

**Buy** (old: Buy)

**Price target: EUR 125.00** (old: EUR 125.00)

<b>Price:</b>	EUR 96.75	<b>Next result:</b>	AGM 22.05.15
<b>Bloomberg:</b>	MUX GR	<b>Market cap:</b>	EUR 226.4 m
<b>Reuters:</b>	MUXG.BE	<b>Enterprise Value:</b>	EUR 225.6 m

30-April-15

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### Attractive acquisition of specialty paper producer, chg. in est.

Yesterday, mutares announced the **acquisition of Metsä Board Zanders, an internationally renowned producer of high quality and innovative fine papers** which are primarily used for labelling in the food & luxury retail industries. The company is located in Germany and sold by Finnish Metsä Board Cooperation, Europe's leading producer of fresh forest fibre carton boards as well as international pulp supplier (~€ 2bn sales). Major reason for the divestment is that **Metsä Board wants to focus on its core business** of carton board production and hence decided to withdraw from advanced paper processing. The closing of the deal is expected in May 2015.

**Metsä Board Zanders generated revenues of € 93m in 2014 with an estimated negative EBITDA of € 15-20m (H&A).** We expect mutares to receive a dowry of € 30-35m. The deal thus is a typical mutares transaction in which the dowry should provide for sufficient room to finance the turnaround.

As a non-core activity of Metsä Board Cooperation, **the company has been out of focus for several years** already and subsequently suffered from a relatively high fixed cost base as well as insufficient investments into growth which drag on profitability.

Mutares key measures to **drive the turnaround focus on a reduction of the cost base** through 1) a significant reduction of overhead costs across all aspects of the business, 2) the repositioning of the procurement by renegotiating contracts as well as diversifying the supplier base and 3) streamlining of production processes & capacities to increase production efficiency.

Moreover, in order to **boost sales growth** mutares aims at 1) reinvigorating the well-known brand CHROMOLUX which has a good reputation among premium customers such as Danone, Heineken, Nestle, Chanel and LVMH and 2) intensifying internationalisation with existing customers into new regions and the US in particular where the company had been active in the past and has a solid brand reputation. Amid a solid order book, **mutares expects annualised sales to increase up to € 100m in 2015E** which should support the restructuring process going forward.

- continued -



Source: Company data, Hauck & Aufhäuser

<b>High/low 52 weeks:</b>	99.85 / 66.00
<b>Price/Book Ratio:</b>	4.3
<b>Relative performance (SDAX):</b>	
3 months	24.4 %
6 months	0.7 %
12 months	-20.7 %

### Changes in estimates

		Sales	EBIT	EPS
2015	old:	696.1	18.1	5.54
	Δ	6.8%	-8.3%	-8.7%
2016	old:	742.9	26.1	8.31
	Δ	12.1%	-5.8%	-6.2%
2017	old:	757.7	28.0	8.28
	Δ	12.1%	-3.4%	-3.7%

### Key share data:

Number of shares: (in m pcs)	2.3
Authorised capital: (in € m)	0.0
Book value per share: (in €)	22.3
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.

Y/E 31.12 (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
Sales	159.3	301.2	347.0	648.1	743.6	832.9	849.5
Sales growth	25 %	89 %	15 %	87 %	15 %	12 %	2 %
EBITDA	18.5	22.4	5.9	30.9	33.6	42.1	45.0
EBIT	12.6	14.1	-4.5	15.5	16.6	24.6	27.0
Net income	8.6	9.5	-7.9	8.5	11.8	18.2	18.7
Net debt	-20.7	-39.5	-19.2	-42.0	-0.7	-1.2	-10.7
Net gearing	-39.7 %	-49.4 %	-32.9 %	-51.5 %	-1.4 %	-2.4 %	-17.9 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	4.25	4.69	-3.88	3.64	5.06	7.79	7.97
CPS	-2.56	-6.12	-16.54	-29.88	-24.71	0.32	6.34
DPS	0.35	2.04	10.00	4.70	1.20	1.40	1.50
Dividend yield	0.4 %	2.1 %	10.3 %	4.9 %	1.2 %	1.4 %	1.6 %
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 %	4.5 %	5.0 %	5.3 %
EBIT margin	7.9 %	4.7 %	-1.3 %	2.4 %	2.2 %	2.9 %	3.2 %
ROCE	15.4 %	9.8 %	-2.5 %	7.8 %	7.9 %	12.3 %	13.1 %
EV/sales	1.2	0.6	0.5	0.3	0.3	0.3	0.3
EV/EBITDA	10.3	7.7	31.2	6.0	6.7	5.4	4.8
EV/EBIT	15.1	12.2	-40.8	11.9	13.6	9.2	8.0
PER	22.7	20.6	-24.9	26.6	19.1	12.4	12.1
Adjusted FCF yield	6.5 %	7.4 %	-2.2 %	7.4 %	5.5 %	7.8 %	8.4 %

Source: Company data, Hauck & Aufhäuser Close price as of: 29.04.2015

**Action:** Given that we expect the closing of the transaction already in May, we include the acquisition into our estimates from June 2015E onwards. Despite the temporarily burdened profitability however and on the back of the substantial cash balance of the acquired company, valuation remains unaffected.

All in all, the acquisition of a well-known and established premium paper manufacturer with around € 100m in sales is an **attractive addition to mutares' portfolio** and underscores the company's ability to find and execute new deals. Moreover, the **M&A pipeline remains well filled and should provide for further positive newsflow** also going forward. On the back of this and given an attractive dividend yield of 5%, the stock is a **BUY** with a **PT of € 125** based on SOTP 2015E.

**Financials**

Profit and loss (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Net sales</b>	<b>159.3</b>	<b>301.2</b>	<b>347.0</b>	<b>648.1</b>	<b>743.6</b>	<b>832.9</b>	<b>849.5</b>
<i>Sales growth</i>	24.8 %	89.1 %	15.2 %	86.8 %	14.7 %	12.0 %	2.0 %
Increase/decrease in finished goods and work-in-process	-4.6	0.1	15.2	-1.4	-1.6	-1.8	0.0
<b>Total sales</b>	<b>154.7</b>	<b>301.3</b>	<b>362.2</b>	<b>646.6</b>	<b>742.0</b>	<b>831.1</b>	<b>849.5</b>
Other operating income	20.9	52.8	40.2	74.7	59.5	58.3	59.5
Material expenses	69.6	138.7	210.3	417.1	467.5	386.4	395.0
Personnel expenses	50.9	90.1	106.5	156.7	171.0	245.7	250.6
Other operating expenses	36.6	103.0	79.7	116.6	129.4	215.2	218.3
Total operating expenses	136.2	279.0	356.3	615.7	708.4	789.0	804.5
<b>EBITDA</b>	<b>18.5</b>	<b>22.4</b>	<b>5.9</b>	<b>30.9</b>	<b>33.6</b>	<b>42.1</b>	<b>45.0</b>
Depreciation	5.9	8.3	10.4	15.4	17.0	17.5	18.0
<b>EBITA</b>	<b>12.6</b>	<b>14.1</b>	<b>-4.5</b>	<b>15.5</b>	<b>16.6</b>	<b>24.6</b>	<b>27.0</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>12.6</b>	<b>14.1</b>	<b>-4.5</b>	<b>15.5</b>	<b>16.6</b>	<b>24.6</b>	<b>27.0</b>
Interest income	0.1	0.2	1.0	0.1	0.3	0.3	0.4
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	-1.8	-1.8	-2.2
<b>Recurring pretax income from continuing operations</b>	<b>11.7</b>	<b>13.2</b>	<b>-6.0</b>	<b>13.1</b>	<b>14.8</b>	<b>22.8</b>	<b>24.9</b>
Extraordinary income/loss	-2.5	-2.7	-0.2	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>9.2</b>	<b>10.5</b>	<b>-6.1</b>	<b>13.1</b>	<b>14.8</b>	<b>22.8</b>	<b>24.9</b>
Taxes	0.6	1.0	1.8	4.6	3.0	4.6	6.2
<b>Net income from continuing operations</b>	<b>8.6</b>	<b>9.5</b>	<b>-7.9</b>	<b>8.5</b>	<b>11.8</b>	<b>18.2</b>	<b>18.7</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>8.6</b>	<b>9.5</b>	<b>-7.9</b>	<b>8.5</b>	<b>11.8</b>	<b>18.2</b>	<b>18.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income (net of minority interest)</b>	<b>8.6</b>	<b>9.5</b>	<b>-7.9</b>	<b>8.5</b>	<b>11.8</b>	<b>18.2</b>	<b>18.7</b>
Average number of shares	2.0	2.0	2.0	2.3	2.3	2.3	2.3
<b>EPS reported</b>	<b>4.25</b>	<b>4.69</b>	<b>-3.88</b>	<b>3.64</b>	<b>5.06</b>	<b>7.79</b>	<b>7.97</b>

Profit and loss (common size)	2011	2012	2013	2014	2015E	2016E	2017E
<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	-2.9 %	0.0 %	4.4 %	-0.2 %	-0.2 %	-0.2 %	0.0 %
<b>Total sales</b>	<b>97.1 %</b>	<b>100.0 %</b>	<b>104.4 %</b>	<b>99.8 %</b>	<b>99.8 %</b>	<b>99.8 %</b>	<b>100.0 %</b>
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 %	62.9 %	46.4 %	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 %	17.4 %	25.8 %	25.7 %
Total operating expenses	85.5 %	92.6 %	102.7 %	95.0 %	95.3 %	94.7 %	94.7 %
<b>EBITDA</b>	<b>11.6 %</b>	<b>7.4 %</b>	<b>1.7 %</b>	<b>4.8 %</b>	<b>4.5 %</b>	<b>5.0 %</b>	<b>5.3 %</b>
Depreciation	3.7 %	2.7 %	3.0 %	2.4 %	2.3 %	2.1 %	2.1 %
<b>EBITA</b>	<b>7.9 %</b>	<b>4.7 %</b>	<b>-1.3 %</b>	<b>2.4 %</b>	<b>2.2 %</b>	<b>2.9 %</b>	<b>3.2 %</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>7.9 %</b>	<b>4.7 %</b>	<b>-1.3 %</b>	<b>2.4 %</b>	<b>2.2 %</b>	<b>2.9 %</b>	<b>3.2 %</b>
Interest income	0.1 %	0.1 %	0.3 %	0.0 %	0.0 %	0.0 %	0.1 %
Interest expenses	0.6 %	0.4 %	0.5 %	0.4 %	0.3 %	0.3 %	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 %	-0.3 %
<b>Recurring pretax income from continuing operations</b>	<b>7.4 %</b>	<b>4.4 %</b>	<b>-1.7 %</b>	<b>2.0 %</b>	<b>2.0 %</b>	<b>2.7 %</b>	<b>2.9 %</b>
Extraordinary income/loss	-1.6 %	-0.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>5.8 %</b>	<b>3.5 %</b>	<b>-1.8 %</b>	<b>2.0 %</b>	<b>2.0 %</b>	<b>2.7 %</b>	<b>2.9 %</b>
Tax rate	6.6 %	9.3 %	-28.8 %	35.1 %	20.0 %	20.0 %	25.0 %
<b>Net income from continuing operations</b>	<b>5.4 %</b>	<b>3.2 %</b>	<b>-2.3 %</b>	<b>1.3 %</b>	<b>1.6 %</b>	<b>2.2 %</b>	<b>2.2 %</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>5.4 %</b>	<b>3.2 %</b>	<b>-2.3 %</b>	<b>1.3 %</b>	<b>1.6 %</b>	<b>2.2 %</b>	<b>2.2 %</b>
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Net income (net of minority interest)</b>	<b>5.4 %</b>	<b>3.2 %</b>	<b>-2.3 %</b>	<b>1.3 %</b>	<b>1.6 %</b>	<b>2.2 %</b>	<b>2.2 %</b>

Source: Company data, Hauck &amp; Aufhäuser

Balance sheet (EUR m)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Intangible assets</b>	<b>4.7</b>	<b>4.0</b>	<b>2.3</b>	<b>8.9</b>	<b>8.9</b>	<b>8.9</b>	<b>8.9</b>
Property, plant and equipment	35.7	47.1	31.6	45.8	44.8	43.3	41.3
Financial assets	0.1	2.0	1.1	0.9	0.9	0.9	0.9
<b>FIXED ASSETS</b>	<b>40.5</b>	<b>53.1</b>	<b>35.0</b>	<b>55.6</b>	<b>54.6</b>	<b>53.1</b>	<b>51.1</b>
Inventories	34.8	75.7	82.5	93.9	103.3	111.1	113.3
Accounts receivable	41.2	102.5	133.9	175.8	203.7	216.8	221.1
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	33.0	33.5	43.0
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
<b>CURRENT ASSETS</b>	<b>107.9</b>	<b>248.2</b>	<b>299.0</b>	<b>347.4</b>	<b>343.6</b>	<b>365.0</b>	<b>381.1</b>
<b>TOTAL ASSETS</b>	<b>148.4</b>	<b>301.3</b>	<b>334.0</b>	<b>403.0</b>	<b>398.2</b>	<b>418.1</b>	<b>432.2</b>
SHAREHOLDERS EQUITY	52.1	79.9	58.4	81.5	52.1	49.7	60.2
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
<b>Non-current liabilities</b>	<b>41.4</b>	<b>113.0</b>	<b>116.3</b>	<b>140.2</b>	<b>145.6</b>	<b>151.2</b>	<b>151.2</b>
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	122.2	136.9	139.7
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
<b>Current liabilities</b>	<b>54.9</b>	<b>108.5</b>	<b>159.3</b>	<b>181.3</b>	<b>200.6</b>	<b>217.2</b>	<b>220.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>148.4</b>	<b>301.3</b>	<b>334.0</b>	<b>403.0</b>	<b>398.2</b>	<b>418.1</b>	<b>432.2</b>

Balance sheet (common size)	2011	2012	2013	2014	2015E	2016E	2017E
<b>Intangible assets</b>	<b>3.2 %</b>	<b>1.3 %</b>	<b>0.7 %</b>	<b>2.2 %</b>	<b>2.2 %</b>	<b>2.1 %</b>	<b>2.1 %</b>
Property, plant and equipment	24.0 %	15.6 %	9.5 %	11.4 %	11.2 %	10.3 %	9.5 %
Financial assets	0.1 %	0.6 %	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %
<b>FIXED ASSETS</b>	<b>27.3 %</b>	<b>17.6 %</b>	<b>10.5 %</b>	<b>13.8 %</b>	<b>13.7 %</b>	<b>12.7 %</b>	<b>11.8 %</b>
Inventories	23.4 %	25.1 %	24.7 %	23.3 %	25.9 %	26.6 %	26.2 %
Accounts receivable	27.8 %	34.0 %	40.1 %	43.6 %	51.2 %	51.9 %	51.2 %
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 %	8.3 %	8.0 %	10.0 %
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 %	0.9 %	0.8 %
<b>CURRENT ASSETS</b>	<b>72.7 %</b>	<b>82.4 %</b>	<b>89.5 %</b>	<b>86.2 %</b>	<b>86.3 %</b>	<b>87.3 %</b>	<b>88.2 %</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	35.1 %	26.5 %	17.5 %	20.2 %	13.1 %	11.9 %	13.9 %
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 %	8.1 %	7.7 %	7.5 %
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 %	28.4 %	28.5 %	27.5 %
<b>Non-current liabilities</b>	<b>27.9 %</b>	<b>37.5 %</b>	<b>34.8 %</b>	<b>34.8 %</b>	<b>36.6 %</b>	<b>36.2 %</b>	<b>35.0 %</b>
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 %	30.7 %	32.7 %	32.3 %
Advance payments received on orders	2.8 %	4.7 %	12.5 %	8.5 %	8.9 %	8.7 %	8.4 %
Other liabilities (incl. from lease and rental contracts)	17.4 %	12.2 %	14.7 %	10.2 %	10.5 %	10.2 %	10.1 %
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 %
<b>Current liabilities</b>	<b>37.0 %</b>	<b>36.0 %</b>	<b>47.7 %</b>	<b>45.0 %</b>	<b>50.4 %</b>	<b>51.9 %</b>	<b>51.1 %</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)	2011	2012	2013	2014	2015E	2016E	2017E
Net profit/loss	8.6	9.5	-7.9	8.5	11.8	18.2	18.7
Depreciation of fixed assets (incl. leases)	5.9	8.3	10.4	15.4	17.0	17.5	18.0
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	-49.6	-11.3	0.0
Cash flow from operations before changes in w/c	4.7	10.0	-28.2	-44.3	-20.8	24.4	36.7
Increase/decrease in inventory	-0.8	66.1	-14.6	61.5	-9.4	-7.8	-2.2
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	-28.0	-13.0	-4.3
Increase/decrease in accounts payable	-3.2	-80.3	20.1	-70.8	17.3	14.7	2.7
Increase/decrease in other working capital positions	0.0	0.0	0.0	-0.9	0.0	0.0	0.0
Increase/decrease in working capital	-4.0	-14.2	5.5	-10.2	-20.0	-6.1	-3.8
<b>Cash flow from operating activities</b>	<b>0.7</b>	<b>-4.1</b>	<b>-22.7</b>	<b>-54.5</b>	<b>-40.8</b>	<b>18.3</b>	<b>32.8</b>
CAPEX	3.9	9.0	10.7	16.6	15.0	15.0	20.0
Payments for acquisitions	0.0	0.0	0.0	-85.5	-30.0	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	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>5.6</b>	<b>24.0</b>	<b>12.7</b>	<b>73.0</b>	<b>15.0</b>	<b>-15.0</b>	<b>-20.0</b>
Cash flow before financing	6.2	19.9	-10.0	18.6	-25.8	3.3	12.8
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	2.8	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
<b>Cash flow from financing activities</b>	<b>0.9</b>	<b>10.3</b>	<b>3.9</b>	<b>6.6</b>	<b>-11.0</b>	<b>-2.8</b>	<b>-3.3</b>
Increase/decrease in liquid assets	7.2	30.0	-6.1	24.7	-36.8	0.4	9.6
<b>Liquid assets at end of period</b>	<b>21.2</b>	<b>51.2</b>	<b>45.1</b>	<b>69.8</b>	<b>33.0</b>	<b>33.5</b>	<b>43.0</b>

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
<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)	2011	2012	2013	2014	2015E	2016E	2017E
<b>P&amp;L growth analysis</b>							
Sales growth	24.8 %	89.1 %	15.2 %	86.8 %	14.7 %	12.0 %	2.0 %
EBITDA growth	6.8 %	21.0 %	-73.6 %	424.0 %	8.5 %	25.3 %	7.1 %
EBIT growth	16.0 %	11.6 %	-132.1 %	-443.4 %	6.8 %	48.3 %	10.1 %
EPS growth	4.0 %	10.1 %	-182.8 %	-193.7 %	39.0 %	54.1 %	2.3 %
<b>Efficiency</b>							
Total operating costs / sales	85.5 %	92.6 %	102.7 %	95.0 %	95.3 %	94.7 %	94.7 %
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
<b>Balance sheet analysis</b>							
Avg. working capital / sales	22.8 %	26.2 %	31.2 %	18.4 %	18.8 %	18.3 %	18.4 %
Inventory turnover (sales/inventory)	4.6	4.0	4.2	6.9	7.2	7.5	7.5
Trade debtors in days of sales	94.4	124.2	140.8	99.0	100.0	95.0	95.0
A/P turnover [(A/P*365)/sales]	53.9	66.4	70.3	59.1	60.0	60.0	60.0
Cash conversion cycle (days)	153.6	179.3	167.9	89.3	85.2	70.6	70.6
<b>Cash flow analysis</b>							
Free cash flow	-3.3	-13.1	-33.4	-71.1	-55.8	3.3	12.8
Free cash flow/sales	-2.0 %	-4.4 %	-9.6 %	-11.0 %	-7.5 %	0.4 %	1.5 %
FCF / net profit	-37.8 %	-138.2 %	424.9 %	-835.3 %	-471.6 %	17.8 %	68.8 %
Capex / depre	67.2 %	76.9 %	103.5 %	109.3 %	88.2 %	85.7 %	111.1 %
Capex / maintenance capex	0.0 %	0.0 %	101.7 %	77.8 %	94.1 %	91.4 %	88.9 %
Capex / sales	2.5 %	n/a	n/a	n/a	n/a	n/a	n/a
<b>Security</b>							
Net debt	-20.7	-39.5	-19.2	-42.0	-0.7	-1.2	-10.7
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	0.0	0.0	-0.2
Interest cover	12.4	12.9	0.0	6.2	7.9	11.7	10.5
Dividend payout ratio	8.2 %	43.5 %	100.0 %	129.2 %	23.7 %	18.0 %	18.8 %
<b>Asset utilisation</b>							
Capital employed turnover	1.7	1.6	2.0	2.9	3.8	4.1	4.0
Operating assets turnover	1.9	1.9	2.5	3.7	3.8	4.2	4.3
Plant turnover	4.5	6.4	11.0	14.2	16.6	19.3	20.6
Inventory turnover (sales/inventory)	4.6	4.0	4.2	6.9	7.2	7.5	7.5
<b>Returns</b>							
ROCE	15.4 %	9.8 %	-2.5 %	7.8 %	7.9 %	12.3 %	13.1 %
ROE	16.6 %	11.9 %	-13.5 %	10.4 %	22.7 %	36.7 %	31.0 %
<b>Other</b>							
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	2.0	2.0	2.0	2.3	2.3	2.3	2.3
DPS	0.4	2.0	10.0	4.7	1.2	1.4	1.5
EPS reported	4.25	4.69	-3.88	3.64	5.06	7.79	7.97
<b>Valuation ratios</b>							
P/BV	3.8	2.5	3.4	2.8	4.3	4.6	3.8
EV/sales	1.2	0.6	0.5	0.3	0.3	0.3	0.3
EV/EBITDA	10.3	7.7	31.2	6.0	6.7	5.4	4.8
EV/EBITA	15.1	12.2	-40.8	11.9	13.6	9.2	8.0
EV/EBIT	15.1	12.2	-40.8	11.9	13.6	9.2	8.0
EV/FCF	-58.2	-13.1	-5.5	-2.6	-4.0	69.2	16.8
Adjusted FCF yield	6.5 %	7.4 %	-2.2 %	7.4 %	5.5 %	7.8 %	8.4 %
Dividend yield	0.4 %	2.1 %	10.3 %	4.9 %	1.2 %	1.4 %	1.6 %

Source: Company data, Hauck & Aufhäuser

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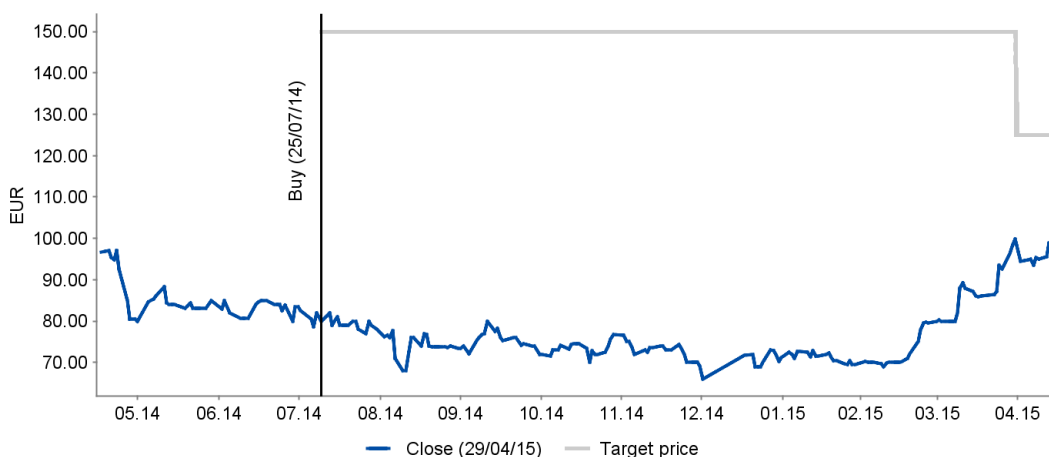
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Company	Disclosure
mutares AG	5, 7

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

**Price and Rating History  
mutares AG as of 30/04/15**

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