

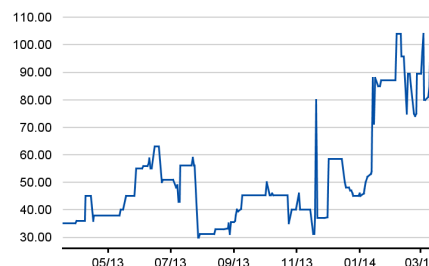
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Torben Teichler  
Analyst

torben.teichler@ha-research.de

Tel.: +49 40 414 3885 74

<b>Price:</b>	EUR 105.00	<b>Next result:</b>	AGM 09.05.14
<b>Bloomberg:</b>	MUX GR	<b>Market cap:</b>	EUR 212.9 m
<b>Reuters:</b>	MUXG.BE	<b>Enterprise Value:</b>	EUR 195.6 m



Source: Company data, Hauck & Aufhäuser

<b>High/low 52 weeks:</b>	111.50 / 30.00
<b>Price/Book Ratio:</b>	3.7
<b>Relative performance (SDAX):</b>	
3 months	-
6 months	119.5 %
12 months	175.0 %

#### Changes in estimates

		Sales	EBIT	EPS
2013	old:	347.0	-3.2	-2.98
	Δ	-	-	-
2014	old:	743.5	4.7	1.74
	Δ	-	-	-
2015	old:	785.7	26.0	10.58
	Δ	-	-	-

#### Key share data:

Number of shares: (in m pcs)	2.0
Authorised capital: (in € m)	0.3
Book value per share: (in €)	28.6
Ø trading volume: (12 months)	-

#### Major shareholders:

Founders	85.0 %
Free Float	15.0 %

#### Company description:

mutares AG 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.

#### RS feedback: High visibility on exits & dividends

We had the two founders of mutares Dr. Axel Geuer as well as Robin Laik on the road in Paris and London. Key takeaways are:

**Exits:** In our view, **the investment case offers an exceptional visibility on attractive exits** in the coming three years which looks set to provide for **substantial dividend payments (up to 80% payout of exit proceeds) going forward.**

- **Eupec:** Foremost pipeline coating specialist Eupec ('13 sales € 33m, EBITDA € 2m) is expected to reach up to € 45m in sales and € 4-5m in EBITDA this year. Given Eupec's specialty know-how and the active interest of strategic buyers, we expect **the company to be sold in '14E with exit proceeds of € 30-50m.**
- **GeesinkNorba:** Waste collection truck manufacturer GeesinkNorba ('13 sales € 86m, EBITDA € 5m) looks set to reach more than € 90m in sales in '14 with an EBITDA of € 7m, in our view. Given a particularly active interest from Chinese investors, **an exit in '15E seems likely with potential proceeds of € 30-50m.**
- **Elastomer Solutions:** Automotive supplier Elastomer ('13 sales € 21m, EBITDA € 1m) is seen to increase sales to >€ 40m at an EBITDA of € 3m in '15E on the back of a customer-driven expansion into Morocco and Latin America and a strong order pipeline, especially from French OEMS and VW. **An exit in '14/'15E seems likely and should come with proceeds of € 10-15m.**

This allows for highly visible dividend payments going forward, **implying attractive dividend yields of more than 10% in the coming three years.**

**Acquisitions:** As management seeks to move to acquisition targets with € 100-300m in sales, this does not necessarily imply a higher risk in our view because:

- **Track record: Management already has experience with the restructuring of larger companies** at mutares (GeesinkNorba, STS, Artmadis) but also before that (Hamba Filltec, etc.). Moreover **with 30 employees involved in the turnarounds, mutares is well equipped to handle such transactions.**
- **Value creation: Management's primary rationale to acquire larger targets is to better leverage its management capacity and hence increase the value creation potential per portfolio company.** Increasing group sales hence merely is a consequence of that.

- continued -

Y/E 31.12 (EUR m) *	2009	2010	2011	2012	2013E	2014E	2015E
Sales	60.7	127.6	159.3	301.2	347.0	743.5	785.7
Sales growth	1002 %	110 %	25 %	89 %	15 %	114 %	6 %
EBITDA	8.0	17.3	18.5	22.4	7.2	15.7	38.0
EBIT	6.1	10.9	12.6	14.1	-3.2	4.7	26.0
Net income	4.1	8.3	8.6	9.5	-6.0	3.5	21.4
Net debt	-12.9	-14.3	-20.7	-39.5	-19.2	-65.9	-67.2
Net gearing	-25.8 %	-34.3 %	-39.7 %	-49.4 %	-33.1 %	-152.9 %	-220.1 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	2.00	4.09	4.25	4.69	-2.98	1.74	10.58
CPS	-1.63	-1.96	-2.56	-6.12	-16.47	0.78	1.63
DPS	0.00	0.11	0.35	2.04	10.00	1.00	1.20
Dividend yield	0.0 %	0.1 %	0.3 %	1.9 %	9.5 %	1.0 %	1.1 %
Gross profit margin	33.5 %	50.2 %	55.0 %	54.0 %	41.9 %	50.0 %	53.0 %
EBITDA margin	13.2 %	13.6 %	11.6 %	7.4 %	2.1 %	2.1 %	4.8 %
EBIT margin	10.0 %	8.5 %	7.9 %	4.7 %	-0.9 %	0.6 %	3.3 %
ROCE	15.0 %	14.9 %	15.4 %	9.8 %	-1.8 %	2.6 %	14.4 %
EV/sales	3.4	1.7	1.3	0.6	0.6	0.2	0.2
EV/EBITDA	26.1	12.3	11.2	8.4	27.2	9.5	3.9
EV/EBIT	34.4	19.5	16.4	13.4	-60.4	31.8	5.7
PER	52.4	25.7	24.7	22.4	-35.2	60.3	9.9
Adjusted FCF yield	2.1 %	5.1 %	5.9 %	6.8 %	-1.8 %	2.5 %	11.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 01.04.2014  
Until 2011/12: 1.4.-31.3.; 2012: 1.4.-31.12.; from 2013: calendar year

\*planning excl. M&A

**Pixmania:** On the back of this, **the acquisition of Pixmania should not be overrated and in our view does not entail a higher risk profile**, in our view because:

- **High dowry:** In acquiring Pixmania, mutares already negotiated a balance sheet containing a **dowry of € 80m for the restructuring of Pixmania**. This alone already provides a significant safety cushion. In addition, **the employee fluctuation at Pixmania amounts to 25% per year** which (given a hiring stop) should already reduce losses substantially in 2014E.
- **E-merchant:** The e-commerce programming business alone **is a highly valuable asset for which mutares already received concrete interest** given the company's specialty IT know-how & notable customer base including Currys, Carrefour, etc. In our view, **this business could be sold for a mid double digit sales price**.
- **Profit contribution:** Pixmania **merely has a <15% share in the group's gross profit**. While currently being the largest portfolio company in terms of sales, its relevance for the investment case should not be overstated **given a mid term EBITDA potential which is rather comparable to GeesinkNorba** for example.

**All in all, the roadshow therefore confirmed our positive view on the investment case which is based on:**

1. Attractive dividend payments (>10% yield) going forward,
2. Dynamic M&A activity, and
3. An increase of the free float to around 40% & intensified capital markets communication.

Moreover, **at a fair market cap of € 380m, the stock looks undervalued at this level.**

## Financials

Profit and loss (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Net sales</b>	<b>60.7</b>	<b>127.6</b>	<b>159.3</b>	<b>301.2</b>	<b>347.0</b>	<b>743.5</b>	<b>785.7</b>
<i>Sales growth</i>	1001.8 %	110.2 %	24.8 %	89.1 %	15.2 %	114.3 %	5.7 %
Increase/decrease in finished goods and work-in-process	11.9	6.4	-4.6	0.1	15.2	0.0	0.0
<b>Total sales</b>	<b>72.6</b>	<b>134.0</b>	<b>154.7</b>	<b>301.3</b>	<b>362.2</b>	<b>743.5</b>	<b>785.7</b>
Other operating income	14.0	29.7	20.9	52.8	40.6	74.4	55.0
Material expenses	48.3	66.7	69.6	138.7	210.3	371.8	369.3
Personnel expenses	20.1	47.8	50.9	90.1	105.4	245.4	235.7
Other operating expenses	10.2	31.9	36.6	103.0	79.8	185.1	197.7
Total operating expenses	64.6	116.7	136.2	279.0	355.0	727.8	747.7
<b>EBITDA</b>	<b>8.0</b>	<b>17.3</b>	<b>18.5</b>	<b>22.4</b>	<b>7.2</b>	<b>15.7</b>	<b>38.0</b>
Depreciation	2.0	6.4	5.9	8.3	10.4	11.0	12.0
<b>EBITA</b>	<b>6.1</b>	<b>10.9</b>	<b>12.6</b>	<b>14.1</b>	<b>-3.2</b>	<b>4.7</b>	<b>26.0</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>6.1</b>	<b>10.9</b>	<b>12.6</b>	<b>14.1</b>	<b>-3.2</b>	<b>4.7</b>	<b>26.0</b>
Interest income	0.1	0.4	0.1	0.2	1.1	0.9	1.0
Interest expenses	0.4	1.6	1.0	1.1	1.7	1.7	1.7
Other financial result	0.0	0.8	0.0	0.0	0.4	0.0	0.0
Financial result	-0.3	-2.0	-0.9	-0.9	-1.0	-0.8	-0.8
<b>Recurring pretax income from continuing operations</b>	<b>5.7</b>	<b>8.9</b>	<b>11.7</b>	<b>13.2</b>	<b>-4.3</b>	<b>3.9</b>	<b>25.2</b>
Extraordinary income/loss	0.1	-1.0	-2.5	-2.7	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>5.8</b>	<b>7.9</b>	<b>9.2</b>	<b>10.5</b>	<b>-4.3</b>	<b>3.9</b>	<b>25.2</b>
Taxes	1.8	-0.4	0.6	1.0	1.8	0.4	3.8
<b>Net income from continuing operations</b>	<b>4.0</b>	<b>8.3</b>	<b>8.6</b>	<b>9.5</b>	<b>-6.0</b>	<b>3.5</b>	<b>21.4</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>4.0</b>	<b>8.3</b>	<b>8.6</b>	<b>9.5</b>	<b>-6.0</b>	<b>3.5</b>	<b>21.4</b>
Minority interest	-0.1	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income (net of minority interest)</b>	<b>4.1</b>	<b>8.3</b>	<b>8.6</b>	<b>9.5</b>	<b>-6.0</b>	<b>3.5</b>	<b>21.4</b>
Average number of shares	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>EPS reported</b>	<b>2.00</b>	<b>4.09</b>	<b>4.25</b>	<b>4.69</b>	<b>-2.98</b>	<b>1.74</b>	<b>10.58</b>

Profit and loss (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<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	19.7 %	5.0 %	-2.9 %	0.0 %	4.4 %	0.0 %	0.0 %
<b>Total sales</b>	<b>119.7 %</b>	<b>105.0 %</b>	<b>97.1 %</b>	<b>100.0 %</b>	<b>104.4 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Other operating income	23.1 %	23.3 %	13.1 %	17.5 %	11.7 %	10.0 %	7.0 %
Material expenses	79.6 %	52.3 %	43.7 %	46.0 %	60.6 %	50.0 %	47.0 %
Personnel expenses	33.1 %	37.5 %	32.0 %	29.9 %	30.4 %	33.0 %	30.0 %
Other operating expenses	16.8 %	25.0 %	23.0 %	34.2 %	23.0 %	24.9 %	25.2 %
Total operating expenses	106.4 %	91.5 %	85.5 %	92.6 %	102.3 %	97.9 %	95.2 %
<b>EBITDA</b>	<b>13.2 %</b>	<b>13.6 %</b>	<b>11.6 %</b>	<b>7.4 %</b>	<b>2.1 %</b>	<b>2.1 %</b>	<b>4.8 %</b>
Depreciation	3.2 %	5.0 %	3.7 %	2.7 %	3.0 %	1.5 %	1.5 %
<b>EBITA</b>	<b>10.0 %</b>	<b>8.5 %</b>	<b>7.9 %</b>	<b>4.7 %</b>	<b>-0.9 %</b>	<b>0.6 %</b>	<b>3.3 %</b>
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>EBIT</b>	<b>10.0 %</b>	<b>8.5 %</b>	<b>7.9 %</b>	<b>4.7 %</b>	<b>-0.9 %</b>	<b>0.6 %</b>	<b>3.3 %</b>
Interest income	0.1 %	0.3 %	0.1 %	0.1 %	0.3 %	0.1 %	0.1 %
Interest expenses	0.7 %	1.2 %	0.6 %	0.4 %	0.5 %	0.2 %	0.2 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.6 %	-1.6 %	-0.5 %	-0.3 %	-0.3 %	-0.1 %	-0.1 %
<b>Recurring pretax income from continuing operations</b>	<b>9.4 %</b>	<b>7.0 %</b>	<b>7.4 %</b>	<b>4.4 %</b>	<b>-1.2 %</b>	<b>0.5 %</b>	<b>3.2 %</b>
Extraordinary income/loss	0.1 %	-0.8 %	-1.6 %	-0.9 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>9.5 %</b>	<b>6.2 %</b>	<b>5.8 %</b>	<b>3.5 %</b>	<b>-1.2 %</b>	<b>0.5 %</b>	<b>3.2 %</b>
Tax rate	30.7 %	-4.9 %	6.6 %	9.3 %	-41.8 %	10.0 %	15.0 %
<b>Net income from continuing operations</b>	<b>6.6 %</b>	<b>6.5 %</b>	<b>5.4 %</b>	<b>3.2 %</b>	<b>-1.7 %</b>	<b>0.5 %</b>	<b>2.7 %</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>6.6 %</b>	<b>6.5 %</b>	<b>5.4 %</b>	<b>3.2 %</b>	<b>-1.7 %</b>	<b>0.5 %</b>	<b>2.7 %</b>
Minority interest	-0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>6.7 %</b>	<b>6.5 %</b>	<b>5.4 %</b>	<b>3.2 %</b>	<b>-1.7 %</b>	<b>0.5 %</b>	<b>2.7 %</b>

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>3.0</b>	<b>4.1</b>	<b>4.7</b>	<b>4.0</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>
Property, plant and equipment	44.1	36.6	35.7	47.1	31.6	42.6	42.6
Financial assets	0.1	0.0	0.1	2.0	1.1	1.1	1.1
<b>FIXED ASSETS</b>	<b>47.2</b>	<b>40.7</b>	<b>40.5</b>	<b>53.1</b>	<b>35.0</b>	<b>46.0</b>	<b>46.0</b>
Inventories	20.6	25.6	34.8	75.7	82.5	106.2	104.8
Accounts receivable	20.2	16.6	41.2	102.5	133.9	142.6	144.2
Other current assets	3.0	2.0	9.0	15.0	32.8	32.8	32.8
Liquid assets	14.2	14.8	21.7	52.4	47.7	94.4	95.7
Deferred taxes	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.4	0.5	1.1	2.6	2.1	2.2	2.3
<b>CURRENT ASSETS</b>	<b>58.4</b>	<b>59.5</b>	<b>107.9</b>	<b>248.2</b>	<b>299.0</b>	<b>378.3</b>	<b>379.8</b>
<b>TOTAL ASSETS</b>	<b>105.6</b>	<b>100.3</b>	<b>148.4</b>	<b>301.3</b>	<b>334.0</b>	<b>424.3</b>	<b>425.8</b>
SHAREHOLDERS EQUITY	50.1	41.6	52.1	79.9	58.0	43.1	30.5
MINORITY INTEREST	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	1.3	0.6	1.0	12.9	28.5	28.5	28.5
Provisions for pensions and similar obligations	9.1	13.4	14.6	15.4	1.9	2.1	2.2
Other provisions	14.5	14.7	25.8	84.6	85.7	110.7	116.3
<b>Non-current liabilities</b>	<b>24.9</b>	<b>28.6</b>	<b>41.4</b>	<b>113.0</b>	<b>116.1</b>	<b>141.3</b>	<b>146.9</b>
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	18.3	13.7	23.5	54.8	66.9	122.2	129.2
Advance payments received on orders	0.2	4.5	4.1	14.3	41.8	41.8	41.8
Other liabilities (incl. from lease and rental contracts)	8.0	9.9	25.9	36.8	49.2	73.7	75.2
Deferred taxes	1.0	0.0	0.0	0.0	0.5	0.5	0.5
Deferred income	2.7	1.9	1.4	2.6	1.5	1.6	1.6
<b>Current liabilities</b>	<b>30.1</b>	<b>30.0</b>	<b>54.9</b>	<b>108.5</b>	<b>159.8</b>	<b>239.8</b>	<b>248.3</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>105.6</b>	<b>100.3</b>	<b>148.4</b>	<b>301.3</b>	<b>334.0</b>	<b>424.3</b>	<b>425.8</b>

Balance sheet (common size)	2009	2010	2011	2012	2013E	2014E	2015E
<b>Intangible assets</b>	<b>2.8 %</b>	<b>4.1 %</b>	<b>3.2 %</b>	<b>1.3 %</b>	<b>0.7 %</b>	<b>0.5 %</b>	<b>0.5 %</b>
Property, plant and equipment	41.8 %	36.5 %	24.0 %	15.6 %	9.5 %	10.0 %	10.0 %
Financial assets	0.1 %	0.0 %	0.1 %	0.6 %	0.3 %	0.2 %	0.2 %
<b>FIXED ASSETS</b>	<b>44.7 %</b>	<b>40.6 %</b>	<b>27.3 %</b>	<b>17.6 %</b>	<b>10.5 %</b>	<b>10.8 %</b>	<b>10.8 %</b>
Inventories	19.5 %	25.5 %	23.4 %	25.1 %	24.7 %	25.0 %	24.6 %
Accounts receivable	19.1 %	16.6 %	27.8 %	34.0 %	40.1 %	33.6 %	33.9 %
Other current assets	2.8 %	2.0 %	6.0 %	5.0 %	9.8 %	7.7 %	7.7 %
Liquid assets	13.4 %	14.8 %	14.6 %	17.4 %	14.3 %	22.2 %	22.5 %
Deferred taxes	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.4 %	0.5 %	0.7 %	0.9 %	0.6 %	0.5 %	0.5 %
<b>CURRENT ASSETS</b>	<b>55.3 %</b>	<b>59.4 %</b>	<b>72.7 %</b>	<b>82.4 %</b>	<b>89.5 %</b>	<b>89.2 %</b>	<b>89.2 %</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	47.4 %	41.5 %	35.1 %	26.5 %	17.4 %	10.2 %	7.2 %
MINORITY INTEREST	0.5 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	1.2 %	0.6 %	0.7 %	4.3 %	8.5 %	6.7 %	6.7 %
Provisions for pensions and similar obligations	8.6 %	13.3 %	9.8 %	5.1 %	0.6 %	0.5 %	0.5 %
Other provisions	13.7 %	14.6 %	17.4 %	28.1 %	25.7 %	26.1 %	27.3 %
<b>Non-current liabilities</b>	<b>23.6 %</b>	<b>28.5 %</b>	<b>27.9 %</b>	<b>37.5 %</b>	<b>34.8 %</b>	<b>33.3 %</b>	<b>34.5 %</b>
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	17.3 %	13.6 %	15.8 %	18.2 %	20.0 %	28.8 %	30.3 %
Advance payments received on orders	0.2 %	4.5 %	2.8 %	4.7 %	12.5 %	9.9 %	9.8 %
Other liabilities (incl. from lease and rental contracts)	7.6 %	9.8 %	17.4 %	12.2 %	14.7 %	17.4 %	17.7 %
Deferred taxes	0.9 %	0.0 %	0.0 %	0.0 %	0.2 %	0.1 %	0.1 %
Deferred income	2.6 %	1.9 %	0.9 %	0.9 %	0.4 %	0.4 %	0.4 %
<b>Current liabilities</b>	<b>28.5 %</b>	<b>29.9 %</b>	<b>37.0 %</b>	<b>36.0 %</b>	<b>47.9 %</b>	<b>56.5 %</b>	<b>58.3 %</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)	2009	2010	2011	2012	2013E	2014E	2015E
Net profit/loss	4.0	8.3	8.6	9.5	-6.0	3.5	21.4
Depreciation of fixed assets (incl. leases)	2.0	6.4	5.9	8.3	10.4	11.0	12.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.8	0.0	3.8	0.3	0.0	0.0
Others	-6.9	-16.7	-9.8	-11.5	-32.9	-29.8	-24.9
Cash flow from operations before changes in w/c	-0.9	-1.2	4.7	10.0	-28.2	-15.3	8.6
Increase/decrease in inventory	-1.5	-4.3	-0.8	66.1	-14.6	6.2	1.5
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	0.0	16.3	-1.6
Increase/decrease in accounts payable	1.0	8.7	-3.2	-80.3	20.1	5.4	6.9
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.4	4.4	-4.0	-14.2	5.5	27.9	6.8
<b>Cash flow from operating activities</b>	<b>-1.4</b>	<b>3.2</b>	<b>0.7</b>	<b>-4.1</b>	<b>-22.7</b>	<b>12.6</b>	<b>15.3</b>
CAPEX	0.2	4.6	3.9	9.0	10.7	12.0	12.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	-69.0	0.0
Financial investments	0.0	0.2	0.0	0.3	0.5	0.0	0.0
Income from asset disposals	0.0	1.5	9.5	33.3	23.9	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.2</b>	<b>-3.3</b>	<b>5.6</b>	<b>24.0</b>	<b>12.7</b>	<b>57.0</b>	<b>-12.0</b>
Cash flow before financing	-1.5	-0.1	6.2	19.9	-10.0	69.6	3.3
Increase/decrease in debt position	0.4	0.0	0.4	11.0	8.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.8	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.2	0.7	4.1	20.3	2.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	12.8	1.6	0.0	-0.2	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>0.4</b>	<b>0.0</b>	<b>0.9</b>	<b>10.3</b>	<b>3.9</b>	<b>-20.3</b>	<b>-2.0</b>
Increase/decrease in liquid assets	11.7	1.5	7.2	30.0	-6.1	49.3	1.3
<b>Liquid assets at end of period</b>	<b>12.5</b>	<b>14.1</b>	<b>21.2</b>	<b>51.2</b>	<b>45.1</b>	<b>94.4</b>	<b>95.7</b>

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
Domestic	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 Europe	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
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	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
<b>TTL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2009	2010	2011	2012	2013E	2014E	2015E
<b>P&amp;L growth analysis</b>							
Sales growth	1001.8 %	110.2 %	24.8 %	89.1 %	15.2 %	114.3 %	5.7 %
EBITDA growth	744.3 %	115.5 %	6.8 %	21.0 %	-67.9 %	118.5 %	142.1 %
EBIT growth	842.0 %	79.1 %	16.0 %	11.6 %	-123.0 %	-244.9 %	454.1 %
EPS growth	25.6 %	104.2 %	4.0 %	10.1 %	-163.6 %	-158.5 %	507.2 %
<b>Efficiency</b>							
Total operating costs / sales	106.4 %	91.5 %	85.5 %	92.6 %	102.3 %	97.9 %	95.2 %
Sales per employee	n/a	88.3	95.1	102.0	133.7	276.1	n/a
EBITDA per employee	n/a	12.0	11.0	7.6	2.8	5.8	n/a
<b>Balance sheet analysis</b>							
Avg. working capital / sales	21.1 %	18.1 %	22.8 %	26.2 %	31.2 %	12.9 %	10.4 %
Inventory turnover (sales/inventory)	2.9	5.0	4.6	4.0	4.2	7.0	7.5
Trade debtors in days of sales	121.2	47.5	94.4	124.2	140.8	70.0	67.0
A/P turnover [(A/P*365)/sales]	109.8	39.1	53.9	66.4	70.3	60.0	60.0
Cash conversion cycle (days)	139.0	112.7	153.6	179.3	167.9	54.3	42.9
<b>Cash flow analysis</b>							
Free cash flow	-1.5	-1.4	-3.3	-13.1	-33.4	0.6	3.3
Free cash flow/sales	-2.5 %	-1.1 %	-2.0 %	-4.4 %	-9.6 %	0.1 %	0.4 %
FCF / net profit	-37.8 %	-16.3 %	-37.8 %	-138.2 %	553.4 %	16.7 %	15.4 %
Capex / depre	9.5 %	66.6 %	67.2 %	76.9 %	104.8 %	109.1 %	100.0 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	0.0 %	103.0 %	109.1 %	100.0 %
Capex / sales	0.3 %	3.8 %	2.5 %	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	-12.9	-14.3	-20.7	-39.5	-19.2	-65.9	-67.2
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.3	-0.3	-0.4	-0.5	-0.3	-1.5	-2.2
Interest cover	14.9	7.0	12.4	12.9	0.0	2.7	15.2
Dividend payout ratio	0.0 %	2.7 %	8.2 %	43.5 %	100.0 %	57.4 %	11.3 %
<b>Asset utilisation</b>							
Capital employed turnover	0.8	1.8	1.7	1.6	2.0	4.0	4.4
Operating assets turnover	0.9	2.1	1.9	1.9	2.5	5.8	6.5
Plant turnover	1.4	3.5	4.5	6.4	11.0	17.4	18.4
Inventory turnover (sales/inventory)	2.9	5.0	4.6	4.0	4.2	7.0	7.5
<b>Returns</b>							
ROCE	15.0 %	14.9 %	15.4 %	9.8 %	-1.8 %	2.6 %	14.4 %
ROE	8.1 %	19.9 %	16.6 %	11.9 %	-10.4 %	8.2 %	70.2 %
<b>Other</b>							
Interest paid / avg. debt	37.3 %	167.0 %	130.3 %	15.7 %	8.2 %	6.0 %	6.0 %
No. employees (average)	0	1445	1674	2953	2595	2693	0
Number of shares	2.0	2.0	2.0	2.0	2.0	2.0	2.0
DPS	0.0	0.1	0.4	2.0	10.0	1.0	1.2
EPS reported	2.00	4.09	4.25	4.69	-2.98	1.74	10.58
<b>Valuation ratios</b>							
P/BV	4.3	5.1	4.1	2.7	3.7	4.9	7.0
EV/sales	3.4	1.7	1.3	0.6	0.6	0.2	0.2
EV/EBITDA	26.1	12.3	11.2	8.4	27.2	9.5	3.9
EV/EBITA	34.4	19.5	16.4	13.4	-60.4	31.8	5.7
EV/EBIT	34.4	19.5	16.4	13.4	-60.4	31.8	5.7
EV/FCF	-136.1	-156.8	-63.3	-14.4	-5.9	252.2	44.7
Adjusted FCF yield	2.1 %	5.1 %	5.9 %	6.8 %	-1.8 %	2.5 %	11.9 %
Dividend yield	0.0 %	0.1 %	0.3 %	1.9 %	9.5 %	1.0 %	1.1 %

Source: Company data, Hauck & Aufhäuser

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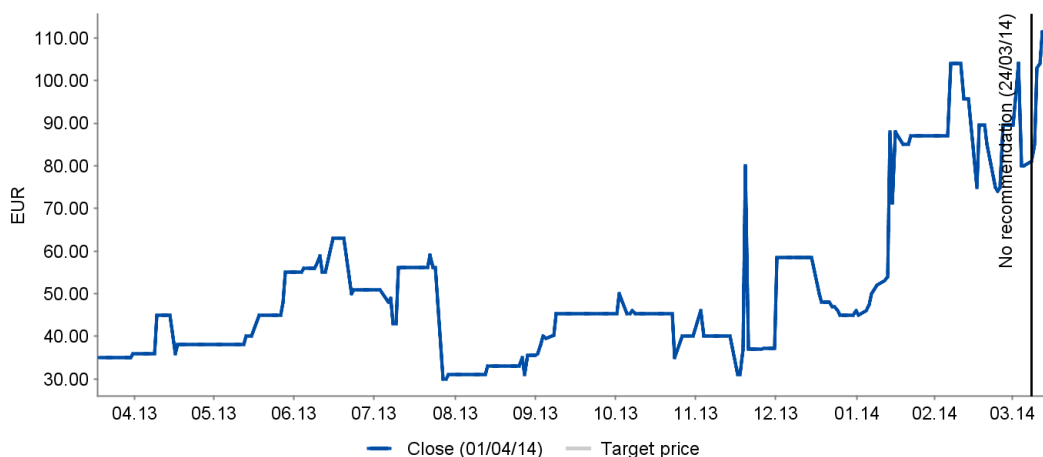
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Company	Disclosure
mutares AG	5, 7, 8

**Historical target price and rating changes for mutares AG in the last 12 months**

**Price and Rating History  
mutares AG as of 02/04/14**

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**Contacts: Hauck&Aufhäuser Investment Banking**

**Hauck & Aufhäuser Research**

Hauck & Aufhäuser  
Institutional Research AG  
Mittelweg 16/17

20148 Hamburg  
Germany

Tel.: +49 (0) 40 414 3885 - 70  
Fax: +49 (0) 40 414 3885 - 71  
Email: info@ha-research.de  
www.ha-research.de

**Leonhard Bayer**  
Analyst

Tel.: +49 (0)40 414 3885 - 79  
E-Mail: leonhard.bayer@ha-research.de

**Sascha Berresch, CFA**  
Head of Research

Tel.: +49 (0)40 414 3885 - 85  
E-Mail: sascha.berresch@ha-research.de

**Henning Breiter**  
Analyst

Tel.: +49 (0)40 414 3885 - 73  
E-Mail: henning.breiter@ha-research.de

**Lars Dannenberg**  
Analyst

Tel.: +49 (0)40 414 3885 - 92  
E-Mail: lars.dannenberg@ha-research.de

**Nils-Peter Fitzl**  
Analyst

Tel.: +49 (0)40 414 3885 - 86  
E-Mail: nils-peter.fitzl@ha-research.de

**Philippe Lorrain**  
Analyst

Tel.: +49 (0)40 414 3885 - 83  
E-Mail: philippe.lorrain@ha-research.de

**Christian Schwenkenbecher**  
Analyst

Tel.: +49 (0)40 414 3885 - 76  
E-Mail: christian.schwenkenbecher@ha-research.de

**Torben Teichler**  
Analyst

Tel.: +49 (0)40 414 3885 - 74  
E-Mail: torben.teichler@ha-research.de

**Tim Wunderlich, CFA**  
Analyst

Tel.: +49 (0)40 414 3885 - 81  
E-Mail: tim.wunderlich@ha-research.de

**Hauck & Aufhäuser Sales**

**Vincent Bischoff**  
Sales

Tel.: +49 (0)40 414 3885 - 88  
E-Mail: vincent.bischoff@ha-research.de

**James Bonsor, CFA**  
Sales

Tel.: +44 207 125 0987  
E-Mail: james.bonsor@ha-research.de

**Hamish Edsell**  
Sales

Tel.: +44 207 125 0988  
E-Mail: hamish.edsell@ha-research.de

**Hugues Madelin**  
Sales

Tel.: +33 1 78 41 40 62  
E-Mail: hugues.madelin@ha-research.de

**Markus Weiss**  
Sales

Tel.: +49 (0)40 414 3885 - 89  
E-Mail: markus.weiss@ha-research.de

**Toby Woods**  
Sales

Tel.: +44 207 125 0989  
E-Mail: toby.woods@ha-research.de

**Supervisory Board**

**Graeme Davies**  
Chairman

Tel.: +49 (0)40 414 3885 - 70  
E-Mail: graeme.davies@ha-research.de

**Michael Bentlage**

Tel.: +49 (0)69 2161 - 1863  
E-Mail: michael.bentlage@hauck-aufhaeuser.de

**Jeronimo Bremer**

Tel.: +49 (0)40 414 3885 - 70  
E-Mail: jeronimo.bremer@ha-research.de

**Hauck & Aufhäuser Sales Trading**

Hauck & Aufhäuser  
Privatbankiers KGaA  
Kaiserstraße 24

60311 Frankfurt am Main  
Germany

Tel.: +49 (0) 69 2161- 0  
Fax: +49 (0) 69 2161- 1340  
Email: info@hauck-aufhaeuser.de  
www.hauck-aufhaeuser.de

**Mirko Brueggemann**  
Trading

Tel.: +49 (0)40 414 3885 75  
E-Mail: mirko.brueggemann@hauck-aufhaeuser.de

**Christian von Schuler**  
Trading

Tel.: +49 (0)40 414 3885 77  
E-Mail: christian.schuler@hauck-aufhaeuser.de

**Carolin Weber**  
Middle-Office

Tel.: +49 (0)40 414 3885 87  
E-Mail: carolin.weber@hauck-aufhaeuser.de