<b>2,431.2</b>	<b>2,875.0</b>	<b>2,947.2</b>
Other operating income	156.4	107.4	119.1	241.3	455.0	0.0	0.0
Material expenses	569.6	532.4	622.6	974.6	1,495.9	1,725.0	1,738.8
Personnel expenses	251.6	244.7	291.8	423.9	659.7	722.4	740.5
Other operating expenses	163.7	146.4	137.5	260.8	338.6	340.3	339.5
Total operating expenses	828.5	816.1	932.8	1,418.1	2,039.2	2,787.7	2,818.8
<b>EBITDA</b>	<b>67.1</b>	<b>49.1</b>	<b>79.2</b>	<b>142.7</b>	<b>392.0</b>	<b>87.4</b>	<b>128.3</b>
Depreciation	20.7	23.5	43.1	88.7	89.0	90.0	92.0
<b>EBITA</b>	<b>46.4</b>	<b>25.6</b>	<b>36.1</b>	<b>54.0</b>	<b>303.0</b>	<b>-2.6</b>	<b>36.3</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	6.4	6.2	9.9	12.8	9.8	10.1	10.4
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>40.0</b>	<b>19.4</b>	<b>26.2</b>	<b>41.2</b>	<b>293.2</b>	<b>-12.8</b>	<b>26.0</b>
Interest income	3.4	0.5	1.5	3.9	1.2	1.3	2.0
Interest expenses	7.9	5.1	11.0	28.2	11.0	11.6	11.8
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-4.5	-4.6	-9.5	-24.3	-9.8	-10.3	-9.9
<b>Recurring pretax income from continuing operations</b>	<b>35.5</b>	<b>14.8</b>	<b>16.7</b>	<b>16.9</b>	<b>283.4</b>	<b>-23.0</b>	<b>16.1</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>35.5</b>	<b>14.8</b>	<b>16.7</b>	<b>16.9</b>	<b>283.4</b>	<b>-23.0</b>	<b>16.1</b>
Taxes	-8.4	2.8	0.0	-2.8	0.0	0.0	0.0
<b>Net income from continuing operations</b>	<b>43.9</b>	<b>12.0</b>	<b>16.7</b>	<b>19.7</b>	<b>283.4</b>	<b>-23.0</b>	<b>16.1</b>
Result 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>43.9</b>	<b>12.0</b>	<b>16.7</b>	<b>19.7</b>	<b>283.4</b>	<b>-23.0</b>	<b>16.1</b>
Minority interest	-0.3	-2.7	-4.5	-7.4	-3.0	0.0	0.0
<b>Net profit (reported)</b>	<b>44.2</b>	<b>14.7</b>	<b>21.2</b>	<b>27.1</b>	<b>286.4</b>	<b>-23.0</b>	<b>16.1</b>
Average number of shares	15.4	15.2	15.2	15.2	15.2	15.2	15.2
<b>EPS reported</b>	<b>2.85</b>	<b>0.96</b>	<b>1.39</b>	<b>1.78</b>	<b>18.80</b>	<b>-1.51</b>	<b>1.06</b>

Profit and loss (common size)	2017	2018	2019	2020	2021E	2022E	2023E
<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.	0.0 %	neg.	neg.	neg.	neg.	neg.
<b>Total sales</b>	<b>99.5 %</b>	<b>100.0 %</b>	<b>99.6 %</b>	<b>98.5 %</b>	<b>99.5 %</b>	<b>99.5 %</b>	<b>99.5 %</b>
Other operating income	17.4 %	12.4 %	11.7 %	15.2 %	18.6 %	0.0 %	0.0 %
Material expenses	63.3 %	61.5 %	61.3 %	61.5 %	61.2 %	59.7 %	58.7 %
Personnel expenses	28.0 %	28.3 %	28.7 %	26.8 %	27.0 %	25.0 %	25.0 %
Other operating expenses	18.2 %	16.9 %	13.5 %	16.5 %	13.9 %	11.8 %	11.5 %
Total operating expenses	92.1 %	94.3 %	91.8 %	89.5 %	83.5 %	96.5 %	95.2 %
<b>EBITDA</b>	<b>7.5 %</b>	<b>5.7 %</b>	<b>7.8 %</b>	<b>9.0 %</b>	<b>16.0 %</b>	<b>3.0 %</b>	<b>4.3 %</b>
Depreciation	2.3 %	2.7 %	4.2 %	5.6 %	3.6 %	3.1 %	3.1 %
<b>EBITA</b>	<b>5.2 %</b>	<b>3.0 %</b>	<b>3.6 %</b>	<b>3.4 %</b>	<b>12.4 %</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 %	0.7 %	1.0 %	0.8 %	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>4.4 %</b>	<b>2.2 %</b>	<b>2.6 %</b>	<b>2.6 %</b>	<b>12.0 %</b>	<b>neg.</b>	<b>0.9 %</b>
Interest income	0.4 %	0.1 %	0.1 %	0.2 %	0.0 %	0.0 %	0.1 %
Interest expenses	0.9 %	0.6 %	1.1 %	1.8 %	0.5 %	0.4 %	0.4 %
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>3.9 %</b>	<b>1.7 %</b>	<b>1.6 %</b>	<b>1.1 %</b>	<b>11.6 %</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>3.9 %</b>	<b>1.7 %</b>	<b>1.6 %</b>	<b>1.1 %</b>	<b>11.6 %</b>	<b>neg.</b>	<b>0.5 %</b>
Tax rate	-23.7 %	18.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income from continuing operations</b>	<b>4.9 %</b>	<b>1.4 %</b>	<b>1.6 %</b>	<b>1.2 %</b>	<b>11.6 %</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 %	0.0 %
<b>Net income</b>	<b>4.9 %</b>	<b>1.4 %</b>	<b>1.6 %</b>	<b>1.2 %</b>	<b>11.6 %</b>	<b>neg.</b>	<b>0.5 %</b>
Minority interest	neg.	neg.	neg.	neg.	neg.	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>4.9 %</b>	<b>1.7 %</b>	<b>2.1 %</b>	<b>1.7 %</b>	<b>11.7 %</b>	<b>neg.</b>	<b>0.5 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
<b>Intangible assets</b>	<b>35.7</b>	<b>41.4</b>	<b>58.7</b>	<b>76.0</b>	<b>81.2</b>	<b>72.1</b>	<b>62.7</b>
Property, plant and equipment	170.6	133.3	296.2	390.0	412.6	352.6	290.6
Financial assets	5.7	16.9	16.6	8.7	8.7	8.7	8.7
<b>FIXED ASSETS</b>	<b>212.0</b>	<b>191.6</b>	<b>371.5</b>	<b>474.7</b>	<b>502.5</b>	<b>433.4</b>	<b>362.0</b>
Inventories	131.0	100.8	134.0	203.5	271.5	321.1	329.1
Accounts receivable	182.6	147.6	143.0	258.5	321.3	380.0	389.5
Other current assets	37.2	69.4	96.5	226.2	226.2	226.2	226.2
Liquid assets	98.9	108.1	79.7	145.3	115.3	167.5	270.3
Deferred taxes	11.1	13.3	23.8	18.9	18.9	18.9	18.9
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>460.8</b>	<b>439.2</b>	<b>477.0</b>	<b>852.5</b>	<b>953.3</b>	<b>1,113.7</b>	<b>1,234.1</b>
<b>TOTAL ASSETS</b>	<b>672.8</b>	<b>630.8</b>	<b>848.5</b>	<b>1,327.2</b>	<b>1,455.8</b>	<b>1,547.1</b>	<b>1,596.2</b>
SHAREHOLDERS EQUITY	166.4	180.7	185.3	190.3	180.8	202.4	240.2
MINORITY INTEREST	-0.9	27.4	22.9	16.9	13.9	13.9	13.9
Long-term debt	104.1	92.6	197.1	318.4	328.4	328.4	328.4
Provisions for pensions and similar obligations	102.7	47.0	87.3	116.1	116.1	116.1	116.1
Other provisions	44.2	49.7	50.5	94.1	94.1	94.1	94.1
<b>Non-current liabilities</b>	<b>251.0</b>	<b>189.3</b>	<b>334.9</b>	<b>528.6</b>	<b>538.6</b>	<b>538.6</b>	<b>538.6</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	122.2	111.9	159.9	250.4	381.6	451.2	462.6
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)	124.7	115.1	130.4	289.5	289.5	289.5	289.5
Deferred taxes	9.4	6.4	15.1	15.1	15.1	15.1	15.1
Deferred income	0.0	0.0	0.0	36.3	36.3	36.3	36.3
<b>Current liabilities</b>	<b>256.3</b>	<b>233.4</b>	<b>305.4</b>	<b>591.4</b>	<b>722.5</b>	<b>792.2</b>	<b>803.5</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>672.8</b>	<b>630.8</b>	<b>848.5</b>	<b>1,327.2</b>	<b>1,455.8</b>	<b>1,547.1</b>	<b>1,596.2</b>

Balance sheet (common size)	2017	2018	2019	2020	2021E	2022E	2023E
<b>Intangible assets</b>	<b>5.3 %</b>	<b>6.6 %</b>	<b>6.9 %</b>	<b>5.7 %</b>	<b>5.6 %</b>	<b>4.7 %</b>	<b>3.9 %</b>
Property, plant and equipment	25.4 %	21.1 %	34.9 %	29.4 %	28.3 %	22.8 %	18.2 %
Financial assets	0.8 %	2.7 %	2.0 %	0.7 %	0.6 %	0.6 %	0.5 %
<b>FIXED ASSETS</b>	<b>31.5 %</b>	<b>30.4 %</b>	<b>43.8 %</b>	<b>35.8 %</b>	<b>34.5 %</b>	<b>28.0 %</b>	<b>22.7 %</b>
Inventories	19.5 %	16.0 %	15.8 %	15.3 %	18.6 %	20.8 %	20.6 %
Accounts receivable	27.1 %	23.4 %	16.9 %	19.5 %	22.1 %	24.6 %	24.4 %
Other current assets	5.5 %	11.0 %	11.4 %	17.0 %	15.5 %	14.6 %	14.2 %
Liquid assets	14.7 %	17.1 %	9.4 %	11.0 %	7.9 %	10.8 %	16.9 %
Deferred taxes	1.6 %	2.1 %	2.8 %	1.4 %	1.3 %	1.2 %	1.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>CURRENT ASSETS</b>	<b>68.5 %</b>	<b>69.6 %</b>	<b>56.2 %</b>	<b>64.2 %</b>	<b>65.5 %</b>	<b>72.0 %</b>	<b>77.3 %</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	24.7 %	28.6 %	21.8 %	14.3 %	12.4 %	13.1 %	15.0 %
MINORITY INTEREST	neg.	4.3 %	2.7 %	1.3 %	1.0 %	0.9 %	0.9 %
Long-term debt	15.5 %	14.7 %	23.2 %	24.0 %	22.6 %	21.2 %	20.6 %
Provisions for pensions and similar obligations	15.3 %	7.5 %	10.3 %	8.7 %	8.0 %	7.5 %	7.3 %
Other provisions	6.6 %	7.9 %	6.0 %	7.1 %	6.5 %	6.1 %	5.9 %
<b>Non-current liabilities</b>	<b>37.3 %</b>	<b>30.0 %</b>	<b>39.5 %</b>	<b>39.8 %</b>	<b>37.0 %</b>	<b>34.8 %</b>	<b>33.7 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	18.2 %	17.7 %	18.8 %	18.9 %	26.2 %	29.2 %	29.0 %
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)	18.5 %	18.2 %	15.4 %	21.8 %	19.9 %	18.7 %	18.1 %
Deferred taxes	1.4 %	1.0 %	1.8 %	1.1 %	1.0 %	1.0 %	0.9 %
Deferred income	0.0 %	0.0 %	0.0 %	2.7 %	2.5 %	2.3 %	2.3 %
<b>Current liabilities</b>	<b>38.1 %</b>	<b>37.0 %</b>	<b>36.0 %</b>	<b>44.6 %</b>	<b>49.6 %</b>	<b>51.2 %</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

Cash flow statement (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	43.9	12.0	16.7	19.7	283.4	-23.0	16.1
Depreciation of fixed assets (incl. leases)	20.7	23.5	43.1	88.7	89.0	90.0	92.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	6.4	6.2	9.9	12.8	9.8	10.1	10.4
Others	-117.6	-85.1	-127.6	-191.9	-455.0	0.0	0.0
Cash flow from operations before changes in w/c	-46.6	-43.4	-57.9	-70.7	-72.9	77.1	118.5
Increase/decrease in inventory	34.3	13.0	20.1	13.4	25.0	27.1	32.1
Increase/decrease in accounts receivable	-1.7	39.0	34.4	14.3	15.0	32.1	38.0
Increase/decrease in accounts payable	-0.1	-31.2	-1.9	0.0	0.0	0.0	0.0
Increase/decrease in other working capital positions	-15.0	11.5	-5.4	0.0	0.0	0.0	0.0
Increase/decrease in working capital	17.5	32.3	47.2	27.7	40.0	59.3	70.1
<b>Cash flow from operating activities</b>	<b>-29.1</b>	<b>-11.1</b>	<b>-10.7</b>	<b>-43.0</b>	<b>-32.9</b>	<b>136.3</b>	<b>188.6</b>
CAPEX	25.3	23.7	31.4	35.5	38.0	30.0	30.0
Payments for acquisitions	-27.4	-19.4	-32.6	-78.6	-73.6	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	21.6	1.1	43.2	8.3	10.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>23.7</b>	<b>-3.2</b>	<b>44.4</b>	<b>51.4</b>	<b>45.6</b>	<b>-30.0</b>	<b>-30.0</b>
Cash flow before financing	-5.4	-14.3	33.7	8.4	22.9	22.9	22.9
Increase/decrease in debt position	7.5	0.1	-0.1	104.0	10.0	0.0	0.0
Purchase of own shares	0.0	3.0	0.0	2.5	0.0	0.0	0.0
Capital measures	0.0	46.9	0.0	0.0	0.0	0.0	0.0
Dividends paid	5.4	15.2	15.2	15.2	22.9	22.9	22.9
Others	32.6	-5.3	-47.1	-28.4	-29.8	-31.3	-32.9
Effects of exchange rate changes on cash	0.1	0.0	0.3	-0.7	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>34.7</b>	<b>23.5</b>	<b>-62.4</b>	<b>57.9</b>	<b>-42.7</b>	<b>-54.2</b>	<b>-55.7</b>
Increase/decrease in liquid assets	29.4	9.2	-28.4	65.6	n/a	n/a	n/a
<b>Liquid assets at end of period</b>	<b>98.9</b>	<b>108.1</b>	<b>79.7</b>	<b>145.3</b>	<b>115.3</b>	<b>167.5</b>	<b>270.3</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Domestic	252.1	103.1	121.1	188.8	291.3	344.4	353.1
yoy change	68.6 %	-59.1 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
Rest of Europe	601.8	709.4	833.0	1,298.8	2,003.6	2,369.4	2,428.8
yoy change	21.7 %	17.9 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
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	45.8	8.0	9.4	14.6	22.6	26.7	27.3
yoy change	663.3 %	-82.6 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
<b>TTL</b>	<b>899.7</b>	<b>820.5</b>	<b>963.5</b>	<b>1,502.2</b>	<b>2,317.4</b>	<b>2,740.5</b>	<b>2,809.2</b>
yoy change	38.4 %	-8.8 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
<b>P&amp;L growth analysis</b>							
Sales growth	38.4 %	-3.8 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
EBITDA growth	32.9 %	-26.8 %	61.3 %	190.7 %	394.9 %	-38.8 %	-67.3 %
EBIT growth	15.6 %	-51.5 %	35.1 %	112.5 %	1019.0 %	-131.0 %	-91.1 %
EPS growth	64.7 %	-66.1 %	44.2 %	84.5 %	1250.8 %	-185.0 %	-94.4 %
<b>Efficiency</b>							
Total operating costs / sales	92.1 %	94.3 %	91.8 %	89.5 %	83.5 %	96.5 %	95.2 %
Sales per employee	193.9	169.5	181.0	256.5	395.7	468.0	479.7
EBITDA per employee	14.5	9.6	14.1	23.1	63.5	14.1	20.8
<b>Balance sheet analysis</b>							
Avg. working capital / sales	21.6 %	19.0 %	12.5 %	11.0 %	6.7 %	8.0 %	7.9 %
Inventory turnover (sales/inventory)	6.9	8.6	7.6	7.8	9.0	9.0	9.0
Trade debtors in days of sales	74.1	62.3	51.4	59.6	48.0	48.0	48.0
A/P turnover [(A/P*365)/sales]	49.6	47.2	57.5	57.7	57.0	57.0	57.0
Cash conversion cycle (days)	79.7	54.7	36.2	42.0	21.1	20.5	20.0
<b>Cash flow analysis</b>							
Free cash flow	-54.4	-34.8	-42.1	-78.5	-70.9	106.3	158.6
Free cash flow/sales	-6.0 %	-4.0 %	-4.1 %	-5.0 %	-2.9 %	3.7 %	5.4 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	neg.	985.1 %
Capex / depre	93.4 %	79.8 %	59.2 %	35.0 %	38.5 %	30.0 %	29.3 %
Capex / maintenance capex	140.7 %	52.5 %	139.2 %	49.3 %	38.5 %	30.0 %	29.3 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	107.9	31.5	204.7	289.2	329.2	277.0	174.2
Net Debt/EBITDA	1.6	0.6	2.6	2.0	0.8	3.2	1.4
Net debt / equity	0.6	0.2	1.1	1.5	1.8	1.4	0.7
Interest cover	5.1	3.8	2.4	1.5	26.7	0.0	2.2
Dividend payout ratio	34.5 %	103.6 %	71.9 %	84.3 %	8.0 %	100.0 %	142.0 %
<b>Asset utilisation</b>							
Capital employed turnover	2.2	2.2	1.9	2.2	3.3	3.8	3.7
Operating assets turnover	2.5	3.2	2.5	2.6	3.9	4.8	5.4
Plant turnover	5.3	6.5	3.4	4.1	5.9	8.2	10.2
Inventory turnover (sales/inventory)	6.9	8.6	7.6	7.8	9.0	9.0	9.0
<b>Returns</b>							
ROCE	10.8 %	4.8 %	5.6 %	7.3 %	45.9 %	-1.7 %	3.4 %
ROE	26.6 %	8.1 %	11.4 %	14.3 %	158.4 %	-11.4 %	6.7 %
<b>Other</b>							
Interest paid / avg. debt	9.7 %	5.2 %	7.6 %	13.7 %	4.2 %	3.6 %	3.6 %
No. employees (average)	4639	5103	5613	6175	6175	6175	6175
Number of shares	15.4	15.2	15.2	15.2	15.2	15.2	15.2
DPS	1.0	1.0	1.0	1.5	1.5	1.5	1.5
EPS reported	2.85	0.96	1.39	1.78	18.80	-1.51	1.06
<b>Valuation ratios</b>							
P/BV	2.5	2.3	2.2	2.2	2.3	2.0	1.7
EV/sales	0.6	0.5	0.6	0.4	0.3	0.2	0.2
EV/EBITDA	7.8	9.1	7.8	4.9	1.9	7.9	4.6
EV/EBITA	11.2	17.4	17.1	13.0	2.4	-260.5	16.2
EV/EBIT	13.0	22.9	23.6	17.0	2.5	-54.1	22.6
EV/FCF	-9.6	-12.8	-14.7	-8.9	-10.5	6.5	3.7
Adjusted FCF yield	9.9 %	4.2 %	4.6 %	6.5 %	35.8 %	-1.6 %	3.9 %
Dividend yield	3.7 %	3.7 %	3.7 %	5.5 %	5.5 %	5.5 %	5.5 %

Source: Company data, Hauck & Aufhäuser

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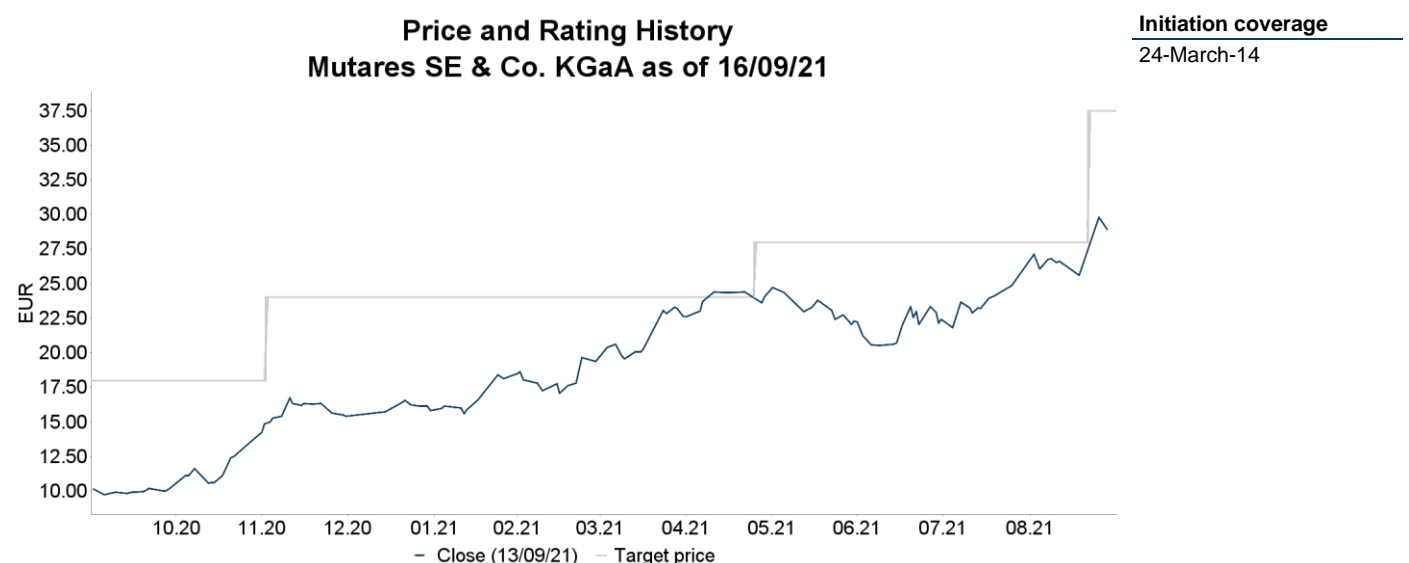
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Company	Disclosure
Mutares SE & Co. KGaA	2, 6, 8

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



Company	Date	Analyst	Rating	Target price	Close
Mutares SE & Co. KGaA	08.09.2021	Köhler, Alina	Buy	EUR 37,50	EUR 25,60
	14.05.2021	Köhler, Alina	Buy	EUR 28,00	EUR 24,00
	20.11.2020	Köhler, Alina	Buy	EUR 24,00	EUR 15,26
	27.10.2020	Köhler, Alina	Buy	EUR 18,00	EUR 11,62

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