

Buy (old: Buy)

Price target: EUR 150.00 (old: EUR 150.00)

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 98.4 m

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Positive feedback from call with management, chg. in est.

Following strong preliminary H1 sales & EBITDA figures yesterday, we had an encouraging conference call with company.

According to management, the **strong EBITDA of € 10.4m in H1 looks set to be a good run rate also for H2 2014E** (we had expected € 8m for H1). This implies an EBITDA of around € 20m for the FY which is significantly above our previous estimate of € 16m. **The outlook on H2 thus is promising which should provide further confidence in mutares' turnaround ability.** The key highlights behind this developments are:

STS Acoustics: STS Acoustics, an automotive supplier bought in July 2013 from the Autoneum Group achieved a very successful turnaround within its first year. The **company turned slightly profitable in H1** on the back of the streamlining of the production footprint, a reduction in overhead costs as well as an incremental procurement shift towards Eastern Europe. **Going forward, the company should hence become an important contributor to EBITDA growth.** In our view, STS is on a good way to become an attractive exit candidate in two to three years time from now.

Eupec: H1 sales and EBITDA increased substantially at oil & gas pipeline coating specialist Eupec. This was driven by a solid order book as well as a continuously strong order intake momentum which look set to secure sound growth in H2 as well as for 2015E. This provides good tailwind for **the targeted exit which is expected in autumn 2014E with estimated proceeds of €30-35m.**

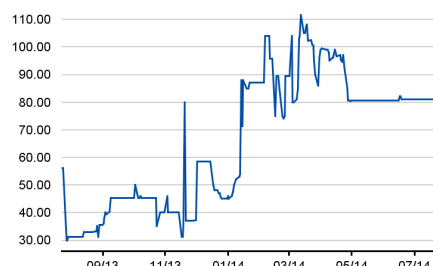
GeesinkNorba: Key highlight at GeesinkNorba, mutares' waste collection truck manufacturer, is the **strong order intakes development in H1.** This should drive a healthy return to top & bottomline growth in H2, following slightly weaker sales in H1 amid the introduction of the Euro 6 norm. Most importantly however, several larger order wins following the restructuring of the sales force increase our confidence that GeesinkNorba is well positioned to increase its European market share going forward.

In addition, following the introduction of a new product line, **GeesinkNorba was able to win Europe's largest waste collector (H&A: Remondis) as a customer** which is a major milestone and should support the expansion especially into the German market. As the company is operationally well on track, we expect an **exit in 2014/15E given recent requests from Asian investors with estimated proceeds of € 30-50m.**

- continued -

Y/E 31.12 (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Sales	127.6	159.3	301.2	347.0	693.2	732.2	785.0
Sales growth	110 %	25 %	89 %	15 %	100 %	6 %	7 %
EBITDA	17.3	18.5	22.4	5.9	20.1	37.8	47.7
EBIT	10.9	12.6	14.1	-4.5	8.1	25.8	34.9
Net income	8.3	8.6	9.5	-7.9	6.7	21.5	27.6
Net debt	-14.3	-20.7	-39.5	-19.2	-93.4	-94.5	-109.4
Net gearing	-34.3 %	-39.7 %	-49.4 %	-32.9 %	-131.8 %	-192.7 %	-177.6 %
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	2.86	9.21	11.81
CPS	-1.96	-2.56	-6.12	-16.54	1.65	1.50	7.19
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 %	2.9 %	5.2 %	6.1 %
EBIT margin	8.5 %	7.9 %	4.7 %	-1.3 %	1.2 %	3.5 %	4.4 %
ROCE	14.9 %	15.4 %	9.8 %	-2.5 %	4.2 %	12.6 %	17.0 %
EV/sales	1.3	1.0	0.5	0.3	0.1	0.1	0.1
EV/EBITDA	9.4	8.6	6.3	16.7	4.9	2.6	1.7
EV/EBIT	15.0	12.5	10.0	-21.8	12.1	3.8	2.4
PER	19.8	19.0	17.3	-20.9	28.3	8.8	6.9
Adjusted FCF yield	6.6 %	7.7 %	9.0 %	-2.6 %	6.2 %	16.2 %	23.2 %

Source: Company data, Hauck & Aufhäuser Close price as of: 06.08.2014



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 111.50 / 30.00
Price/Book Ratio: 2.7
Relative performance (SDAX):
 3 months -10.5 %
 6 months -4.3 %
 12 months 23.1 %

Changes in estimates

		Sales	EBIT	EPS
2014	old:	743.5	4.7	1.53
	Δ	-6.8%	73.6%	87.3%
2015	old:	785.7	26.0	9.26
	Δ	-6.8%	-	-
2016	old:	843.6	35.2	11.92
	Δ	-6.9%	-	-

Key share data:

Number of shares: (in m pcs) 2.3
 Authorised capital: (in € m) 0.0
 Book value per share: (in €) 30.3
 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.

Pixmania: Positively, the restructuring at Pixmania is showing first results already with a **solid improvement in profitability since its acquisition in January 2014** albeit still being negative due to the implementation of restructuring measures. The largely replaced management team around the new CEO (former founder of e-retailer Redcoon bought by Metro) is currently focussing on 1) a shift of procurement volumes (formerly 100% in France) to low cost countries, 2) cutting down on overhead costs as well as 3) an overhaul of the product portfolio, concentrating on Pixmania's core competence of consumer electronics.

The company will thus withdraw from low margin (because low volume) products which should affect around € 40-50m of sales in 2014E in our view. These efforts are moreover accompanied by the reduction in headcount by around 100-150 people through natural fluctuation (total 800-900 employees). On the back of these measures, **the company looks set to reach break-even territory in 2015E.**

Action: On the back of these positive developments, we significantly increase our EBIT estimates for 2014E incorporating the good progress across mutares' portfolio companies. In terms of sales, we reduce our estimates by 7% going forward in order to reflect Pixmania's focus on its core product groups.

M&A activity: Regarding potential acquisitions, our impression was that management is currently **looking at two targets in engineering and retail which could still materialise this year.** Management thus intends to stick to its industry focus on engineering, retail and logistics which provides a good base for future value creation, in our view.

All in all, the conference call provided confidence that **mutares is well on track, in terms of its operations but equally on the acquisition & exit side.** Given the significant undervaluation of the stock at 2.6x EV/EBITDA 2015E, the stock remains a **BUY** with a **PT of € 150** based on SOTP 2015E.

Financials

Profit and loss (EUR m)	2010	2011	2012	2013	2014E	2015E	2016E
Net sales	127.6	159.3	301.2	347.0	693.2	732.2	785.0
<i>Sales growth</i>	110.2 %	24.8 %	89.1 %	15.2 %	99.8 %	5.6 %	7.2 %
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	693.2	732.2	785.0
Other operating income	29.7	20.9	52.8	40.2	69.3	51.3	55.0
Material expenses	66.7	69.6	138.7	210.3	346.6	344.1	365.0
Personnel expenses	47.8	50.9	90.1	106.5	228.8	219.7	231.6
Other operating expenses	31.9	36.6	103.0	79.7	167.0	181.8	195.7
Total operating expenses	116.7	136.2	279.0	356.3	673.1	694.4	737.4
EBITDA	17.3	18.5	22.4	5.9	20.1	37.8	47.7
Depreciation	6.4	5.9	8.3	10.4	12.0	12.0	12.8
EBITA	10.9	12.6	14.1	-4.5	8.1	25.8	34.9
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	8.1	25.8	34.9
Interest income	0.4	0.1	0.2	1.0	1.0	1.2	1.4
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	-0.3
Recurring pretax income from continuing operations	8.9	11.7	13.2	-6.0	7.4	25.3	34.5
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	7.4	25.3	34.5
Taxes	-0.4	0.6	1.0	1.8	0.7	3.8	6.9
Net income from continuing operations	8.3	8.6	9.5	-7.9	6.7	21.5	27.6
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	6.7	21.5	27.6
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	6.7	21.5	27.6
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	2.86	9.21	11.81

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 %	24.1 %	24.8 %	24.9 %
Total operating expenses	91.5 %	85.5 %	92.6 %	102.7 %	97.1 %	94.8 %	93.9 %
EBITDA	13.6 %	11.6 %	7.4 %	1.7 %	2.9 %	5.2 %	6.1 %
Depreciation	5.0 %	3.7 %	2.7 %	3.0 %	1.7 %	1.6 %	1.6 %
EBITA	8.5 %	7.9 %	4.7 %	-1.3 %	1.2 %	3.5 %	4.4 %
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 %	1.2 %	3.5 %	4.4 %
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 %	1.1 %	3.5 %	4.4 %
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 %	1.1 %	3.5 %	4.4 %
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 %	1.0 %	2.9 %	3.5 %
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 %	1.0 %	2.9 %	3.5 %
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 %	1.0 %	2.9 %	3.5 %

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	41.6	41.6	40.8
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	45.0	45.0	44.2
Inventories	25.6	34.8	75.7	82.5	99.0	97.6	104.7
Accounts receivable	16.6	41.2	102.5	133.9	142.4	134.4	142.0
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	121.9	123.0	137.9
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	398.4	390.2	419.7
TOTAL ASSETS	100.3	148.4	301.3	334.0	443.4	435.2	463.9
SHAREHOLDERS EQUITY	41.6	52.1	79.9	58.4	70.8	49.1	61.6
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	113.9	120.4	129.0
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	231.0	239.0	249.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.3	148.4	301.3	334.0	443.4	435.2	463.9

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 %	9.4 %	9.6 %	8.8 %
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 %	10.2 %	10.3 %	9.5 %
Inventories	25.5 %	23.4 %	25.1 %	24.7 %	22.3 %	22.4 %	22.6 %
Accounts receivable	16.6 %	27.8 %	34.0 %	40.1 %	32.1 %	30.9 %	30.6 %
Other current assets	2.0 %	6.0 %	5.0 %	9.8 %	7.4 %	7.5 %	7.1 %
Liquid assets	14.8 %	14.6 %	17.4 %	14.3 %	27.5 %	28.3 %	29.7 %
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 %	89.8 %	89.7 %	90.5 %
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 %	16.0 %	11.3 %	13.3 %
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 %	6.5 %	6.1 %
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 %	25.0 %	26.7 %	26.3 %
Non-current liabilities	28.5 %	27.9 %	37.5 %	34.8 %	31.9 %	33.8 %	33.0 %
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 %	25.7 %	27.7 %	27.8 %
Advance payments received on orders	4.5 %	2.8 %	4.7 %	12.5 %	9.4 %	9.6 %	9.0 %
Other liabilities (incl. from lease and rental contracts)	9.8 %	17.4 %	12.2 %	14.7 %	16.6 %	17.3 %	16.5 %
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 %	0.4 %	0.4 %	0.4 %
Current liabilities	29.9 %	37.0 %	36.0 %	47.7 %	52.1 %	54.9 %	53.7 %
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	6.7	21.5	27.6
Depreciation of fixed assets (incl. leases)	6.4	5.9	8.3	10.4	12.0	12.0	12.8
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	-33.9	-4.9
Cash flow from operations before changes in w/c	-1.2	4.7	10.0	-28.2	-11.1	-0.3	35.5
Increase/decrease in inventory	-4.3	-0.8	66.1	-14.6	13.4	1.4	-7.0
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	16.4	8.0	-7.6
Increase/decrease in accounts payable	8.7	-3.2	-80.3	20.1	-2.9	6.4	8.7
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	26.9	15.8	-5.9
Cash flow from operating activities	3.2	0.7	-4.1	-22.7	15.9	15.5	29.6
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	72.9	3.5	17.6
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	76.8	1.2	14.8
Liquid assets at end of period	14.1	21.2	51.2	45.1	121.9	123.0	137.9

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 %	99.8 %	5.6 %	7.2 %
EBITDA growth	115.5 %	6.8 %	21.0 %	-73.6 %	240.8 %	88.0 %	26.0 %
EBIT growth	79.1 %	16.0 %	11.6 %	-132.1 %	-279.9 %	218.0 %	35.0 %
EPS growth	104.2 %	4.0 %	10.1 %	-182.8 %	-173.8 %	221.4 %	28.2 %
Efficiency							
Total operating costs / sales	91.5 %	85.5 %	92.6 %	102.7 %	97.1 %	94.8 %	93.9 %
Sales per employee	88.3	95.1	102.0	139.0	257.4	n/a	n/a
EBITDA per employee	12.0	11.0	7.6	2.4	7.5	n/a	n/a
Balance sheet analysis							
Avg. working capital / sales	18.1 %	22.8 %	26.2 %	31.2 %	13.9 %	10.6 %	9.3 %
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	75.0	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	59.3	42.9	41.6
Cash flow analysis							
Free cash flow	-1.4	-3.3	-13.1	-33.4	3.9	3.5	17.6
Free cash flow/sales	-1.1 %	-2.0 %	-4.4 %	-9.6 %	0.6 %	0.5 %	2.2 %
FCF / net profit	-16.3 %	-37.8 %	-138.2 %	424.9 %	57.5 %	16.3 %	63.8 %
Capex / depre	66.6 %	67.2 %	76.9 %	103.5 %	100.0 %	100.0 %	93.8 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	101.7 %	100.0 %	100.0 %	93.8 %
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	-93.4	-94.5	-109.4
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	-1.9	-1.8
Interest cover	7.0	12.4	12.9	0.0	4.8	15.1	20.4
Dividend payout ratio	2.7 %	8.2 %	43.5 %	100.0 %	34.9 %	13.0 %	11.9 %
Asset utilisation							
Capital employed turnover	1.8	1.7	1.6	2.0	3.3	3.7	3.7
Operating assets turnover	2.1	1.9	1.9	2.5	5.4	6.6	6.7
Plant turnover	3.5	4.5	6.4	11.0	16.7	17.6	19.2
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 %	4.2 %	12.6 %	17.0 %
ROE	19.9 %	16.6 %	11.9 %	-13.5 %	9.5 %	43.9 %	44.9 %
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	2.86	9.21	11.81
Valuation ratios							
P/BV	3.9	3.2	2.1	2.8	2.7	3.9	3.1
EV/sales	1.3	1.0	0.5	0.3	0.1	0.1	0.1
EV/EBITDA	9.4	8.6	6.3	16.7	4.9	2.6	1.7
EV/EBITA	15.0	12.5	10.0	-21.8	12.1	3.8	2.4
EV/EBIT	15.0	12.5	10.0	-21.8	12.1	3.8	2.4
EV/FCF	-120.8	-48.4	-10.7	-2.9	25.5	27.8	4.7
Adjusted FCF yield	6.6 %	7.7 %	9.0 %	-2.6 %	6.2 %	16.2 %	23.2 %
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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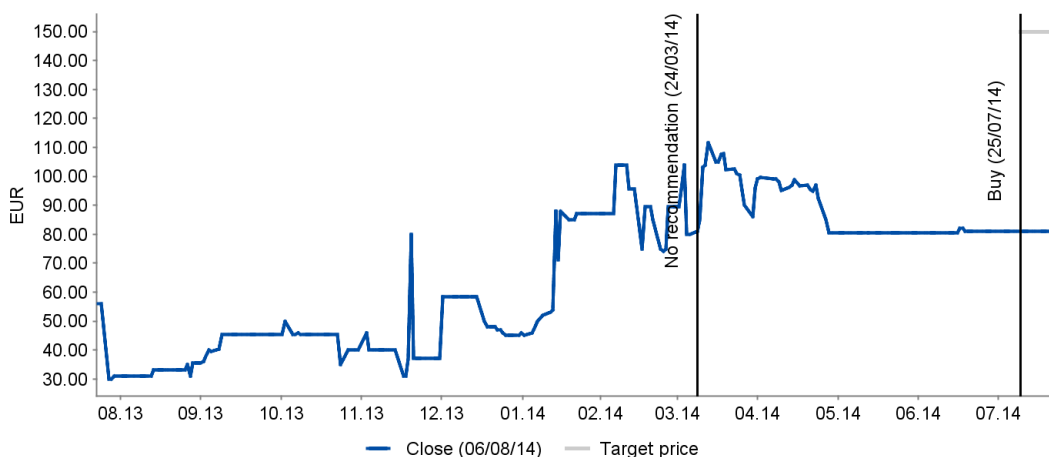
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Company	Disclosure
mutares AG	5, 7

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

**Price and Rating History
mutares AG as of 07/08/14**

Initiation coverage
24-March-14



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