

Buy (old: Buy)

Price target: EUR 24.00 (old: EUR 24.00)

Price:	EUR 19.88	Next result:	Q2 17.09.15
Bloomberg:	MUX GR	Market cap:	EUR 279.0 m
Reuters:	MUXG.BE	Enterprise Value:	EUR 261.4 m

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Expansion into the pipeline component business, chg. in est.

Mutares announced the acquisition of pipeline component producer BSL (France) from Genoyer which is an **attractive expansion of the existing pipeline coating business of Eupec**, especially in light of the upcoming North Stream project. Genoyer divests the company given its limited size and as it focuses on its core business.

BSL generates revenues of around € 20m and should have a slightly negative EBITDA of € -1m. The company is a specialist in welding high grade stainless steel into pipeline components. Highest quality standards as well as extensive welding know-how are major success factors in this business and pose high barriers to entry. The **transaction should have been a typical mutares deal** (very low purchase price) while we expect BSL to hold cash of € 2-3m.

Most importantly, the acquisition is an excellent add-on to the existing pipeline coating business of Eupec especially in light of the **recent plans for a second North Stream project**. Eupec already today is mutares' major profit driver with approximately € 10m of EBITDA and continues to thrive on the dynamic project activity internationally.

The **North Stream project itself could additionally bring more than € 600m in sales over four years at very attractive margins (>10% EBIT margin)** to Eupec and provide additional opportunities to BSL. Eupec already was the sole supplier in the first project and holds a very good reference. The project would **imply a NPV of at least € 2.5 per share** while the company owns the only facility at the Baltic Sea to realise such a project. The factory alone already has an exit value of € 1.5-2.0 per share.

Next to a potential cooperation in the North Stream project, **BSL in our view is an attractive turnaround case** which focuses on 1) a more proactive sales approach with an emphasis to expand also into other end-markets (currently primarily oil & gas, water while more potential for instance in chemicals), 2) the optimisation of processes, especially regarding workflow as well as quality assurance, and 3) synergies with Eupec given that both companies worked together previously, can offer solution together and share customers (Eupec strong in offshore, BSL strong in onshore).

Action: Sales & EBIT estimates are adjusted as we reflect the acquisition from September '15E onwards & expect an incremental improvement of profitability in 2016E.

All in all, the acquisition is a milestone in Eupec's vertical integration. As such Eupec & BSL look well poised to participate in the upcoming North Stream project which would imply significant additional value. **BUY** with a **PT of € 24** based on SOTP 2016E.

Y/E 31.12 (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	159.3	301.2	347.0	648.1	726.7	902.8	925.9
Sales growth	25 %	89 %	15 %	87 %	12 %	24 %	3 %
EBITDA	18.5	22.4	5.9	30.9	29.6	40.5	42.6
EBIT	12.6	14.1	-4.5	15.5	12.2	22.1	24.1
Net income	8.6	9.5	-7.9	8.5	8.4	15.3	15.4
Net debt	-20.7	-39.5	-19.2	-42.0	-17.6	-15.7	-17.0
Net gearing	-39.7 %	-49.4 %	-32.9 %	-51.5 %	-21.1 %	-26.0 %	-27.2 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.71	0.78	-0.65	0.61	0.60	1.09	1.10
CPS	-0.43	-1.02	-2.76	-4.73	-4.20	0.64	0.33
DPS	0.06	0.34	1.67	0.78	0.78	0.23	0.25
Dividend yield	0.3 %	1.7 %	8.4 %	3.9 %	3.9 %	1.2 %	1.3 %
Gross profit margin	55.0 %	54.0 %	41.9 %	35.5 %	37.0 %	53.5 %	53.5 %
EBITDA margin	11.6 %	7.4 %	1.7 %	4.8 %	4.1 %	4.5 %	4.6 %
EBIT margin	7.9 %	4.7 %	-1.3 %	2.4 %	1.7 %	2.4 %	2.6 %
ROCE	15.4 %	9.8 %	-2.5 %	7.8 %	5.4 %	10.0 %	11.3 %
EV/sales	1.5	0.7	0.7	0.4	0.4	0.3	0.3
EV/EBITDA	12.8	9.7	40.2	7.7	8.8	6.5	6.1
EV/EBIT	18.7	15.5	-52.5	15.3	21.5	11.9	10.9
PER	28.0	25.4	-30.7	32.8	33.0	18.2	18.1
Adjusted FCF yield	5.2 %	6.0 %	-1.8 %	7.2 %	4.4 %	7.1 %	7.1 %

Source: Company data, Hauck & Aufhäuser Close price as of: 27.08.2015



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 21.54 / 11.00

Price/Book Ratio: 3.3

Relative performance (SDAX):

3 months 16.5 %

6 months 65.0 %

12 months 34.5 %

Changes in estimates

		Sales	EBIT	EPS
2015	old:	721.7	12.4	0.61
	Δ	0.7%	-1.6%	-1.8%
2016	old:	882.8	21.4	1.06
	Δ	2.3%	3.3%	3.5%
2017	old:	905.5	23.3	1.06
	Δ	2.3%	3.6%	4.0%

Key share data:

Number of shares: (in m pcs) 14.0

Authorised capital: (in € m) 0.0

Book value per share: (in €) 6.0

Ø trading volume: (12 months) 560

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.

Financials

Profit and loss (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Net sales	159.3	301.2	347.0	648.1	726.7	902.8	925.9
<i>Sales growth</i>	24.8 %	89.1 %	15.2 %	86.8 %	12.1 %	24.2 %	2.6 %
Increase/decrease in finished goods and work-in-process	-4.6	0.1	15.2	-1.4	0.0	0.0	0.0
Total sales	154.7	301.3	362.2	646.6	726.7	902.8	925.9
Other operating income	20.9	52.8	40.2	74.7	58.1	63.2	64.8
Material expenses	69.6	138.7	210.3	417.1	457.8	419.8	430.5
Personnel expenses	50.9	90.1	106.5	156.7	167.1	266.3	273.1
Other operating expenses	36.6	103.0	79.7	116.6	130.3	239.4	244.4
Total operating expenses	136.2	279.0	356.3	615.7	697.2	862.4	883.3
EBITDA	18.5	22.4	5.9	30.9	29.6	40.5	42.6
Depreciation	5.9	8.3	10.4	15.4	17.4	18.4	18.5
EBITA	12.6	14.1	-4.5	15.5	12.2	22.1	24.1
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	12.6	14.1	-4.5	15.5	12.2	22.1	24.1
Interest income	0.1	0.2	1.0	0.1	0.5	0.5	0.5
Interest expenses	1.0	1.1	1.8	2.5	2.1	2.1	2.6
Other financial result	0.0	0.0	0.6	0.0	0.0	0.0	0.0
Financial result	-0.9	-0.9	-1.4	-2.4	-1.6	-1.6	-2.1
Recurring pretax income from continuing operations	11.7	13.2	-6.0	13.1	10.6	20.5	22.0
Extraordinary income/loss	-2.5	-2.7	-0.2	0.0	0.0	0.0	0.0
Earnings before taxes	9.2	10.5	-6.1	13.1	10.6	20.5	22.0
Taxes	0.6	1.0	1.8	4.6	2.1	5.1	6.6
Net income from continuing operations	8.6	9.5	-7.9	8.5	8.4	15.3	15.4
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	8.6	9.5	-7.9	8.5	8.4	15.3	15.4
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income (net of minority interest)	8.6	9.5	-7.9	8.5	8.4	15.3	15.4
Average number of shares	12.2	12.2	12.2	14.0	14.0	14.0	14.0
EPS reported	0.71	0.78	-0.65	0.61	0.60	1.09	1.10

Profit and loss (common size)	2011	2012	2013	2014	2015E	2016E	2017E
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	-2.9 %	0.0 %	4.4 %	-0.2 %	0.0 %	0.0 %	0.0 %
Total sales	97.1 %	100.0 %	104.4 %	99.8 %	100.0 %	100.0 %	100.0 %
Other operating income	13.1 %	17.5 %	11.6 %	11.5 %	8.0 %	7.0 %	7.0 %
Material expenses	43.7 %	46.0 %	60.6 %	64.4 %	63.0 %	46.5 %	46.5 %
Personnel expenses	32.0 %	29.9 %	30.7 %	24.2 %	23.0 %	29.5 %	29.5 %
Other operating expenses	23.0 %	34.2 %	23.0 %	18.0 %	17.9 %	26.5 %	26.4 %
Total operating expenses	85.5 %	92.6 %	102.7 %	95.0 %	95.9 %	95.5 %	95.4 %
EBITDA	11.6 %	7.4 %	1.7 %	4.8 %	4.1 %	4.5 %	4.6 %
Depreciation	3.7 %	2.7 %	3.0 %	2.4 %	2.4 %	2.0 %	2.0 %
EBITA	7.9 %	4.7 %	-1.3 %	2.4 %	1.7 %	2.4 %	2.6 %
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	7.9 %	4.7 %	-1.3 %	2.4 %	1.7 %	2.4 %	2.6 %
Interest income	0.1 %	0.1 %	0.3 %	0.0 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.6 %	0.4 %	0.5 %	0.4 %	0.3 %	0.2 %	0.3 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.5 %	-0.3 %	-0.4 %	-0.4 %	-0.2 %	-0.2 %	-0.2 %
Recurring pretax income from continuing operations	7.4 %	4.4 %	-1.7 %	2.0 %	1.5 %	2.3 %	2.4 %
Extraordinary income/loss	-1.6 %	-0.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	5.8 %	3.5 %	-1.8 %	2.0 %	1.5 %	2.3 %	2.4 %
Tax rate	6.6 %	9.3 %	-28.8 %	35.1 %	20.0 %	25.0 %	30.0 %
Net income from continuing operations	5.4 %	3.2 %	-2.3 %	1.3 %	1.2 %	1.7 %	1.7 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	5.4 %	3.2 %	-2.3 %	1.3 %	1.2 %	1.7 %	1.7 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	5.4 %	3.2 %	-2.3 %	1.3 %	1.2 %	1.7 %	1.7 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	4.7	4.0	2.3	8.9	8.9	8.9	8.9
Property, plant and equipment	35.7	47.1	31.6	45.8	64.4	62.0	59.5
Financial assets	0.1	2.0	1.1	0.9	0.9	0.9	0.9
FIXED ASSETS	40.5	53.1	35.0	55.6	74.2	71.8	69.3
Inventories	34.8	75.7	82.5	93.9	100.2	118.8	121.8
Accounts receivable	41.2	102.5	133.9	175.8	179.2	197.9	202.9
Other current assets	9.0	15.0	32.8	0.0	0.0	0.0	0.0
Liquid assets	21.7	52.4	47.7	74.3	49.9	47.9	49.3
Deferred taxes	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	1.1	2.6	2.1	3.4	3.5	3.6	3.6
CURRENT ASSETS	107.9	248.2	299.0	347.4	332.9	368.3	377.7
TOTAL ASSETS	148.4	301.3	334.0	403.0	407.1	440.1	447.0
SHAREHOLDERS EQUITY	52.1	79.9	58.4	81.5	83.7	60.2	62.5
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	1.0	12.9	28.5	32.3	32.3	32.3	32.3
Provisions for pensions and similar obligations	14.6	15.4	2.1	0.0	0.0	0.0	0.0
Other provisions	25.8	84.6	85.7	107.9	113.3	119.0	119.0
Non-current liabilities	41.4	113.0	116.3	140.2	145.6	151.2	151.2
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	23.5	54.8	66.9	104.9	99.6	148.4	152.2
Advance payments received on orders	4.1	14.3	41.8	34.2	35.3	36.3	36.3
Other liabilities (incl. from lease and rental contracts)	25.9	36.8	49.2	41.0	41.8	42.6	43.5
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	1.4	2.6	1.5	1.2	1.3	1.3	1.3
Current liabilities	54.9	108.5	159.3	181.3	177.9	228.7	233.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	148.4	301.3	334.0	403.0	407.1	440.1	447.0

Balance sheet (common size)	2011	2012	2013	2014	2015E	2016E	2017E
Intangible assets	3.2 %	1.3 %	0.7 %	2.2 %	2.2 %	2.0 %	2.0 %
Property, plant and equipment	24.0 %	15.6 %	9.5 %	11.4 %	15.8 %	14.1 %	13.3 %
Financial assets	0.1 %	0.6 %	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %
FIXED ASSETS	27.3 %	17.6 %	10.5 %	13.8 %	18.2 %	16.3 %	15.5 %
Inventories	23.4 %	25.1 %	24.7 %	23.3 %	24.6 %	27.0 %	27.3 %
Accounts receivable	27.8 %	34.0 %	40.1 %	43.6 %	44.0 %	45.0 %	45.4 %
Other current assets	6.0 %	5.0 %	9.8 %	0.0 %	0.0 %	0.0 %	0.0 %
Liquid assets	14.6 %	17.4 %	14.3 %	18.4 %	12.3 %	10.9 %	11.0 %
Deferred taxes	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.7 %	0.9 %	0.6 %	0.9 %	0.9 %	0.8 %	0.8 %
CURRENT ASSETS	72.7 %	82.4 %	89.5 %	86.2 %	81.8 %	83.7 %	84.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	35.1 %	26.5 %	17.5 %	20.2 %	20.6 %	13.7 %	14.0 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	0.7 %	4.3 %	8.5 %	8.0 %	7.9 %	7.3 %	7.2 %
Provisions for pensions and similar obligations	9.8 %	5.1 %	0.6 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	17.4 %	28.1 %	25.7 %	26.8 %	27.8 %	27.0 %	26.6 %
Non-current liabilities	27.9 %	37.5 %	34.8 %	34.8 %	35.8 %	34.4 %	33.8 %
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	15.8 %	18.2 %	20.0 %	26.0 %	24.5 %	33.7 %	34.0 %
Advance payments received on orders	2.8 %	4.7 %	12.5 %	8.5 %	8.7 %	8.2 %	8.1 %
Other liabilities (incl. from lease and rental contracts)	17.4 %	12.2 %	14.7 %	10.2 %	10.3 %	9.7 %	9.7 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.9 %	0.9 %	0.4 %	0.3 %	0.3 %	0.3 %	0.3 %
Current liabilities	37.0 %	36.0 %	47.7 %	45.0 %	43.7 %	52.0 %	52.2 %
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)	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	8.6	9.5	-7.9	8.5	8.4	15.3	15.4
Depreciation of fixed assets (incl. leases)	5.9	8.3	10.4	15.4	17.4	18.4	18.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	3.8	0.4	0.0	0.0	0.0	0.0
Others	-9.8	-11.5	-31.2	-68.2	-64.6	-21.3	-10.0
Cash flow from operations before changes in w/c	4.7	10.0	-28.2	-44.3	-38.8	12.4	23.9
Increase/decrease in inventory	-0.8	66.1	-14.6	61.5	-6.3	-18.6	-3.0
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	-3.4	-18.7	-5.1
Increase/decrease in accounts payable	-3.2	-80.3	20.1	-70.8	-5.4	48.9	3.8
Increase/decrease in other working capital positions	0.0	0.0	0.0	-0.9	10.0	0.0	0.0
Increase/decrease in working capital	-4.0	-14.2	5.5	-10.2	-5.1	11.6	-4.3
Cash flow from operating activities	0.7	-4.1	-22.7	-54.5	-43.9	24.0	19.6
CAPEX	3.9	9.0	10.7	16.6	15.0	15.0	15.0
Payments for acquisitions	0.0	0.0	0.0	-85.5	-47.0	0.0	0.0
Financial investments	0.0	0.3	0.5	0.2	0.0	0.0	0.0
Income from asset disposals	9.5	33.3	23.9	4.4	3.0	0.0	0.0
Cash flow from investing activities	5.6	24.0	12.7	73.0	35.0	-15.0	-15.0
Cash flow before financing	6.2	19.9	-10.0	18.6	-8.9	9.0	4.6
Increase/decrease in debt position	0.4	11.0	8.0	2.0	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	0.8	0.0	0.0	25.0	0.0	0.0	0.0
Dividends paid	0.2	0.7	4.1	20.3	11.0	11.0	3.3
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	-0.2	0.0	-0.5	0.0	0.0	0.0
Cash flow from financing activities	0.9	10.3	3.9	6.6	-11.0	-11.0	-3.3
Increase/decrease in liquid assets	7.2	30.0	-6.1	24.7	-19.9	-2.0	1.3
Liquid assets at end of period	21.2	51.2	45.1	69.8	49.9	47.9	49.3

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
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)	2011	2012	2013	2014	2015E	2016E	2017E
P&L growth analysis							
Sales growth	24.8 %	89.1 %	15.2 %	86.8 %	12.1 %	24.2 %	2.6 %
EBITDA growth	6.8 %	21.0 %	-73.6 %	424.0 %	-4.5 %	37.0 %	5.3 %
EBIT growth	16.0 %	11.6 %	-132.1 %	-443.4 %	-21.6 %	81.6 %	9.2 %
EPS growth	4.0 %	10.1 %	-182.8 %	-193.7 %	-0.8 %	81.7 %	0.5 %
Efficiency							
Total operating costs / sales	85.5 %	92.6 %	102.7 %	95.0 %	95.9 %	95.5 %	95.4 %
Sales per employee	95.1	102.0	139.0	240.6	n/a	n/a	n/a
EBITDA per employee	11.0	7.6	2.4	11.5	n/a	n/a	n/a
Balance sheet analysis							
Avg. working capital / sales	22.8 %	26.2 %	31.2 %	18.4 %	18.9 %	15.3 %	14.5 %
Inventory turnover (sales/inventory)	4.6	4.0	4.2	6.9	7.3	7.6	7.6
Trade debtors in days of sales	94.4	124.2	140.8	99.0	90.0	80.0	80.0
A/P turnover [(A/P*365)/sales]	53.9	66.4	70.3	59.1	50.0	60.0	60.0
Cash conversion cycle (days)	153.6	179.3	167.9	89.3	90.5	54.3	54.3
Cash flow analysis							
Free cash flow	-3.3	-13.1	-33.4	-71.1	-58.9	9.0	4.6
Free cash flow/sales	-2.0 %	-4.4 %	-9.6 %	-11.0 %	-8.1 %	1.0 %	0.5 %
FCF / net profit	-37.8 %	-138.2 %	424.9 %	-835.3 %	-697.7 %	58.8 %	29.9 %
Capex / depon	67.2 %	76.9 %	103.5 %	109.3 %	86.2 %	81.5 %	81.1 %
Capex / maintenance capex	0.0 %	0.0 %	101.7 %	100.0 %	106.7 %	106.7 %	106.7 %
Capex / sales	2.5 %	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-20.7	-39.5	-19.2	-42.0	-17.6	-15.7	-17.0
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	-0.4	-0.5	-0.3	-0.5	-0.2	-0.3	-0.3
Interest cover	12.4	12.9	0.0	6.2	5.8	10.5	9.3
Dividend payout ratio	8.2 %	43.5 %	100.0 %	129.2 %	130.3 %	21.4 %	22.8 %
Asset utilisation							
Capital employed turnover	1.7	1.6	2.0	2.9	3.2	4.3	4.3
Operating assets turnover	1.9	1.9	2.5	3.7	3.5	4.7	4.7
Plant turnover	4.5	6.4	11.0	14.2	11.3	14.6	15.6
Inventory turnover (sales/inventory)	4.6	4.0	4.2	6.9	7.3	7.6	7.6
Returns							
ROCE	15.4 %	9.8 %	-2.5 %	7.8 %	5.4 %	10.0 %	11.3 %
ROE	16.6 %	11.9 %	-13.5 %	10.4 %	10.1 %	25.5 %	24.7 %
Other							
Interest paid / avg. debt	130.3 %	15.7 %	8.8 %	8.2 %	6.5 %	6.5 %	8.0 %
No. employees (average)	1674	2953	2496	2693	0	0	0
Number of shares	12.2	12.2	12.2	14.0	14.0	14.0	14.0
DPS	0.1	0.3	1.7	0.8	0.8	0.2	0.3
EPS reported	0.71	0.78	-0.65	0.61	0.60	1.09	1.10
Valuation ratios							
P/BV	4.6	3.0	4.1	3.4	3.3	4.6	4.5
EV/sales	1.5	0.7	0.7	0.4	0.4	0.3	0.3
EV/EBITDA	12.8	9.7	40.2	7.7	8.8	6.5	6.1
EV/EBITA	18.7	15.5	-52.5	15.3	21.5	11.9	10.9
EV/EBIT	18.7	15.5	-52.5	15.3	21.5	11.9	10.9
EV/FCF	-72.2	-16.6	-7.1	-3.3	-4.4	29.2	56.8
Adjusted FCF yield	5.2 %	6.0 %	-1.8 %	7.2 %	4.4 %	7.1 %	7.1 %
Dividend yield	0.3 %	1.7 %	8.4 %	3.9 %	3.9 %	1.2 %	1.3 %

Source: Company data, Hauck & Aufhäuser

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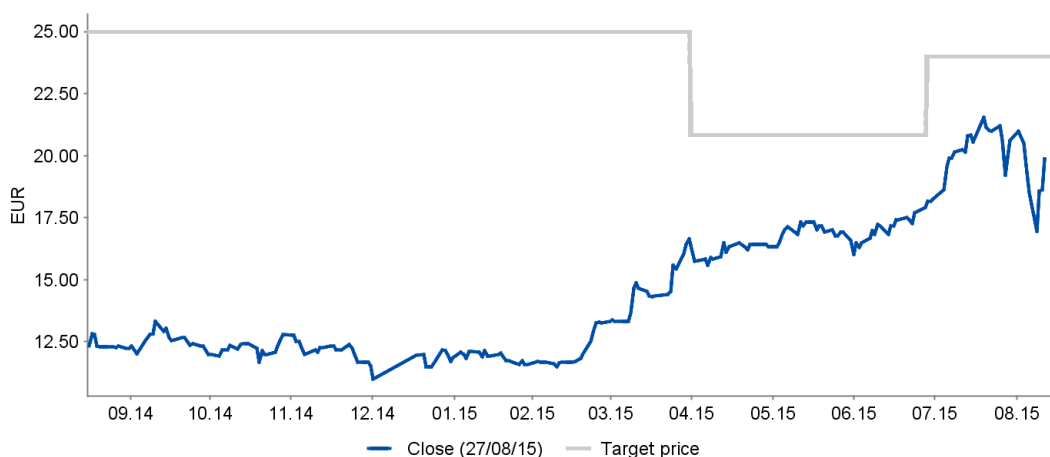
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Company	Disclosure
mutares AG	5

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

**Price and Rating History
mutares AG as of 31/08/15**

Initiation coverage
24-March-14



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