

Buy (old: Buy)

Price target: EUR 25.00 (old: EUR 25.00)

Price:	EUR 18.32	Next result:	Q3 10.11.15
Bloomberg:	MUX GR	Market cap:	EUR 257.2 m
Reuters:	MUXG.BE	Enterprise Value:	EUR 239.5 m

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North Stream gaining traction & sound final H1 figures

Mutares reported final H1 results and held a conference call yesterday which underscored the strong operating development of the group as well as the highly attractive prospects of the North Stream project.

North Stream II: Management flagged that newsflow on a potential project win for the North Stream project should be expected by the beginning of next year. Eupec currently is in negotiations with the consortium and has good chances of winning the tender given that 1) it was already the exclusive supplier in the first project and 2) owns the only available plant at the Baltic Sea to execute such a project.

In fact, Eupec has already been contacted by competitors who would like to buy the plant (in order to put their tenders together) which was originally built for >€ 70m. As the **gas transit agreement with Ukraine is expiring in 2019E**, Gazprom seeks to transport gas from Russia to Germany directly through the Baltic Sea, putting the project on a very tight time schedule.

A potential **order for Eupec would account for >€ 600m in sales at EBITDA margins of ~15%** and constitute the second largest order within the entire North Stream project. Since mutares seeks to win the project and then sell Eupec, this is particularly interesting as it **would make Eupec an attractive takeover target not only for competitors but also other (new) strategic buyers**. Interestingly, Eupec's former owner, a Korean/Indonesian energy group, had bought the company in exactly the same constellation when the first North Stream project was awarded.

Given the **NAV of Eupec/BSL of € 125m, a potential exit in 2016E** would be a major game changer for mutares and allow for dividend payout of up to 80% of the proceeds. Moreover, the North Stream project is not included in the NAV which conservatively only assumes a sale of the plant for around € 20m.

M&A outlook: Following already four acquisitions this year, management was confident that still one to two transactions should be signed this year. On the back of the dynamic M&A activity, **management moreover reiterated its target of reaching € 1.8bn in annualised sales by 2018E**. This should be driven primarily by a further increase in the average size of the targets to around € 100m in order to better leverage management capacity.

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 %	1.9 %	9.1 %	4.3 %	4.3 %	1.3 %	1.4 %
Gross profit margin	55.0 %	54.0 %	41.9 %	35.5 %	36.0 %	36.5 %	36.5 %
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	1.4	0.7	0.6	0.3	0.3	0.3	0.3
EV/EBITDA	11.7	8.9	36.5	7.0	8.1	6.0	5.6
EV/EBIT	17.2	14.1	-47.7	13.9	19.7	10.9	10.0
PER	25.8	23.5	-28.3	30.2	30.5	16.8	16.7
Adjusted FCF yield	5.7 %	6.5 %	-2.0 %	7.9 %	4.7 %	7.7 %	7.7 %

Source: Company data, Hauck & Aufhäuser Close price as of: 17.09.2015



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 21.54 / 11.00

Price/Book Ratio: 3.1

Relative performance (SDAX):

3 months 12.1 %

6 months 34.7 %

12 months 27.5 %

Changes in estimates

		Sales	EBIT	EPS
2015	old:	726.7	12.2	0.60
	Δ	-	-	-
2016	old:	902.8	22.1	1.09
	Δ	-	-	-
2017	old:	925.9	24.1	1.10
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 14.0

Authorised capital: (in € m) 7.0

Book value per share: (in €) 6.0

Ø trading volume: (12 months) 5,400

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.

Figures: Following preliminary sales & EBITDA, **H1 EBIT increased strongly by >100% yoy to 5.3m** (H1 14: € 2.3m) fully reflecting 1) economies of scale on the back of strong organic sales growth of 25% yoy at Eupec, STS, Geesink as well as Elastomer and 2) the quicker than expected operating turnaround of STS which turned profitable for the first time. At the same time CGVL as well as Suir Pharma were deconsolidated which resulted in slightly lower D&A.

H1 net income came in at € 1.7m (H1 14: € -2.5m) driven by the sound operating development as well as lower taxes as last year included one-off tax provisions.

All in all, the **exit chances for Eupec have substantially increased** and newsflow on a potential project win should be expected by the end of this year/beginning of next year. Moreover, the sound operating development of the group as well as a very **dynamic M&A pipeline looks set to drive positive newsflow** going forward. **BUY** with a **PT of € 25**.

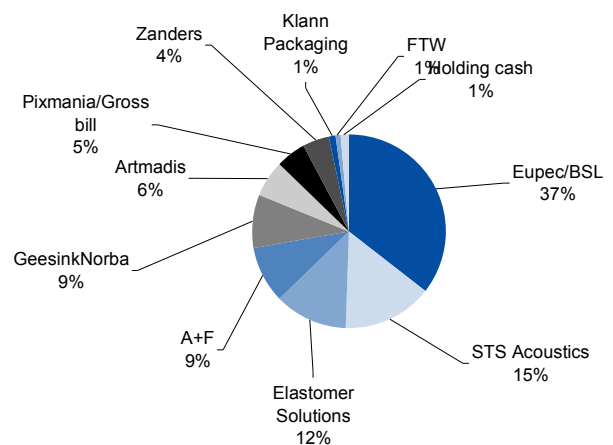
mutares AG	Q2 15	Q2 14	yoy	Q1 15	qoq	H1 15	H1 14	yoy
Sales	141.7	144.8	-2.1%	169.9	-16.6%	311.6	307.5	1.3%
EBITDA	8.7	10.4	-15.8%	4.2	107.7%	12.9	10.4	24.8%
EBITDA margin	6.2%	7.2%	-1.0 pp	2.5%	+ 3.7 pp	4.1%	3.4%	+ 0.8 pp
EBIT						5.3	2.3	124.2%
EBIT margin	Reported only on a half year basis					1.7%	0.8%	+ 0.9 pp
Net profit						1.7	-2.5	n.a.
Net margin						0.5%	-0.8%	+ 1.4 pp

Source: company data, H&A

NAV overview (01 September 2016)	€ m	% of total
Eupec/BSL	124.7	36%
STS Acoustics	52.8	15%
Elastomer Solutions	43.2	12%
A+F	33.0	9%
GeesinkNorba	30.8	9%
Artmadis	22.2	6%
Pixmania/Grossbill	16.8	5%
Zanders	15.7	4%
Klann Packaging	4.3	1%
FTW	3.1	1%
Holding cash	4.6	1%
Total	351.2	

Source: Company data; Hauck & Aufhäuser

NAV composition



Source: Company data; Hauck & Aufhäuser

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	72.2	74.1
Material expenses	69.6	138.7	210.3	417.1	465.1	573.3	587.9
Personnel expenses	50.9	90.1	106.5	156.7	167.1	207.7	208.3
Other operating expenses	36.6	103.0	79.7	116.6	123.1	153.6	161.1
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 %	8.0 %	8.0 %
Material expenses	43.7 %	46.0 %	60.6 %	64.4 %	64.0 %	63.5 %	63.5 %
Personnel expenses	32.0 %	29.9 %	30.7 %	24.2 %	23.0 %	23.0 %	22.5 %
Other operating expenses	23.0 %	34.2 %	23.0 %	18.0 %	16.9 %	17.0 %	17.4 %
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	61.1	61.1
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 / depre	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	4.3	2.8	3.8	3.2	3.1	4.3	4.1
EV/sales	1.4	0.7	0.6	0.3	0.3	0.3	0.3
EV/EBITDA	11.7	8.9	36.5	7.0	8.1	6.0	5.6
EV/EBITA	17.2	14.1	-47.7	13.9	19.7	10.9	10.0
EV/EBIT	17.2	14.1	-47.7	13.9	19.7	10.9	10.0
EV/FCF	-66.4	-15.1	-6.4	-3.0	-4.1	26.8	52.0
Adjusted FCF yield	5.7 %	6.5 %	-2.0 %	7.9 %	4.7 %	7.7 %	7.7 %
Dividend yield	0.3 %	1.9 %	9.1 %	4.3 %	4.3 %	1.3 %	1.4 %

Source: Company data, Hauck & Aufhäuser

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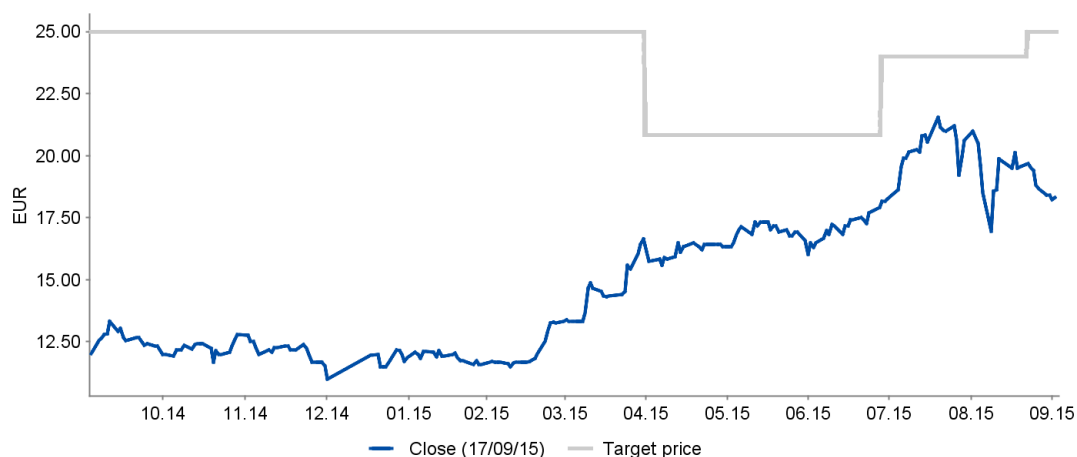
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Company	Disclosure
mutares AG	5

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

Price and Rating History
mutares AG as of 18/09/15

Initiation coverage
24-March-14



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