

Buy (old: Buy)

Price target: EUR 20.00 (old: EUR 20.00)

Price:	EUR 14.51	Next result:	Q4 12.04.17
Bloomberg:	MUX GR	Market cap:	EUR 224.0 m
Reuters:	MUXG.BE	Enterprise Value:	EUR 297.2 m

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Eupec plant sold at attractive price, time to focus on growth, chg. in est.

Mutares yesterday announced that it sold its Eupec plant to Wasco who will use it in the course of the North Stream II project.

The plant was sold for € 19.5m in cash plus earn-outs of up to € 12.5m until 2019E. Total proceeds could thus reach € 32m which compares to an NAV of the plant of around € 20m.

Most importantly, the effective tax rate on the proceeds will be at around ~2% only. The exit hence is a direct cash inflow for the mutares holding and is likely to result in a **strong dividend for 2017E of € 0.80-1.00 per share. This implies an attractive dividend yield of 6-7%.**

Additionally, mutares looks set to incur a **book gain of € 10-20m which should positively affect 2017E EBITDA (H&A: € 40m).**

All in all, the **exit is excellent news and underscores management's ability to generate attractive return** on its investments. Moreover, the dividend yield of 6-7% looks attractive and underlines the company's policy to distribute a large amount of exit proceeds to shareholders.

Looking ahead, the company's new strategic focus on platform investments in its five target industries looks set to strengthen the overall quality of the portfolio and better position companies for potential exits going forward. **Special highlights are the two latest acquisitions:**

§ **Balcke-Dürr (BD): BD is a German engineering company** specialised in the development and production of components for energy and emission reduction for chemical as well as energy generation companies. BD generated sales of € 142m and is expected to be loss-making at a negative EBITDA of € 4-6m. We however expect BD to hold significant cash of >€ 20m to fund the restructuring.

Given its strong product, the company offers an excellent turnaround potential on the back of a streamlining of production processes, the internationalisation of the supply chain and the expansion of the service segment. Hence, the company has the potential to **develop into a very attractive and profitable German engineering firm.**

- continued -

Y/E 31.12 (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Sales	301.2	347.0	648.1	683.8	658.2	952.7	1,013.8
Sales growth	89 %	15 %	87 %	6 %	-4 %	45 %	6 %
EBITDA	22.4	5.9	30.9	39.9	21.1	40.1	43.3
EBIT	14.1	-4.5	15.5	19.6	6.1	23.1	25.1
Net income	9.5	-7.9	8.5	7.9	3.1	13.4	14.8
Net debt	-39.5	-19.2	-42.0	-46.1	2.0	3.4	10.5
Net gearing	-49.4 %	-32.9 %	-51.5 %	-37.0 %	4.1 %	4.2 %	15.2 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.1	0.1	0.2
EPS pro forma	0.78	-0.65	0.61	0.51	0.20	0.87	0.96
CPS	-1.02	-2.76	-4.73	-3.90	-2.08	-1.11	0.23
DPS	0.34	1.67	0.78	0.60	0.25	0.90	0.25
Dividend yield	2.3 %	11.5 %	5.4 %	4.1 %	1.7 %	6.2 %	1.7 %
Gross profit margin	54.0 %	41.9 %	35.5 %	33.3 %	36.5 %	36.5 %	36.5 %
EBITDA margin	7.4 %	1.7 %	4.8 %	5.8 %	3.2 %	4.2 %	4.3 %
EBIT margin	4.7 %	-1.3 %	2.4 %	2.9 %	0.9 %	2.4 %	2.5 %
ROCE	9.8 %	-2.5 %	7.8 %	7.5 %	2.3 %	8.8 %	8.7 %
EV/sales	0.5	0.5	0.2	0.4	0.5	0.3	0.3
EV/EBITDA	6.8	27.4	5.2	6.2	14.1	7.7	7.3
EV/EBIT	10.8	-35.8	10.4	12.5	49.0	13.4	12.6
PER	18.6	-22.4	23.9	28.2	72.6	16.7	15.1
Adjusted FCF yield	8.3 %	-2.4 %	10.3 %	9.3 %	1.7 %	6.1 %	5.9 %

Source: Company data, Hauck & Aufhäuser Close price as of: 15.02.2017



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks:	16.05 / 10.90
Price/Book Ratio:	4.7
Relative performance (SDAX):	
3 months	12.9 %
6 months	4.6 %
12 months	-36.1 %

Changes in estimates

		Sales	EBIT	EPS
2016	old:	658.2	16.4	0.70
	Δ	-	-63.0%	-71.6%
2017	old:	814.0	10.7	0.30
	Δ	17.0%	115.0%	187.6%
2018	old:	906.8	24.5	0.93
	Δ	11.8%	2.3%	3.5%

Key share data:

Number of shares: (in m pcs)	15.4
Authorised capital: (in € m)	7.0
Book value per share: (in €)	3.1
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.

§ **Aperam Tubes (AT): AT is a producer of high-end stainless steel pipes** and tubes for the food processing, chemical as well as automotive industries and hence is a **great strategic fit to mutares' BSL** which is primarily active in chemicals/refinery business. Hence, there is ample of cross-selling and synergy potential for both companies especially since both companies are located only 160km away from each other.

AT generated sales of € 67m in 2015 and should be broadly break-even. We expect mutares to have paid a low purchase price of <€ 0.5m while the company should be equipped with cash and other assets of >€ 4m to fund the turnaround. This will primarily involve general efficiency measures as well as an investment into further automation.

Action: We increase our 2017E EBIT estimates significantly by 80% as we account for a € 15m book gain from the plant sale. At the same time, 2016E EBIT is reduced as we had initially expected the exit to take place still in 2016E. Moreover, BD and AT are incorporated into our 2017&18E estimates.

All in all, the **exit from the Eupec plant and the expected dividend payout of up to €1.00/share is excellent news**. Moreover, the latest acquisitions and mutares' platform strategy bode well for the quality of the portfolio and should drive solid figures going forward. Trading at a **discount of >30% to its NAV**, the stock is a **BUY** with a **PT of € 20** based on NAV.

Financials

Profit and loss (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Net sales	301.2	347.0	648.1	683.8	658.2	952.7	1,013.8
<i>Sales growth</i>	89.1 %	15.2 %	86.8 %	5.5 %	-3.7 %	44.7 %	6.4 %
Increase/decrease in finished goods and work-in-process	0.1	15.2	-1.4	-28.5	0.0	0.0	0.0
Total sales	301.3	362.2	646.6	655.4	658.2	952.7	1,013.8
Other operating income	52.8	40.2	74.7	92.8	52.7	76.2	81.1
Material expenses	138.7	210.3	417.1	437.3	417.9	605.0	643.7
Personnel expenses	90.1	106.5	156.7	151.9	151.4	214.4	223.0
Other operating expenses	103.0	79.7	116.6	119.0	120.4	169.5	184.8
Total operating expenses	279.0	356.3	615.7	615.5	637.1	912.6	970.5
EBITDA	22.4	5.9	30.9	39.9	21.1	40.1	43.3
Depreciation	8.3	10.4	15.4	20.3	15.0	17.0	18.2
EBITA	14.1	-4.5	15.5	19.6	6.1	23.1	25.1
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	14.1	-4.5	15.5	19.6	6.1	23.1	25.1
Interest income	0.2	1.0	0.1	0.2	0.3	0.5	0.5
Interest expenses	1.1	1.8	2.5	7.9	2.3	4.4	4.4
Other financial result	0.0	0.6	0.0	0.0	0.0	0.0	0.0
Financial result	-0.9	-1.4	-2.4	-7.7	-1.9	-3.9	-3.9
Recurring pretax income from continuing operations	13.2	-6.0	13.1	11.9	4.1	19.2	21.2
Extraordinary income/loss	-2.7	-0.2	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	10.5	-6.1	13.1	11.9	4.1	19.2	21.2
Taxes	1.0	1.8	4.6	5.1	1.0	5.7	6.4
Net income from continuing operations	9.5	-7.9	8.5	6.8	3.1	13.4	14.8
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	9.5	-7.9	8.5	6.8	3.1	13.4	14.8
Minority interest	0.0	0.0	0.0	-1.1	0.0	0.0	0.0
Net income (net of minority interest)	9.5	-7.9	8.5	7.9	3.1	13.4	14.8
Average number of shares	12.2	12.2	14.0	15.4	15.4	15.4	15.4
EPS reported	0.78	-0.65	0.61	0.51	0.20	0.87	0.96

Profit and loss (common size)	2012	2013	2014	2015	2016E	2017E	2018E
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	0.0 %	4.4 %	-0.2 %	-4.2 %	0.0 %	0.0 %	0.0 %
Total sales	100.0 %	104.4 %	99.8 %	95.8 %	100.0 %	100.0 %	100.0 %
Other operating income	17.5 %	11.6 %	11.5 %	13.6 %	8.0 %	8.0 %	8.0 %
Material expenses	46.0 %	60.6 %	64.4 %	63.9 %	63.5 %	63.5 %	63.5 %
Personnel expenses	29.9 %	30.7 %	24.2 %	22.2 %	23.0 %	22.5 %	22.0 %
Other operating expenses	34.2 %	23.0 %	18.0 %	17.4 %	18.3 %	17.8 %	18.2 %
Total operating expenses	92.6 %	102.7 %	95.0 %	90.0 %	96.8 %	95.8 %	95.7 %
EBITDA	7.4 %	1.7 %	4.8 %	5.8 %	3.2 %	4.2 %	4.3 %
Depreciation	2.7 %	3.0 %	2.4 %	3.0 %	2.3 %	1.8 %	1.8 %
EBITA	4.7 %	-1.3 %	2.4 %	2.9 %	0.9 %	2.4 %	2.5 %
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	4.7 %	-1.3 %	2.4 %	2.9 %	0.9 %	2.4 %	2.5 %
Interest income	0.1 %	0.3 %	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.4 %	0.5 %	0.4 %	1.2 %	0.3 %	0.5 %	0.4 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	-0.3 %	-0.4 %	-0.4 %	-1.1 %	-0.3 %	-0.4 %	-0.4 %
Recurring pretax income from continuing operations	4.4 %	-1.7 %	2.0 %	1.7 %	0.6 %	2.0 %	2.1 %
Extraordinary income/loss	-0.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.5 %	-1.8 %	2.0 %	1.7 %	0.6 %	2.0 %	2.1 %
Tax rate	9.3 %	-28.8 %	35.1 %	43.0 %	25.0 %	30.0 %	30.0 %
Net income from continuing operations	3.2 %	-2.3 %	1.3 %	1.0 %	0.5 %	1.4 %	1.5 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	3.2 %	-2.3 %	1.3 %	1.0 %	0.5 %	1.4 %	1.5 %
Minority interest	0.0 %	0.0 %	0.0 %	-0.2 %	0.0 %	0.0 %	0.0 %
Net income (net of minority interest)	3.2 %	-2.3 %	1.3 %	1.2 %	0.5 %	1.4 %	1.5 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	4.0	2.3	8.9	5.1	5.1	5.1	5.1
Property, plant and equipment	47.1	31.6	45.8	81.9	82.9	81.9	63.7
Financial assets	2.0	1.1	0.9	0.6	0.6	0.6	0.6
FIXED ASSETS	53.1	35.0	55.6	87.5	88.5	87.5	69.4
Inventories	75.7	82.5	93.9	112.1	86.6	125.4	133.4
Accounts receivable	102.5	133.9	175.8	143.2	162.3	214.0	227.8
Other current assets	15.0	32.8	0.0	0.1	0.1	0.1	0.1
Liquid assets	52.4	47.7	74.3	81.2	33.1	51.6	44.5
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	2.6	2.1	3.4	2.7	2.8	2.8	2.8
CURRENT ASSETS	248.2	299.0	347.4	339.2	284.9	393.8	408.4
TOTAL ASSETS	301.3	334.0	403.0	426.8	373.4	481.3	477.8
SHAREHOLDERS EQUITY	79.9	58.4	81.5	124.7	47.8	81.4	69.3
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	12.9	28.5	32.3	35.1	35.1	55.0	55.0
Provisions for pensions and similar obligations	15.4	2.1	0.0	67.8	71.2	81.9	81.9
Other provisions	84.6	85.7	107.9	73.5	77.0	77.0	77.0
Non-current liabilities	113.0	116.3	140.2	176.3	183.3	213.8	213.8
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	54.8	66.9	104.9	75.3	90.2	133.1	141.6
Advance payments received on orders	14.3	41.8	34.2	11.8	12.8	12.8	12.8
Other liabilities (incl. from lease and rental contracts)	36.8	49.2	41.0	37.9	38.6	39.4	39.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	2.6	1.5	1.2	0.7	0.8	0.8	0.8
Current liabilities	108.5	159.3	181.3	125.7	142.4	186.1	194.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	301.3	334.0	403.0	426.8	373.4	481.3	477.8

Balance sheet (common size)	2012	2013	2014	2015	2016E	2017E	2018E
Intangible assets	1.3 %	0.7 %	2.2 %	1.2 %	1.4 %	1.1 %	1.1 %
Property, plant and equipment	15.6 %	9.5 %	11.4 %	19.2 %	22.2 %	17.0 %	13.3 %
Financial assets	0.6 %	0.3 %	0.2 %	0.1 %	0.2 %	0.1 %	0.1 %
FIXED ASSETS	17.6 %	10.5 %	13.8 %	20.5 %	23.7 %	18.2 %	14.5 %
Inventories	25.1 %	24.7 %	23.3 %	26.3 %	23.2 %	26.0 %	27.9 %
Accounts receivable	34.0 %	40.1 %	43.6 %	33.6 %	43.5 %	44.5 %	47.7 %
Other current assets	5.0 %	9.8 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Liquid assets	17.4 %	14.3 %	18.4 %	19.0 %	8.9 %	10.7 %	9.3 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	0.9 %	0.6 %	0.9 %	0.6 %	0.7 %	0.6 %	0.6 %
CURRENT ASSETS	82.4 %	89.5 %	86.2 %	79.5 %	76.3 %	81.8 %	85.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	26.5 %	17.5 %	20.2 %	29.2 %	12.8 %	16.9 %	14.5 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	4.3 %	8.5 %	8.0 %	8.2 %	9.4 %	11.4 %	11.5 %
Provisions for pensions and similar obligations	5.1 %	0.6 %	0.0 %	15.9 %	19.1 %	17.0 %	17.1 %
Other provisions	28.1 %	25.7 %	26.8 %	17.2 %	20.6 %	16.0 %	16.1 %
Non-current liabilities	37.5 %	34.8 %	34.8 %	41.3 %	49.1 %	44.4 %	44.8 %
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	18.2 %	20.0 %	26.0 %	17.6 %	24.1 %	27.7 %	29.6 %
Advance payments received on orders	4.7 %	12.5 %	8.5 %	2.8 %	3.4 %	2.7 %	2.7 %
Other liabilities (incl. from lease and rental contracts)	12.2 %	14.7 %	10.2 %	8.9 %	10.3 %	8.2 %	8.2 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	0.9 %	0.4 %	0.3 %	0.2 %	0.2 %	0.2 %	0.2 %
Current liabilities	36.0 %	47.7 %	45.0 %	29.5 %	38.1 %	38.7 %	40.7 %
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)	2012	2013	2014	2015	2016E	2017E	2018E
Net profit/loss	9.5	-7.9	8.5	6.8	3.1	13.4	14.8
Depreciation of fixed assets (incl. leases)	8.3	10.4	15.4	20.3	15.0	17.0	18.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	3.8	0.4	0.0	0.0	0.0	0.0	0.0
Others	-11.5	-31.2	-68.2	-100.6	-43.5	-20.0	0.0
Cash flow from operations before changes in w/c	10.0	-28.2	-44.3	-73.6	-25.4	10.4	33.0
Increase/decrease in inventory	66.1	-14.6	61.5	95.1	25.5	-38.8	-8.0
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	-19.1	-51.7	-13.7
Increase/decrease in accounts payable	-80.3	20.1	-70.8	-77.3	14.9	43.0	8.5
Increase/decrease in other working capital positions	0.0	0.0	-0.9	10.5	-13.0	35.0	2.0
Increase/decrease in working capital	-14.2	5.5	-10.2	28.3	8.3	-12.5	-11.2
Cash flow from operating activities	-4.1	-22.7	-54.5	-45.3	-17.1	-2.1	21.8
CAPEX	9.0	10.7	16.6	9.8	12.0	15.0	15.0
Payments for acquisitions	0.0	0.0	-85.5	-50.9	3.0	0.0	0.0
Financial investments	0.3	0.5	0.2	0.0	0.0	0.0	0.0
Income from asset disposals	33.3	23.9	4.4	-6.5	0.0	19.5	0.0
Cash flow from investing activities	24.0	12.7	73.0	34.5	-15.0	4.5	-15.0
Cash flow before financing	19.9	-10.0	18.6	-10.8	-32.1	2.4	6.8
Increase/decrease in debt position	11.0	8.0	2.0	0.6	0.0	19.9	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	25.0	24.6	0.0	0.0	0.0
Dividends paid	0.7	4.1	20.3	11.0	9.3	3.9	13.9
Others	0.0	0.0	0.0	-1.5	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.2	0.0	-0.5	2.8	0.0	0.0	0.0
Cash flow from financing activities	10.3	3.9	6.6	12.6	-9.3	16.0	-13.9
Increase/decrease in liquid assets	30.0	-6.1	24.7	4.7	-41.4	18.4	-7.1
Liquid assets at end of period	51.2	45.1	69.8	74.5	33.1	51.6	44.5

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2012	2013	2014	2015	2016E	2017E	2018E
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)	2012	2013	2014	2015	2016E	2017E	2018E
P&L growth analysis							
Sales growth	89.1 %	15.2 %	86.8 %	5.5 %	-3.7 %	44.7 %	6.4 %
EBITDA growth	21.0 %	-73.6 %	424.0 %	28.9 %	-47.2 %	90.1 %	8.0 %
EBIT growth	11.6 %	-132.1 %	-443.4 %	26.4 %	-69.1 %	280.0 %	8.7 %
EPS growth	10.1 %	-182.8 %	-193.7 %	-15.1 %	-61.1 %	334.5 %	10.5 %
Efficiency							
Total operating costs / sales	92.6 %	102.7 %	95.0 %	90.0 %	96.8 %	95.8 %	95.7 %
Sales per employee	102.0	139.0	240.6	n/a	n/a	n/a	n/a
EBITDA per employee	7.6	2.4	11.5	n/a	n/a	n/a	n/a
Balance sheet analysis							
Avg. working capital / sales	26.2 %	31.2 %	18.4 %	21.8 %	23.9 %	17.8 %	19.7 %
Inventory turnover (sales/inventory)	4.0	4.2	6.9	6.1	7.6	7.6	7.6
Trade debtors in days of sales	124.2	140.8	99.0	76.4	90.0	82.0	82.0
A/P turnover [(A/P*365)/sales]	66.4	70.3	59.1	40.2	50.0	51.0	51.0
Cash conversion cycle (days)	179.3	167.9	89.3	107.2	86.9	77.3	77.3
Cash flow analysis							
Free cash flow	-13.1	-33.4	-71.1	-55.1	-29.1	-17.1	6.8
Free cash flow/sales	-4.4 %	-9.6 %	-11.0 %	-8.1 %	-4.4 %	-1.8 %	0.7 %
FCF / net profit	-138.2 %	424.9 %	-835.3 %	-693.7 %	-942.8 %	-127.6 %	45.8 %
Capex / depre	76.9 %	103.5 %	109.3 %	48.7 %	80.0 %	88.2 %	82.5 %
Capex / maintenance capex	0.0 %	101.7 %	100.0 %	106.7 %	106.7 %	106.7 %	0.0 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-39.5	-19.2	-42.0	-46.1	2.0	3.4	10.5
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.1	0.1	0.2
Net debt / equity	-0.5	-0.3	-0.5	-0.4	0.0	0.0	0.2
Interest cover	12.9	0.0	6.2	2.5	2.7	5.2	5.7
Dividend payout ratio	43.5 %	100.0 %	129.2 %	116.6 %	125.0 %	103.6 %	26.0 %
Asset utilisation							
Capital employed turnover	1.6	2.0	2.9	2.3	2.8	3.2	3.6
Operating assets turnover	1.9	2.5	3.7	2.7	2.9	3.5	3.7
Plant turnover	6.4	11.0	14.2	8.4	7.9	11.6	15.9
Inventory turnover (sales/inventory)	4.0	4.2	6.9	6.1	7.6	7.6	7.6
Returns							
ROCE	9.8 %	-2.5 %	7.8 %	7.5 %	2.3 %	8.8 %	8.7 %
ROE	11.9 %	-13.5 %	10.4 %	6.4 %	6.5 %	16.5 %	21.4 %
Other							
Interest paid / avg. debt	15.7 %	8.8 %	8.2 %	23.5 %	6.5 %	9.8 %	8.0 %
No. employees (average)	2953	2496	2693	0	0	0	0
Number of shares	12.2	12.2	14.0	15.4	15.4	15.4	15.4
DPS	0.3	1.7	0.8	0.6	0.3	0.9	0.3
EPS reported	0.78	-0.65	0.61	0.51	0.20	0.87	0.96
Valuation ratios							
P/BV	2.2	3.0	2.5	1.8	4.7	2.8	3.2
EV/sales	0.5	0.5	0.2	0.4	0.5	0.3	0.3
EV/EBITDA	6.8	27.4	5.2	6.2	14.1	7.7	7.3
EV/EBITA	10.8	-35.8	10.4	12.5	49.0	13.4	12.6
EV/EBIT	10.8	-35.8	10.4	12.5	49.0	13.4	12.6
EV/FCF	-11.6	-4.8	-2.3	-4.5	-10.2	-18.1	46.6
Adjusted FCF yield	8.3 %	-2.4 %	10.3 %	9.3 %	1.7 %	6.1 %	5.9 %
Dividend yield	2.3 %	11.5 %	5.4 %	4.1 %	1.7 %	6.2 %	1.7 %

Source: Company data, Hauck & Aufhäuser

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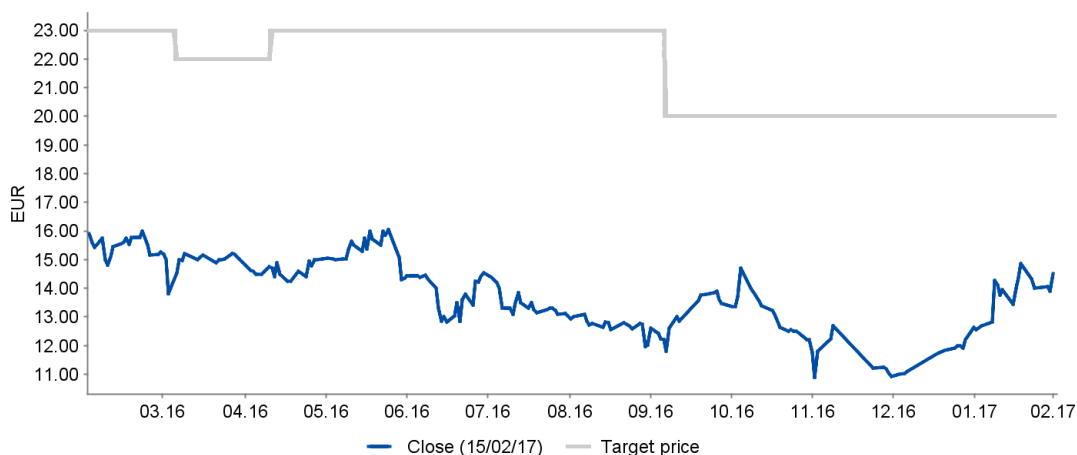
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Company	Disclosure
mutares AG	3

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

**Price and Rating History
mutares AG as of 16/02/17**

Initiation coverage
24-March-14



Company	Date	Analyst	Rating	Target price	Close
mutares AG	19.12.2016	Teichler, Torben	Buy	EUR 20.00	EUR 11.00
	21.11.2016	Teichler, Torben	Buy	EUR 20.00	EUR 11.80
	28.09.2016	Teichler, Torben	Buy	EUR 20.00	EUR 12.86
	22.09.2016	Teichler, Torben	Buy	EUR 20.00	EUR 11.80
	26.05.2016	Teichler, Torben	Buy	EUR 23.00	EUR 15.65
	11.05.2016	Teichler, Torben	Buy	EUR 23.00	EUR 14.79

26.04.2016	Teichler, Torben	Buy	EUR 23.00	EUR 14.70
22.03.2016	Teichler, Torben	Buy	EUR 22.00	EUR 15.00

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