

Buy (old: No recommendation)

Price target: EUR 150.00 (old: -)

Price:	EUR 81.00	Next result:	H1 30.09.14
Bloomberg:	MUX GR	Market cap:	EUR 189.5 m
Reuters:	MUXG.BE	Enterprise Value:	EUR 101.6 m

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RS feedback: Acquisition & exit pipeline well on track, introducing BUY recommendation & PT of € 150

We had mutares' founders and CEOs Robin Laik and Dr. Axel Geuer on the road in Amsterdam as well as Düsseldorf/Cologne this week. Key takeaways are:

1. Exit pipeline: The planned exit of pipeline coating specialist Eupec is well on track with the sale of the business expected by the end of 2014E. So far, mutares has started negotiations with a long-list of potential buyers (H&A: ~15 interested buyers). Management indicated that exit proceeds of € 35m should be achievable given the sound operating performance of the company which is expected to reach around € 45-50m in sales as well as at least € 5m EBITDA in 2014E. Moreover, project activity in the pipeline market in general remains strong with sound activity in emerging markets providing for positive industry newsflow.

GeesinkNorba, a waste collection truck manufacturer, is currently experiencing a sound pick up in order intakes, following an expected dip in H1 due to the introduction of the Euro 6 norms. In addition, three major order wins this month bode well for sound top and bottom-line growth in H2 and underline GeesinkNorba's attractive product portfolio. Given the company's strong technological know-how and sound growth prospects, **interest from potential Asian buyers is high. Considering their strategic interest in waste collection technology, an exit for € 30-50m in 2014/15E looks well in reach**, in our view.

The Eupec exit in 2014E as well as potential exit of GeesinkNorba in 2014/15E thus provide for **good visibility on high dividend payments (40-80% payout of net proceeds) of around € 10 per share** (not yet incl. in our est. since we forecast organically) going forward which would imply a dividend yield of 12%.

2. Acquisition pipeline: On the M&A side, mutares is currently looking at an acquisition cloud of in total around € 1bn in sales. The company is thus benefiting from its wide European exposure and reputation which allows mutares to spot attractive buying opportunities, especially in Southern Europe (e.g. France, Italy).

Two acquisitions in the engineering as well as retail space thus seem likely still this year which should not only add to growth but most importantly provide the base for future value creation. *- continued -*



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	111.50 / 30.00
Price/Book Ratio:	2.8
Relative performance (SDAX):	
3 months	-18.3 %
6 months	51.9 %
12 months	65.2 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	743.5	4.7	1.74
	Δ	-	-	-12.2%
2015	old:	785.7	26.0	10.58
	Δ	-	-	-12.4%
2016	old:	843.6	35.2	13.66
	Δ	-	-	-12.7%

Key share data:

Number of shares: (in m pcs)	2.3
Authorised capital: (in € m)	0.0
Book value per share: (in €)	28.8
Ø trading volume: (12 months)	-

Major shareholders:

Founders	60.0 %
Free Float	40.0 %

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.

Y/E 31.12 (EUR m) *	2010	2011	2012	2013	2014E	2015E	2016E
Sales	127.6	159.3	301.2	347.0	743.5	785.7	843.6
Sales growth	110 %	25 %	89 %	15 %	114 %	6 %	7 %
EBITDA	17.3	18.5	22.4	5.9	15.7	38.0	48.2
EBIT	10.9	12.6	14.1	-4.5	4.7	26.0	35.2
Net income	8.3	8.6	9.5	-7.9	3.6	21.7	27.9
Net debt	-14.3	-20.7	-39.5	-19.2	-90.2	-91.4	-106.1
Net gearing	-34.3 %	-39.7 %	-49.4 %	-32.9 %	-133.2 %	-166.0 %	-156.3 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	4.09	4.25	4.69	-3.88	1.53	9.26	11.92
CPS	-1.96	-2.56	-6.12	-16.54	0.71	1.51	7.04
DPS	0.11	0.35	2.04	10.00	1.00	1.20	1.40
Dividend yield	0.1 %	0.4 %	2.5 %	12.3 %	1.2 %	1.5 %	1.7 %
Gross profit margin	50.2 %	55.0 %	54.0 %	41.9 %	50.0 %	53.0 %	53.5 %
EBITDA margin	13.6 %	11.6 %	7.4 %	1.7 %	2.1 %	4.8 %	5.7 %
EBIT margin	8.5 %	7.9 %	4.7 %	-1.3 %	0.6 %	3.3 %	4.2 %
ROCE	14.9 %	15.4 %	9.8 %	-2.5 %	2.4 %	12.6 %	16.6 %
EV/sales	1.3	1.0	0.5	0.3	0.1	0.1	0.1
EV/EBITDA	9.4	8.6	6.3	17.2	6.5	2.6	1.8
EV/EBIT	15.0	12.5	10.0	-22.5	21.7	3.9	2.4
PER	19.8	19.0	17.3	-20.9	52.9	8.7	6.8
Adjusted FCF yield	6.6 %	7.7 %	9.0 %	-2.6 %	3.5 %	16.0 %	22.8 %

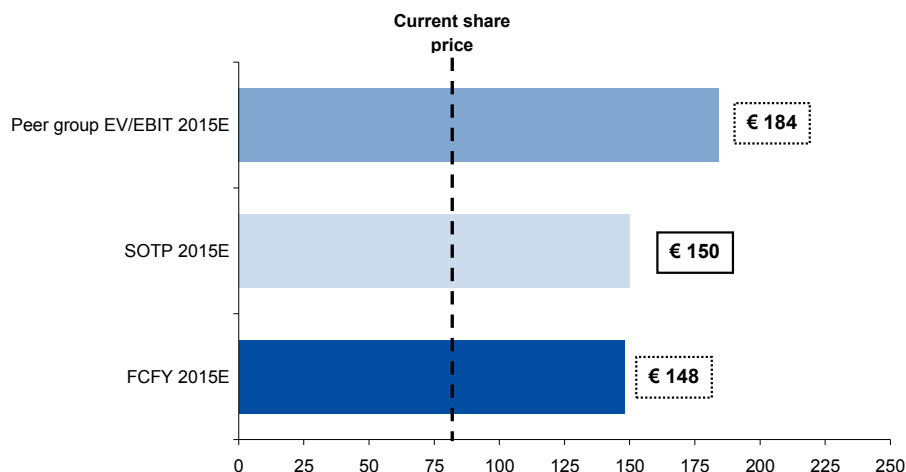
Source: Company data, Hauck & Aufhäuser Close price as of: 24.07.2014 * planning excl. M&A
*Until 2011/12: 1.4.-31.3.; 2012: 1.4.-31.12.; from 2013: calendar year

Action: Following the recently completed capital increase by 15% of the original share capital (additional 311k shares), the company received € 24m in net proceeds. The temporary EPS dilution of ~12% is however irrelevant, in our view, given the nature of mutares' business model: mutares creates value through the cheap purchase of distressed assets, their operational turnaround as well as eventual sale at a multiple of its investment. Hence, the additional cash looks set to be put to productive use going forward. Further acquisitions and successful turnarounds should thus drive value creation for shareholders.

Valuation: Looking at mutares' valuation, **we choose to value the company on our SOTP model based on 2015E estimates which points to a fair value of € 150 per share.** Despite the fact that 2015E estimates imply only a partial turnaround of the current portfolio, the upside of 85% to the current share price looks highly attractive.

This is broadly in line with our FCFY 2015E fair value per share of € 148 while our peer group valuation for 2015E even implies a higher fair value per share of € 184.

Implied fair values per share (€)



Source: Company data; Hauck & Aufhäuser

All in all, the roadshow confirmed that **management is dedicated to deliver on its acquisition as well as exit strategy with positive newsflow expected going forward.** Moreover, given the significant value potential inherent in the company, the stock is a **BUY** with a **PT of € 150** based on SOTP 2015E.

mutares AG: Sum of the parts	Fair EV 2014E	Fair EV 2015E	Fair EV 2016E	EBITDA 2014E*	EBITDA 2015E	EBITDA 2016E	Peer group average	EV/EBITDA 2014E	EV/EBITDA 2015E	EV/EBITDA 2016E
Engineering	170.8	177.8	188.1	22.7	27.0	31.2	7.5	6.6	6.0	
Retail	42.6	73.5	102.6	4.6	9.3	15.1	9.2	7.9	6.8	
Transportation	12.2	11.0	11.4	1.7	1.7	1.9	7.4	6.6	6.0	
Total fair EV	225.5	262.4	302.1	29.0	38.0	48.2				
- Net debt	-90.2	-91.4	-106.1							
- Pension provisions	2.3	2.4	2.5							
Fair market cap	313.5	351.4	405.7							
Number of shares	2.3	2.3	2.3							
Fair value per share	134.0	150.2	173.4							
Current share price	81.0	81.0	81.0							
Upside (+)/downside (-)	65%	85%	114%							

Source: company data; Hauck & Aufhäuser * adj. for loss-making companies

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net sales	127.6	159.3	301.2	347.0	743.5	785.7	843.6
<i>Sales growth</i>	110.2 %	24.8 %	89.1 %	15.2 %	114.2 %	5.7 %	7.4 %
Increase/decrease in finished goods and work-in-process	6.4	-4.6	0.1	15.2	0.0	0.0	0.0
Total sales	134.0	154.7	301.3	362.2	743.5	785.7	843.6
Other operating income	29.7	20.9	52.8	40.2	74.3	55.0	59.1
Material expenses	66.7	69.6	138.7	210.3	371.7	369.3	392.3
Personnel expenses	47.8	50.9	90.1	106.5	245.3	235.7	248.9
Other operating expenses	31.9	36.6	103.0	79.7	185.1	197.7	213.3
Total operating expenses	116.7	136.2	279.0	356.3	727.8	747.7	795.4
EBITDA	17.3	18.5	22.4	5.9	15.7	38.0	48.2
Depreciation	6.4	5.9	8.3	10.4	11.0	12.0	13.0
EBITA	10.9	12.6	14.1	-4.5	4.7	26.0	35.2
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
EBIT	10.9	12.6	14.1	-4.5	4.7	26.0	35.2
Interest income	0.4	0.1	0.2	1.0	1.0	1.2	1.3
Interest expenses	1.6	1.0	1.1	1.8	1.7	1.7	1.7
Other financial result	0.8	0.0	0.0	0.6	0.0	0.0	0.0
Financial result	-2.0	-0.9	-0.9	-1.4	-0.7	-0.5	-0.4
Recurring pretax income from continuing operations	8.9	11.7	13.2	-6.0	4.0	25.5	34.9
Extraordinary income/loss	-1.0	-2.5	-2.7	-0.2	0.0	0.0	0.0
Earnings before taxes	7.9	9.2	10.5	-6.1	4.0	25.5	34.9
Taxes	-0.4	0.6	1.0	1.8	0.4	3.8	7.0
Net income from continuing operations	8.3	8.6	9.5	-7.9	3.6	21.7	27.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	8.3	8.6	9.5	-7.9	3.6	21.7	27.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (net of minority interest)	8.3	8.6	9.5	-7.9	3.6	21.7	27.9
Average number of shares	2.0	2.0	2.0	2.0	2.3	2.3	2.3
EPS reported	4.09	4.25	4.69	-3.88	1.53	9.26	11.92

Profit and loss (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	5.0 %	-2.9 %	0.0 %	4.4 %	0.0 %	0.0 %	0.0 %
Total sales	105.0 %	97.1 %	100.0 %	104.4 %	100.0 %	100.0 %	100.0 %
Other operating income	23.3 %	13.1 %	17.5 %	11.6 %	10.0 %	7.0 %	7.0 %
Material expenses	52.3 %	43.7 %	46.0 %	60.6 %	50.0 %	47.0 %	46.5 %
Personnel expenses	37.5 %	32.0 %	29.9 %	30.7 %	33.0 %	30.0 %	29.5 %
Other operating expenses	25.0 %	23.0 %	34.2 %	23.0 %	24.9 %	25.2 %	25.3 %
Total operating expenses	91.5 %	85.5 %	92.6 %	102.7 %	97.9 %	95.2 %	94.3 %
EBITDA	13.6 %	11.6 %	7.4 %	1.7 %	2.1 %	4.8 %	5.7 %
Depreciation	5.0 %	3.7 %	2.7 %	3.0 %	1.5 %	1.5 %	1.5 %
EBITA	8.5 %	7.9 %	4.7 %	-1.3 %	0.6 %	3.3 %	4.2 %
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 %
EBIT	8.5 %	7.9 %	4.7 %	-1.3 %	0.6 %	3.3 %	4.2 %
Interest income	0.3 %	0.1 %	0.1 %	0.3 %	0.1 %	0.2 %	0.2 %
Interest expenses	1.2 %	0.6 %	0.4 %	0.5 %	0.2 %	0.2 %	0.2 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-1.6 %	-0.5 %	-0.3 %	-0.4 %	-0.1 %	-0.1 %	0.0 %
Recurring pretax income from continuing operations	7.0 %	7.4 %	4.4 %	-1.7 %	0.5 %	3.2 %	4.1 %
Extraordinary income/loss	-0.8 %	-1.6 %	-0.9 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	6.2 %	5.8 %	3.5 %	-1.8 %	0.5 %	3.2 %	4.1 %
Tax rate	-4.9 %	6.6 %	9.3 %	-28.8 %	10.0 %	15.0 %	20.0 %
Net income from continuing operations	6.5 %	5.4 %	3.2 %	-2.3 %	0.5 %	2.8 %	3.3 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	6.5 %	5.4 %	3.2 %	-2.3 %	0.5 %	2.8 %	3.3 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	6.5 %	5.4 %	3.2 %	-2.3 %	0.5 %	2.8 %	3.3 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	4.1	4.7	4.0	2.3	2.3	2.3	2.3
Property, plant and equipment	36.6	35.7	47.1	31.6	42.6	42.6	41.6
Financial assets	0.0	0.1	2.0	1.1	1.1	1.1	1.1
FIXED ASSETS	40.7	40.5	53.1	35.0	46.0	46.0	45.0
Inventories	25.6	34.8	75.7	82.5	106.2	104.8	112.5
Accounts receivable	16.6	41.2	102.5	133.9	142.6	144.2	152.5
Other current assets	2.0	9.0	15.0	32.8	32.8	32.8	32.8
Liquid assets	14.8	21.7	52.4	47.7	118.7	119.9	134.5
Deferred taxes	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.5	1.1	2.6	2.1	2.2	2.3	2.4
CURRENT ASSETS	59.5	107.9	248.2	299.0	402.5	404.0	434.8
TOTAL ASSETS	100.3	148.4	301.3	334.0	448.5	450.0	479.8
SHAREHOLDERS EQUITY	41.6	52.1	79.9	58.4	67.7	55.1	67.8
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.6	1.0	12.9	28.5	28.5	28.5	28.5
Provisions for pensions and similar obligations	13.4	14.6	15.4	2.1	2.3	2.4	2.5
Other provisions	14.7	25.8	84.6	85.7	110.7	116.3	122.0
Non-current liabilities	28.6	41.4	113.0	116.3	141.5	147.1	153.0
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	13.7	23.5	54.8	66.9	122.2	129.2	138.7
Advance payments received on orders	4.5	4.1	14.3	41.8	41.8	41.8	41.8
Other liabilities (incl. from lease and rental contracts)	9.9	25.9	36.8	49.2	73.7	75.2	76.7
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	1.9	1.4	2.6	1.5	1.6	1.6	1.7
Current liabilities	30.0	54.9	108.5	159.3	239.3	247.8	258.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.3	148.4	301.3	334.0	448.5	450.0	479.8

Balance sheet (common size)	2010	2011	2012	2013	2014E	2015E	2016E
Intangible assets	4.1 %	3.2 %	1.3 %	0.7 %	0.5 %	0.5 %	0.5 %
Property, plant and equipment	36.5 %	24.0 %	15.6 %	9.5 %	9.5 %	9.5 %	8.7 %
Financial assets	0.0 %	0.1 %	0.6 %	0.3 %	0.2 %	0.2 %	0.2 %
FIXED ASSETS	40.6 %	27.3 %	17.6 %	10.5 %	10.3 %	10.2 %	9.4 %
Inventories	25.5 %	23.4 %	25.1 %	24.7 %	23.7 %	23.3 %	23.4 %
Accounts receivable	16.6 %	27.8 %	34.0 %	40.1 %	31.8 %	32.1 %	31.8 %
Other current assets	2.0 %	6.0 %	5.0 %	9.8 %	7.3 %	7.3 %	6.8 %
Liquid assets	14.8 %	14.6 %	17.4 %	14.3 %	26.5 %	26.6 %	28.0 %
Deferred taxes	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.5 %	0.7 %	0.9 %	0.6 %	0.5 %	0.5 %	0.5 %
CURRENT ASSETS	59.4 %	72.7 %	82.4 %	89.5 %	89.7 %	89.8 %	90.6 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	41.5 %	35.1 %	26.5 %	17.5 %	15.1 %	12.2 %	14.1 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.6 %	0.7 %	4.3 %	8.5 %	6.4 %	6.3 %	5.9 %
Provisions for pensions and similar obligations	13.3 %	9.8 %	5.1 %	0.6 %	0.5 %	0.5 %	0.5 %
Other provisions	14.6 %	17.4 %	28.1 %	25.7 %	24.7 %	25.8 %	25.4 %
Non-current liabilities	28.5 %	27.9 %	37.5 %	34.8 %	31.5 %	32.7 %	31.9 %
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	13.6 %	15.8 %	18.2 %	20.0 %	27.2 %	28.7 %	28.9 %
Advance payments received on orders	4.5 %	2.8 %	4.7 %	12.5 %	9.3 %	9.3 %	8.7 %
Other liabilities (incl. from lease and rental contracts)	9.8 %	17.4 %	12.2 %	14.7 %	16.4 %	16.7 %	16.0 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	1.9 %	0.9 %	0.9 %	0.4 %	0.3 %	0.4 %	0.4 %
Current liabilities	29.9 %	37.0 %	36.0 %	47.7 %	53.4 %	55.1 %	54.0 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net profit/loss	8.3	8.6	9.5	-7.9	3.6	21.7	27.9
Depreciation of fixed assets (incl. leases)	6.4	5.9	8.3	10.4	11.0	12.0	13.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.8	0.0	3.8	0.4	0.0	0.0	0.0
Others	-16.7	-9.8	-11.5	-31.2	-29.8	-24.9	-4.9
Cash flow from operations before changes in w/c	-1.2	4.7	10.0	-28.2	-15.2	8.8	36.0
Increase/decrease in inventory	-4.3	-0.8	66.1	-14.6	6.2	1.4	-7.7
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	16.3	-1.6	-8.3
Increase/decrease in accounts payable	8.7	-3.2	-80.3	20.1	5.4	6.9	9.5
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	4.4	-4.0	-14.2	5.5	27.9	6.7	-6.5
Cash flow from operating activities	3.2	0.7	-4.1	-22.7	12.7	15.5	29.5
CAPEX	4.6	3.9	9.0	10.7	12.0	12.0	12.0
Payments for acquisitions	0.0	0.0	0.0	0.0	-69.0	0.0	0.0
Financial investments	0.2	0.0	0.3	0.5	0.0	0.0	0.0
Income from asset disposals	1.5	9.5	33.3	23.9	0.0	0.0	0.0
Cash flow from investing activities	-3.3	5.6	24.0	12.7	57.0	-12.0	-12.0
Cash flow before financing	-0.1	6.2	19.9	-10.0	69.7	3.5	17.5
Increase/decrease in debt position	0.0	0.4	11.0	8.0	0.0	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	0.8	0.0	0.0	24.2	0.0	0.0
Dividends paid	0.0	0.2	0.7	4.1	20.3	2.3	2.8
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	1.6	0.0	-0.2	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.9	10.3	3.9	3.9	-2.3	-2.8
Increase/decrease in liquid assets	1.5	7.2	30.0	-6.1	73.6	1.2	14.7
Liquid assets at end of period	14.1	21.2	51.2	45.1	118.7	119.9	134.5

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
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
TTL	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

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
P&L growth analysis							
Sales growth	110.2 %	24.8 %	89.1 %	15.2 %	114.2 %	5.7 %	7.4 %
EBITDA growth	115.5 %	6.8 %	21.0 %	-73.6 %	165.6 %	142.5 %	26.8 %
EBIT growth	79.1 %	16.0 %	11.6 %	-132.1 %	-203.6 %	456.1 %	35.4 %
EPS growth	104.2 %	4.0 %	10.1 %	-182.8 %	-139.4 %	505.6 %	28.6 %
Efficiency							
Total operating costs / sales	91.5 %	85.5 %	92.6 %	102.7 %	97.9 %	95.2 %	94.3 %
Sales per employee	88.3	95.1	102.0	139.0	276.1	n/a	n/a
EBITDA per employee	12.0	11.0	7.6	2.4	5.8	n/a	n/a
Balance sheet analysis							
Avg. working capital / sales	18.1 %	22.8 %	26.2 %	31.2 %	12.9 %	10.4 %	9.6 %
Inventory turnover (sales/inventory)	5.0	4.6	4.0	4.2	7.0	7.5	7.5
Trade debtors in days of sales	47.5	94.4	124.2	140.8	70.0	67.0	66.0
A/P turnover [(A/P*365)/sales]	39.1	53.9	66.4	70.3	60.0	60.0	60.0
Cash conversion cycle (days)	112.7	153.6	179.3	167.9	54.3	42.9	41.6
Cash flow analysis							
Free cash flow	-1.4	-3.3	-13.1	-33.4	0.7	3.5	17.5
Free cash flow/sales	-1.1 %	-2.0 %	-4.4 %	-9.6 %	0.1 %	0.5 %	2.1 %
FCF / net profit	-16.3 %	-37.8 %	-138.2 %	424.9 %	18.6 %	16.3 %	62.7 %
Capex / depre	66.6 %	67.2 %	76.9 %	103.5 %	109.1 %	100.0 %	92.3 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	101.7 %	109.1 %	100.0 %	92.3 %
Capex / sales	3.8 %	2.5 %	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-14.3	-20.7	-39.5	-19.2	-90.2	-91.4	-106.1
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.3	-0.4	-0.5	-0.3	-1.3	-1.7	-1.6
Interest cover	7.0	12.4	12.9	0.0	2.7	15.2	20.6
Dividend payout ratio	2.7 %	8.2 %	43.5 %	100.0 %	65.4 %	13.0 %	11.7 %
Asset utilisation							
Capital employed turnover	1.8	1.7	1.6	2.0	3.6	3.9	3.8
Operating assets turnover	2.1	1.9	1.9	2.5	5.8	6.5	6.7
Plant turnover	3.5	4.5	6.4	11.0	17.4	18.4	20.3
Inventory turnover (sales/inventory)	5.0	4.6	4.0	4.2	7.0	7.5	7.5
Returns							
ROCE	14.9 %	15.4 %	9.8 %	-2.5 %	2.4 %	12.6 %	16.6 %
ROE	19.9 %	16.6 %	11.9 %	-13.5 %	5.3 %	39.4 %	41.1 %
Other							
Interest paid / avg. debt	167.0 %	130.3 %	15.7 %	8.8 %	6.0 %	6.0 %	6.0 %
No. employees (average)	1445	1674	2953	2496	2693	0	0
Number of shares	2.0	2.0	2.0	2.0	2.3	2.3	2.3
DPS	0.1	0.4	2.0	10.0	1.0	1.2	1.4
EPS reported	4.09	4.25	4.69	-3.88	1.53	9.26	11.92
Valuation ratios							
P/BV	3.9	3.2	2.1	2.8	2.8	3.4	2.8
EV/sales	1.3	1.0	0.5	0.3	0.1	0.1	0.1
EV/EBITDA	9.4	8.6	6.3	17.2	6.5	2.6	1.8
EV/EBITA	15.0	12.5	10.0	-22.5	21.7	3.9	2.4
EV/EBIT	15.0	12.5	10.0	-22.5	21.7	3.9	2.4
EV/FCF	-120.8	-48.4	-10.7	-3.0	152.6	28.4	4.9
Adjusted FCF yield	6.6 %	7.7 %	9.0 %	-2.6 %	3.5 %	16.0 %	22.8 %
Dividend yield	0.1 %	0.4 %	2.5 %	12.3 %	1.2 %	1.5 %	1.7 %

Source: Company data, Hauck & Aufhäuser

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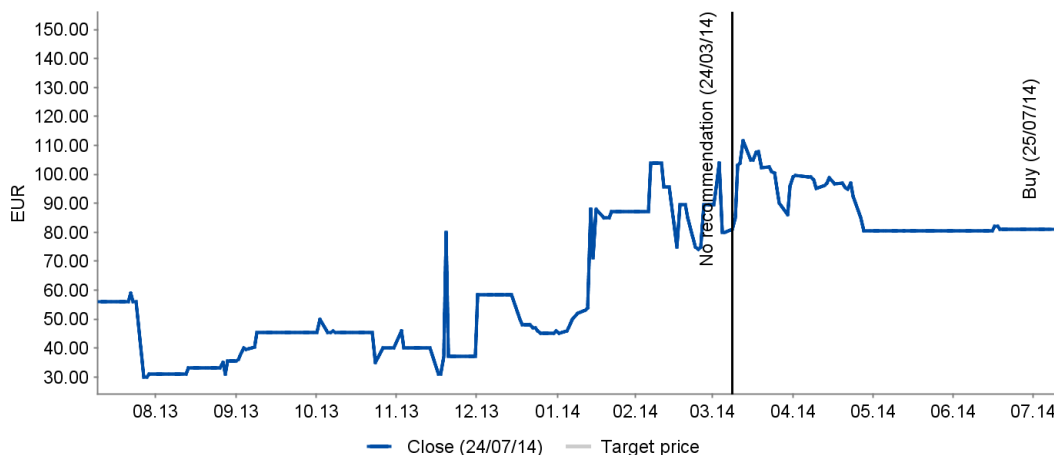
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Company	Disclosure
mutares AG	5, 7

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

**Price and Rating History
mutares AG as of 25/07/14**

Initiation coverage
24-March-14



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