

Buy (old: Buy)

Price target: EUR 37.50 (old: EUR 28.00)

Price:	EUR 28.25	Next result:	Q3'21 09.11.21
Bloomberg:	MUX GR	Market cap:	EUR 430.4 m
Reuters:	MUXG.BE	Enterprise Value:	EUR 759.6 m

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Capitalizing on a once in a lifetime opportunity; chg.

As the crisis served to sharpen the focus of corporates on building resilience and efficiency by divesting non-core and unprofitable assets, Mutares looks set to accelerate its deal activity while new markets such as Benelux and Poland are to be developed more quickly. Thus, management has **upgraded its midterm guidance to > € 5bn revenues by 2023 from > € 3bn**. Notably, visibility is strong: The company currently has 71 live deals with annual revenues of > € 9bn, according to management.

Overall, dynamic group revenue growth looks set to yield higher revenues at holding level as more consulting revenues and dividend payments should be collected, feeding through to the bottom line AND supported by larger exit gains. In fact, **management now expects portfolio income of € 200m (old: € 100m) and holding net income of € 90-110m** (or 1.8%-2.2% of group revenues) **by 2023E**. Thus, **Mutares' investment cycle should reveal a bigger Mutares with stronger cash generation**.

In fact, Mutares released **strong Q2'21 figures yesterday**, which reflect (i) increased deal activity, (ii) ongoing value addition and (iii) the unfolding recovery. Having closed some seven acquisitions in H1'21 including Lapeyre (€ 610m revenues p.a.), add-on NCC (€ 40m), add-on ADComms (€ 40m), La Rochette (€ 120m), Carglass (€ 45m p.a.), Cleclim (€ 55m) and EXI (€ 45m), **Mutares posted revenues of € 600m, up 97% yoy** (20% qoq) despite the sale of Nexive (€ 230m revenues p.a.), Balcke-Dürr Rothemühle (€ 23m) and STS (€ 235m) in H1'21. **Adjusted EBITDA came in at c. € -4.9m** (€ -6.4m in Q2'20) due to negative earnings contributions from recent acquisitions.

Holding sales came in at € 11.9m in Q2'21, up 65% yoy, reflecting increasing consulting revenues. Holding net income of EUR 24.4m in Q2'21 is mainly impacted by the sale of the majority stake in STS Group.

In Q3'21, Mutares has so far acquired add-on Rasche Umformtechnik (€ 30m revenue p.a.), Light Mobility Solutions (€ 360m) and add-on Permasteelisa Espana (€ 22m), and sold Cenpa (€ 30m revenues p.a.) as well as TrefilUnion, EUPEC and La Meusienne (€ 80m combined). Furthermore, the company has signed agreements to acquire Innomotive Systems Hainichen GmbH (€ 120m revenue p.a.), Ganter Construction & Interiors GmbH (€ 110m) and sell Norsilk (€ 50m) in Q3/Q4'21.

Reiterate **BUY with a new PT of € 37.50** (old: € 28.00) based on a dividend yield model.

-Continued-

Y/E 31.12 (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales*	899.7	865.1	1,015.9	1,583.9	2,443.4	2,889.5	2,962.0
Sales growth	38 %	-4 %	17 %	56 %	54 %	18 %	3 %
EBITDA	67.1	49.1	79.2	142.7	392.0	87.4	128.3
EBIT	40.0	19.4	26.2	41.2	293.2	-12.8	26.0
Holding profits**	17.6	20.1	22.5	33.4	45.5	45.8	55.6
Net debt	107.9	31.5	204.7	289.2	329.2	277.0	174.2
Net gearing	3.1 %	-8.6 %	63.4 %	90.9 %	117.9 %	79.5 %	24.2 %
Net Debt/EBITDA	1.6	0.6	2.6	2.0	0.8	3.2	1.4
EPS pro forma	2.85	0.96	1.39	1.78	18.80	-1.51	1.06
CPS	-2.89	-2.68	-4.18	-9.49	-8.64	2.38	5.66
DPS	1.00	1.00	1.00	1.50	1.50	1.50	1.50
Dividend yield	3.5 %	3.5 %	3.5 %	5.3 %	5.3 %	5.3 %	5.3 %
Gross profit margin	36.4 %	38.5 %	38.5 %	37.6 %	38.5 %	40.0 %	41.0 %
EBITDA margin	7.5 %	5.7 %	7.8 %	9.0 %	16.0 %	3.0 %	4.3 %
EBIT margin	4.4 %	2.2 %	2.6 %	2.6 %	12.0 %	-0.4 %	0.9 %
ROCE	10.8 %	4.8 %	5.6 %	7.3 %	45.9 %	-1.7 %	3.4 %
EV/sales	0.6	0.5	0.6	0.5	0.3	0.2	0.2
EV/EBITDA	8.0	9.4	8.0	5.0	1.9	8.1	4.7
EV/EBIT	13.5	23.8	24.2	17.5	2.6	-55.4	23.3
PER	9.9	29.3	20.3	15.9	1.5	-18.7	26.7
Adjusted FCF yield	9.7 %	4.0 %	4.4 %	6.3 %	35.1 %	-1.6 %	3.8 %

Source: Company data, H&A Close price as of: 07.09.2021 *organic growth **excl. potential exits



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 27.10 / 9.71

Price/Book Ratio: 2.2

Relative performance (SDAX):

3 months 5.8 %

6 months 28.5 %

12 months 117.1 %

Changes in estimates

		Sales	EBIT	EPS
2021	old:	2,421.3	189.9	12.04
	Δ	0.9%	54.4%	56.2%
2022	old:	2,783.1	-17.6	-1.77
	Δ	3.8%	-27.5%	na
2023	old:	2,848.4	6.9	-0.14
	Δ	4.0%	277.2%	na

Key share data:

Number of shares: (in m pcs) 15.2

Authorised capital: (in € m) 7.0

Book value per share: (in €) 11.9

Ø trading volume: (12 months) 5,400

Major shareholders:

Free Float 60.0 %

Robin Laik 29.0 %

Management 11.0 %

Company description:

Mutares 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.

Mutares SE & Co. KGaA

Considering that acquisition of larger assets support equity distribution potential from FY'22, we assume that Mutares can stick to its € 1.50 DPS (up from its € 1.00 base DPS). Furthermore, management intends to pay out a dividend at least at the level of market expectations, i.e. € 1.50 DPS, as highlighted in yesterday's conference call.

in € m except number of consultants	2020	2021E	2022E	2023E
No. of consultants (year end)	70	95	155	200
Consolidated group revenue*	1583.9	2400.0	2700.0	5000.0
Consulting revenue at Holding company	31.9	47.5	72.0	102.2
Dividends (excl. exit gains)	34.6	25	28	30
Exits		23		
Costs at Holding company	33.1	50	54.2	76.6
Net profit at Holding company**	33.4	45.5	45.8	55.6
in % of consolidated group revenue	2.1%	1.9%	1.7%	1.1%

Source: Company data; Hauck & Aufhäuser estimates

* targeted by management

** excl. potential exits

in (€) m except per share data	
Number of shares outstanding	15.4
Market cap	435.4
Dividend per share	1.5
Total dividend payout	23.1
Hurdle rate	4.0%
Dividend yield	5.3%

Fair equity value 577.9

Fair equity value per share **37.5**

Source: Company data; Hauck & Aufhäuser estimates

Simply put, the model assumes that dividend investors require companies to generate a minimum return on the investor's purchase price. The required dividend yield equals the model's hurdle rate of 4.0% (from 4.5% previously). Anything less suggests the stock is expensive; anything more suggests the stock is cheap.

The hurdle rate is derived from the peer group's 1-year-forward dividend yield. We place Mutares at the upper end of the range of 0.89% - 4.67% to account for the fact that the company positions itself as a dividend play. The model indicates a fair value of € 37.50 per share. Notably, the potential raise of the dividend provides considerable upside, in our view.

Company	Dividend yield FY'21E
EQT	0.89%
Melrose	1.15%
Eurazeo	1.84%
Partners Group	1.88%
Altamir	2.75%
3i Group	3.12%
Deutsche Beteiligungs AG	3.19%
Apollo	3.30%
Aurelius	4.67%
Average	2.53%

Source: Bloomberg

Financials

Profit and loss (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Net sales	899.7	865.1	1,015.9	1,583.9	2,443.4	2,889.5	2,962.0
<i>Sales growth</i>	38.4 %	-3.8 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
Increase/decrease in finished goods and work-in-process	-4.1	0.1	-3.9	-23.1	-12.2	-14.4	-14.8
Total sales	895.6	865.2	1,012.0	1,560.8	2,431.2	2,875.0	2,947.2
Other operating income	156.4	107.4	119.1	241.3	455.0	0.0	0.0
Material expenses	569.6	532.4	622.6	974.6	1,495.9	1,725.0	1,738.8
Personnel expenses	251.6	244.7	291.8	423.9	659.7	722.4	740.5
Other operating expenses	163.7	146.4	137.5	260.8	338.6	340.3	339.5
Total operating expenses	828.5	816.1	932.8	1,418.1	2,039.2	2,787.7	2,818.8
EBITDA	67.1	49.1	79.2	142.7	392.0	87.4	128.3
Depreciation	20.7	23.5	43.1	88.7	89.0	90.0	92.0
EBITA	46.4	25.6	36.1	54.0	303.0	-2.6	36.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	6.4	6.2	9.9	12.8	9.8	10.1	10.4
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	40.0	19.4	26.2	41.2	293.2	-12.8	26.0
Interest income	3.4	0.5	1.5	3.9	1.2	1.3	2.0
Interest expenses	7.9	5.1	11.0	28.2	11.0	11.6	11.8
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-4.5	-4.6	-9.5	-24.3	-9.8	-10.3	-9.9
Recurring pretax income from continuing operations	35.5	14.8	16.7	16.9	283.4	-23.0	16.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	35.5	14.8	16.7	16.9	283.4	-23.0	16.1
Taxes	-8.4	2.8	0.0	-2.8	0.0	0.0	0.0
Net income from continuing operations	43.9	12.0	16.7	19.7	283.4	-23.0	16.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	43.9	12.0	16.7	19.7	283.4	-23.0	16.1
Minority interest	-0.3	-2.7	-4.5	-7.4	-3.0	0.0	0.0
Net profit (reported)	44.2	14.7	21.2	27.1	286.4	-23.0	16.1
Average number of shares	15.4	15.2	15.2	15.2	15.2	15.2	15.2
EPS reported	2.85	0.96	1.39	1.78	18.80	-1.51	1.06

Profit and loss (common size)	2017	2018	2019	2020	2021E	2022E	2023E
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	neg.	0.0 %	neg.	neg.	neg.	neg.	neg.
Total sales	99.5 %	100.0 %	99.6 %	98.5 %	99.5 %	99.5 %	99.5 %
Other operating income	17.4 %	12.4 %	11.7 %	15.2 %	18.6 %	0.0 %	0.0 %
Material expenses	63.3 %	61.5 %	61.3 %	61.5 %	61.2 %	59.7 %	58.7 %
Personnel expenses	28.0 %	28.3 %	28.7 %	26.8 %	27.0 %	25.0 %	25.0 %
Other operating expenses	18.2 %	16.9 %	13.5 %	16.5 %	13.9 %	11.8 %	11.5 %
Total operating expenses	92.1 %	94.3 %	91.8 %	89.5 %	83.5 %	96.5 %	95.2 %
EBITDA	7.5 %	5.7 %	7.8 %	9.0 %	16.0 %	3.0 %	4.3 %
Depreciation	2.3 %	2.7 %	4.2 %	5.6 %	3.6 %	3.1 %	3.1 %
EBITA	5.2 %	3.0 %	3.6 %	3.4 %	12.4 %	neg.	1.2 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.7 %	0.7 %	1.0 %	0.8 %	0.4 %	0.4 %	0.4 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	4.4 %	2.2 %	2.6 %	2.6 %	12.0 %	neg.	0.9 %
Interest income	0.4 %	0.1 %	0.1 %	0.2 %	0.0 %	0.0 %	0.1 %
Interest expenses	0.9 %	0.6 %	1.1 %	1.8 %	0.5 %	0.4 %	0.4 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	3.9 %	1.7 %	1.6 %	1.1 %	11.6 %	neg.	0.5 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	3.9 %	1.7 %	1.6 %	1.1 %	11.6 %	neg.	0.5 %
Tax rate	-23.7 %	18.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income from continuing operations	4.9 %	1.4 %	1.6 %	1.2 %	11.6 %	neg.	0.5 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	4.9 %	1.4 %	1.6 %	1.2 %	11.6 %	neg.	0.5 %
Minority interest	neg.	neg.	neg.	neg.	neg.	0.0 %	0.0 %
Net profit (reported)	4.9 %	1.7 %	2.1 %	1.7 %	11.7 %	neg.	0.5 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	35.7	41.4	58.7	76.0	81.2	72.1	62.7
Property, plant and equipment	170.6	133.3	296.2	390.0	412.6	352.6	290.6
Financial assets	5.7	16.9	16.6	8.7	8.7	8.7	8.7
FIXED ASSETS	212.0	191.6	371.5	474.7	502.5	433.4	362.0
Inventories	131.0	100.8	134.0	203.5	271.5	321.1	329.1
Accounts receivable	182.6	147.6	143.0	258.5	321.3	380.0	389.5
Other current assets	37.2	69.4	96.5	226.2	226.2	226.2	226.2
Liquid assets	98.9	108.1	79.7	145.3	115.3	167.5	270.3
Deferred taxes	11.1	13.3	23.8	18.9	18.9	18.9	18.9
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	460.8	439.2	477.0	852.5	953.3	1,113.7	1,234.1
TOTAL ASSETS	672.8	630.8	848.5	1,327.2	1,455.8	1,547.1	1,596.2
SHAREHOLDERS EQUITY	166.4	180.7	185.3	190.3	180.8	202.4	240.2
MINORITY INTEREST	-0.9	27.4	22.9	16.9	13.9	13.9	13.9
Long-term debt	104.1	92.6	197.1	318.4	328.4	328.4	328.4
Provisions for pensions and similar obligations	102.7	47.0	87.3	116.1	116.1	116.1	116.1
Other provisions	44.2	49.7	50.5	94.1	94.1	94.1	94.1
Non-current liabilities	251.0	189.3	334.9	528.6	538.6	538.6	538.6
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	122.2	111.9	159.9	250.4	381.6	451.2	462.6
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	124.7	115.1	130.4	289.5	289.5	289.5	289.5
Deferred taxes	9.4	6.4	15.1	15.1	15.1	15.1	15.1
Deferred income	0.0	0.0	0.0	36.3	36.3	36.3	36.3
Current liabilities	256.3	233.4	305.4	591.4	722.5	792.2	803.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	672.8	630.8	848.5	1,327.2	1,455.8	1,547.1	1,596.2

Balance sheet (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	5.3 %	6.6 %	6.9 %	5.7 %	5.6 %	4.7 %	3.9 %
Property, plant and equipment	25.4 %	21.1 %	34.9 %	29.4 %	28.3 %	22.8 %	18.2 %
Financial assets	0.8 %	2.7 %	2.0 %	0.7 %	0.6 %	0.6 %	0.5 %
FIXED ASSETS	31.5 %	30.4 %	43.8 %	35.8 %	34.5 %	28.0 %	22.7 %
Inventories	19.5 %	16.0 %	15.8 %	15.3 %	18.6 %	20.8 %	20.6 %
Accounts receivable	27.1 %	23.4 %	16.9 %	19.5 %	22.1 %	24.6 %	24.4 %
Other current assets	5.5 %	11.0 %	11.4 %	17.0 %	15.5 %	14.6 %	14.2 %
Liquid assets	14.7 %	17.1 %	9.4 %	11.0 %	7.9 %	10.8 %	16.9 %
Deferred taxes	1.6 %	2.1 %	2.8 %	1.4 %	1.3 %	1.2 %	1.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	68.5 %	69.6 %	56.2 %	64.2 %	65.5 %	72.0 %	77.3 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	24.7 %	28.6 %	21.8 %	14.3 %	12.4 %	13.1 %	15.0 %
MINORITY INTEREST	neg.	4.3 %	2.7 %	1.3 %	1.0 %	0.9 %	0.9 %
Long-term debt	15.5 %	14.7 %	23.2 %	24.0 %	22.6 %	21.2 %	20.6 %
Provisions for pensions and similar obligations	15.3 %	7.5 %	10.3 %	8.7 %	8.0 %	7.5 %	7.3 %
Other provisions	6.6 %	7.9 %	6.0 %	7.1 %	6.5 %	6.1 %	5.9 %
Non-current liabilities	37.3 %	30.0 %	39.5 %	39.8 %	37.0 %	34.8 %	33.7 %
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	18.2 %	17.7 %	18.8 %	18.9 %	26.2 %	29.2 %	29.0 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	18.5 %	18.2 %	15.4 %	21.8 %	19.9 %	18.7 %	18.1 %
Deferred taxes	1.4 %	1.0 %	1.8 %	1.1 %	1.0 %	1.0 %	0.9 %
Deferred income	0.0 %	0.0 %	0.0 %	2.7 %	2.5 %	2.3 %	2.3 %
Current liabilities	38.1 %	37.0 %	36.0 %	44.6 %	49.6 %	51.2 %	50.3 %
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)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	43.9	12.0	16.7	19.7	283.4	-23.0	16.1
Depreciation of fixed assets (incl. leases)	20.7	23.5	43.1	88.7	89.0	90.0	92.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	6.4	6.2	9.9	12.8	9.8	10.1	10.4
Others	-117.6	-85.1	-127.6	-191.9	-455.0	0.0	0.0
Cash flow from operations before changes in w/c	-46.6	-43.4	-57.9	-70.7	-72.9	77.1	118.5
Increase/decrease in inventory	34.3	13.0	20.1	13.4	25.0	27.1	32.1
Increase/decrease in accounts receivable	-1.7	39.0	34.4	14.3	15.0	32.1	38.0
Increase/decrease in accounts payable	-0.1	-31.2	-1.9	0.0	0.0	0.0	0.0
Increase/decrease in other working capital positions	-15.0	11.5	-5.4	0.0	0.0	0.0	0.0
Increase/decrease in working capital	17.5	32.3	47.2	27.7	40.0	59.3	70.1
Cash flow from operating activities	-29.1	-11.1	-10.7	-43.0	-32.9	136.3	188.6
CAPEX	25.3	23.7	31.4	35.5	38.0	30.0	30.0
Payments for acquisitions	-27.4	-19.4	-32.6	-78.6	-73.6	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	21.6	1.1	43.2	8.3	10.0	0.0	0.0
Cash flow from investing activities	23.7	-3.2	44.4	51.4	45.6	-30.0	-30.0
Cash flow before financing	-5.4	-14.3	33.7	8.4	22.9	22.9	22.9
Increase/decrease in debt position	7.5	0.1	-0.1	104.0	10.0	0.0	0.0
Purchase of own shares	0.0	3.0	0.0	2.5	0.0	0.0	0.0
Capital measures	0.0	46.9	0.0	0.0	0.0	0.0	0.0
Dividends paid	5.4	15.2	15.2	15.2	22.9	22.9	22.9
Others	32.6	-5.3	-47.1	-28.4	-29.8	-31.3	-32.9
Effects of exchange rate changes on cash	0.1	0.0	0.3	-0.7	0.0	0.0	0.0
Cash flow from financing activities	34.7	23.5	-62.4	57.9	-42.7	-54.2	-55.7
Increase/decrease in liquid assets	29.4	9.2	-28.4	65.6	n/a	n/a	n/a
Liquid assets at end of period	98.9	108.1	79.7	145.3	115.3	167.5	270.3

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Domestic	252.1	103.1	121.1	188.8	291.3	344.4	353.1
yoy change	68.6 %	-59.1 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
Rest of Europe	601.8	709.4	833.0	1,298.8	2,003.6	2,369.4	2,428.8
yoy change	21.7 %	17.9 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
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	45.8	8.0	9.4	14.6	22.6	26.7	27.3
yoy change	663.3 %	-82.6 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
TTL	899.7	820.5	963.5	1,502.2	2,317.4	2,740.5	2,809.2
yoy change	38.4 %	-8.8 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
P&L growth analysis							
Sales growth	38.4 %	-3.8 %	17.4 %	55.9 %	54.3 %	18.3 %	2.5 %
EBITDA growth	32.9 %	-26.8 %	61.3 %	190.7 %	394.9 %	-38.8 %	-67.3 %
EBIT growth	15.6 %	-51.5 %	35.1 %	112.5 %	1019.0 %	-131.0 %	-91.1 %
EPS growth	64.7 %	-66.1 %	44.2 %	84.5 %	1250.8 %	-185.0 %	-94.4 %
Efficiency							
Total operating costs / sales	92.1 %	94.3 %	91.8 %	89.5 %	83.5 %	96.5 %	95.2 %
Sales per employee	193.9	169.5	181.0	256.5	395.7	468.0	479.7
EBITDA per employee	14.5	9.6	14.1	23.1	63.5	14.1	20.8
Balance sheet analysis							
Avg. working capital / sales	21.6 %	19.0 %	12.5 %	11.0 %	6.7 %	8.0 %	7.9 %
Inventory turnover (sales/inventory)	6.9	8.6	7.6	7.8	9.0	9.0	9.0
Trade debtors in days of sales	74.1	62.3	51.4	59.6	48.0	48.0	48.0
A/P turnover [(A/P*365)/sales]	49.6	47.2	57.5	57.7	57.0	57.0	57.0
Cash conversion cycle (days)	79.7	54.7	36.2	42.0	21.1	20.5	20.0
Cash flow analysis							
Free cash flow	-54.4	-34.8	-42.1	-78.5	-70.9	106.3	158.6
Free cash flow/sales	-6.0 %	-4.0 %	-4.1 %	-5.0 %	-2.9 %	3.7 %	5.4 %
FCF / net profit	neg.	neg.	neg.	neg.	neg.	neg.	985.1 %
Capex / depre	93.4 %	79.8 %	59.2 %	35.0 %	38.5 %	30.0 %	29.3 %
Capex / maintenance capex	140.7 %	52.5 %	139.2 %	49.3 %	38.5 %	30.0 %	29.3 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	107.9	31.5	204.7	289.2	329.2	277.0	174.2
Net Debt/EBITDA	1.6	0.6	2.6	2.0	0.8	3.2	1.4
Net debt / equity	0.6	0.2	1.1	1.5	1.8	1.4	0.7
Interest cover	5.1	3.8	2.4	1.5	26.7	0.0	2.2
Dividend payout ratio	34.5 %	103.6 %	71.9 %	84.3 %	8.0 %	100.0 %	142.0 %
Asset utilisation							
Capital employed turnover	2.2	2.2	1.9	2.2	3.3	3.8	3.7
Operating assets turnover	2.5	3.2	2.5	2.6	3.9	4.8	5.4
Plant turnover	5.3	6.5	3.4	4.1	5.9	8.2	10.2
Inventory turnover (sales/inventory)	6.9	8.6	7.6	7.8	9.0	9.0	9.0
Returns							
ROCE	10.8 %	4.8 %	5.6 %	7.3 %	45.9 %	-1.7 %	3.4 %
ROE	26.6 %	8.1 %	11.4 %	14.3 %	158.4 %	-11.4 %	6.7 %
Other							
Interest paid / avg. debt	9.7 %	5.2 %	7.6 %	13.7 %	4.2 %	3.6 %	3.6 %
No. employees (average)	4639	5103	5613	6175	6175	6175	6175
Number of shares	15.4	15.2	15.2	15.2	15.2	15.2	15.2
DPS	1.0	1.0	1.0	1.5	1.5	1.5	1.5
EPS reported	2.85	0.96	1.39	1.78	18.80	-1.51	1.06
Valuation ratios							
P/BV	2.6	2.4	2.3	2.3	2.4	2.1	1.8
EV/sales	0.6	0.5	0.6	0.5	0.3	0.2	0.2
EV/EBITDA	8.0	9.4	8.0	5.0	1.9	8.1	4.7
EV/EBITA	11.6	18.0	17.6	13.3	2.5	-267.1	16.6
EV/EBIT	13.5	23.8	24.2	17.5	2.6	-55.4	23.3
EV/FCF	-9.9	-13.3	-15.1	-9.2	-10.7	6.7	3.8
Adjusted FCF yield	9.7 %	4.0 %	4.4 %	6.3 %	35.1 %	-1.6 %	3.8 %
Dividend yield	3.5 %	3.5 %	3.5 %	5.3 %	5.3 %	5.3 %	5.3 %

Source: Company data, Hauck & Aufhäuser

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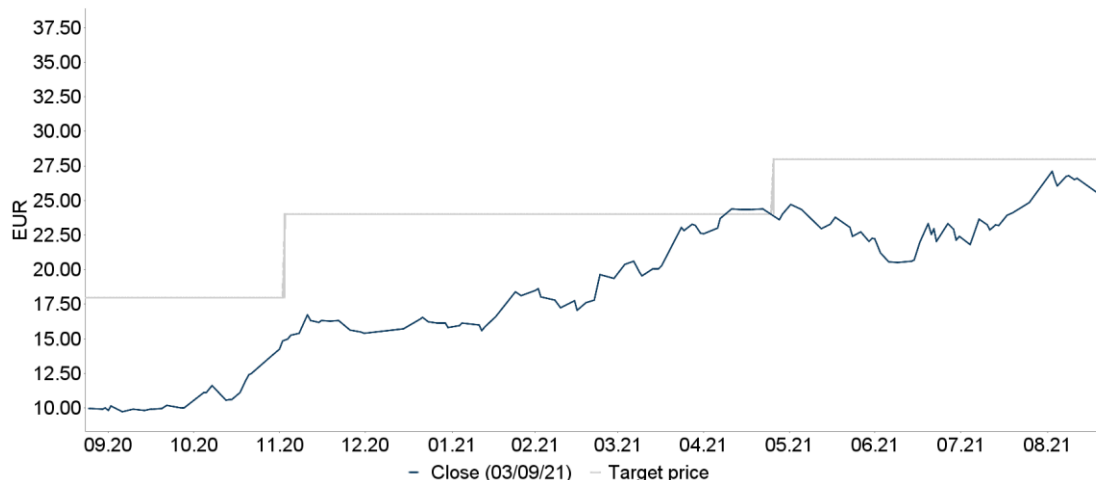
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Company	Disclosure
Mutares SE & Co. KGaA	2, 6, 8

Historical target price and rating changes for Mutares SE & Co. KGaA in the last 12 months

Price and Rating History
Mutares SE & Co. KGaA as of 07/09/21

Initiation coverage
24-March-14



Company	Date	Analyst	Rating	Target price	Close
Mutares SE & Co. KGaA	14.05.2021	Köhler, Alina	Buy	EUR 28,00	EUR 24,00
	20.11.2020	Köhler, Alina	Buy	EUR 24,00	EUR 15,26
	27.10.2020	Köhler, Alina	Buy	EUR 18,00	EUR 11,62

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