

Buy EUR 3.30 Price EUR 2.11 Upside 56.1 %	Value Indicators: EUR DCF: 3.42 FCF-Value Potential 16: 3.67	Share data: Bloomberg: M4N GR Reuters: M4NG ISIN: DE000A0KD0F7	Description: Service company for corrosion protection for ships, offshore facilities and industry
	Market Snapshot: EUR m Market cap: 41 No. of shares (m): 20 EV: 60 Freefloat MC: 11 Ø Trad. Vol. (30d; EUR): 37.53 th	Shareholders: Freefloat: 27.3 % GIVE: 23.9 % Syntegra: 21.1 % GIMS: 13.9 % GIVE Capital: 2.7 %	Risk Profile (WRe): 2015e Beta: 1.2 Price / Book: 0.6 x Equity Ratio: 52 % Net Fin. Debt / EBITDA: 1.6 x Net Debt / EBITDA: 1.6 x

Q2 a notch better than expected - full-year guidance confirmed

Stated Figures Q2/2015:					Comment on Figures:				
FY End: 31.12. in EUR m	Q2 15	Q2 15e	Q2 14	yoy	6M 15	6M 15e	6M 14	yoy	
Sales	63	62	56	13 %	118	117	107	11 %	<ul style="list-style-type: none"> In the Ship segment, sales grew by c.17% to EUR 26m in the second quarter Sales in the Oil & Gas segment improved by c. 18% to EUR 12.2m, after EUR 10.3m in Q2 2014, supported by the MSI consolidation Sales in the Wind segment recorded another double-digit increase (+14%) to EUR 5m (Q2: EUR 4.4m) The top line of the Industry and Infrastructure segment turned around and climbed by >6% to EUR 20m after a 15% decline in Q1 2015
EBIT	3.1	2.6	2.7	13 %	3.0	2.5	3.0	-1 %	
<i>Margin</i>	4.8 %	4.2 %	4.8 %		2.5 %	2.1 %	2.8 %		
Net income	1	1	1	11 %	1	1	1	-6 %	
<i>Margin</i>	2.3 %	2.0 %	2.3 %		0.8 %	0.7 %	1.0 %		
EPS	0.08	0.07	0.07	14 %	0.05	0.04	0.06	-17 %	

Muehlhan released Q2 2015 results this morning. Figures improved as expected after a rather restrained start to the year in Q1 2015. In the first half year of FY 2015 sales grew by c. 11% to EUR 118m, which implies a 13% sales increase in the second quarter.

Even adjusted for the first-time consolidation of Muehlhan's recent acquisition Marie Service International (MSI), which contributed EUR 4.8m of sales on a H1 basis, organic growth of almost 7% looks encouraging given the ongoing restrained market environment.

The higher top line but also a tighter grip on Muehlhan's cost base led to EBIT of EUR 3.1m in the second quarter, a decent increase of 13%, which more than compensated for the slight loss in Q1 2015.

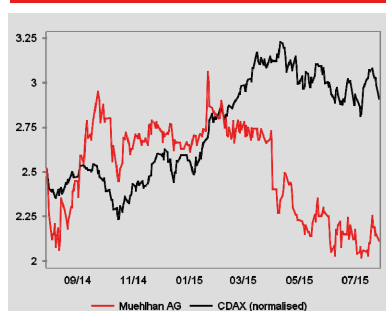
Growth was mainly backed by another solid performance in **Europe** (Q2 sales: + c. 6%), which once again was also the major earnings contribution region with EBIT of EUR 3.5m in the second quarter, an increase of more than 6%.

In **North America**, sales increased disproportionately by 15% to EUR 5.3m, albeit still at a very low level. Nevertheless, Muehlhan was able to improve EBIT to EUR 0.3m after EUR 0.1m in Q2 2015 and a loss of EUR 0.2m in the first quarter of this fiscal year.

Business in **Asia Pacific** almost doubled in Q2 2015, which however was triggered by the first-time consolidation of MSI.

Overall, we think Muehlhan's second quarter performance was solid given the difficult end markets, especially with regards to the North Sea oil and gas business. As a result, the **company reiterated its FY 2015 guidance and thus expects EBIT to be in the range of EUR 3.5-6.5m.**

Although we believe 2015 looks set to be a transition year for Muehlhan (refocusing process not yet finished, difficult oil and gas markets), **we see the recent underperformance as an interesting Buying opportunity.**

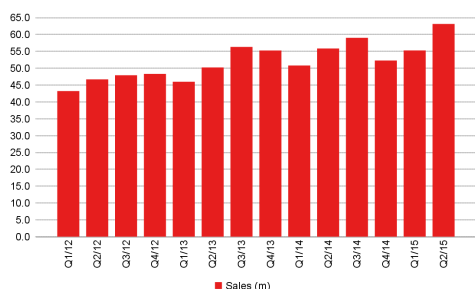


Rel. Performance vs CDAX:	
1 month:	-0.6 %
6 months:	-29.2 %
Year to date:	-33.7 %
Trailing 12 months:	-29.6 %

Company events:
10.11.15 Q3

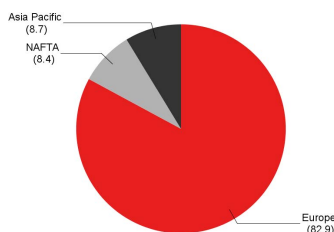
FY End: 31.12. in EUR m	CAGR (14-17e)	2011	2012	2013	2014	2015e	2016e	2017e
Sales	3.0 %	172	186	208	218	223	233	238
Change Sales yoy		4.4 %	8.1 %	11.6 %	4.9 %	2.4 %	4.3 %	2.1 %
Gross profit margin		58.1 %	56.9 %	55.5 %	61.4 %	61.5 %	61.6 %	61.8 %
EBITDA	11.4 %	6	11	13	12	12	15	16
Margin		3.7 %	5.8 %	6.5 %	5.4 %	5.2 %	6.3 %	6.9 %
EBIT	15.0 %	-1	5	5	6	5	8	9
Margin		-0.8 %	2.4 %	2.5 %	2.8 %	2.4 %	3.4 %	3.8 %
Net income	47.2 %	-4	0	2	2	2	4	5
EPS	48.1 %	-0.21	0.01	0.10	0.08	0.12	0.22	0.26
EPS adj.	48.1 %	-0.21	0.01	0.10	0.08	0.12	0.22	0.26
DPS	-	0.00	0.00	0.00	0.00	0.00	0.05	0.08
Dividend Yield		0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	2.4 %	3.8 %
FCFPS		-0.14	-0.32	0.11	-0.22	-0.01	0.09	0.18
FCF / Market cap		-8.7 %	-26.7 %	7.5 %	-9.2 %	-0.6 %	4.2 %	8.3 %
EV / Sales		0.3 x	0.2 x	0.2 x	0.3 x	0.3 x	0.2 x	0.2 x
EV / EBITDA		6.9 x	3.6 x	3.0 x	5.1 x	5.1 x	3.9 x	3.3 x
EV / EBIT		n.a.	8.5 x	7.8 x	10.0 x	10.9 x	7.1 x	6.0 x
P / E		n.a.	120.6 x	14.8 x	29.3 x	17.6 x	9.6 x	8.1 x
P / E adj.		n.a.	120.6 x	14.8 x	29.3 x	17.6 x	9.6 x	8.1 x
FCF Yield Potential		2.3 %	9.0 %	14.6 %	7.3 %	7.3 %	10.6 %	13.0 %
Net Debt		13	16	12	16	19	17	15
ROCE (NOPAT)		-2.1 %	0.4 %	3.3 %	5.1 %	4.3 %	6.0 %	6.6 %
Guidance:	2015: EBIT in the range of EUR 3.5m to 6.5m							

Sales development
in EUR m



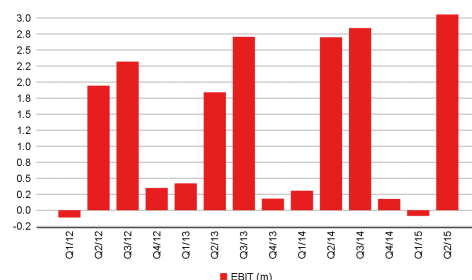
Source: Warburg Research

Sales by regions
2014; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

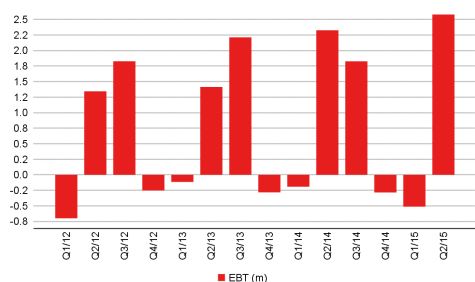
Company Background

- Muehlhan is one of the leading providers of specialised services in connection with corrosion protection of surfaces, particularly for ships, infrastructural facilities like bridges, drilling rigs + wind generators.
- The coating is applied on newly built objects first and is renewed in regular maintenance intervals of 5-10 years.
- The significance of Ship Newbuilding and Ship Repair decreased over the years. As a result of the diversification and restructuring, the Industry and Energy segment now make the highest sales contribution.
- In terms of regions, Muehlhan more and more concentrates on Europe and the NAFTA region. The company discontinued its shipyard activities in Qatar.

Competitive Quality

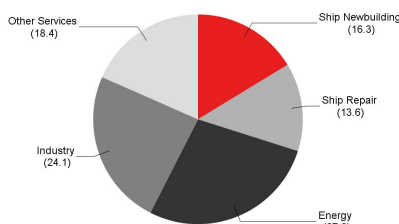
- The competitive quality vis-à-vis a high number of mainly smaller competitors is a result of...
- ...the comparably strong financing power, the long-standing customer relationships as well as the brand name resulting from quality and tradition.
- The capital intensity of larger and more complex orders limits the ROCE to some extent but it also creates barriers to market entry for smaller competitors.
- Although the shipping segments should continue to be challenging Muehlhan is likely to benefit from the expected market consolidation as less diversified and financially weaker competitors withdraw from the market.

EBT development
in EUR m



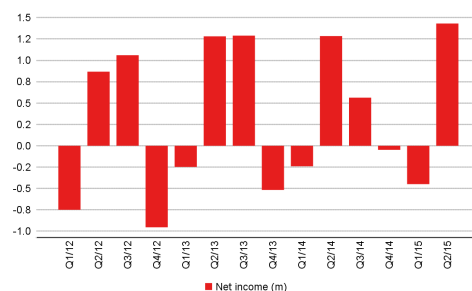
Source: Warburg Research

Sales by segments
2014; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2015e	2016e	2017e	2018e	2019e	2020e	2021e	2022e	2023e	2024e	2025e	2026e	2027e	
Sales	223	233	238	243	248	253	258	263	268	273	279	284	290	
Sales change	2.4 %	4.3 %	2.1 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %
EBIT	5	8	9	10	11	11	12	13	12	11	11	10	9	
EBIT-margin	2.4 %	3.4 %	3.8 %	4.0 %	4.3 %	4.5 %	4.5 %	5.0 %	4.5 %	4.0 %	4.0 %	3.5 %	3.0 %	
Tax rate (EBT)	37.0 %	37.0 %	37.0 %	36.0 %	35.0 %	34.0 %	34.0 %	33.0 %	33.0 %	33.0 %	32.0 %	32.0 %	32.0 %	
NOPAT	3	5	6	6	7	8	8	9	8	7	8	7	6	
Depreciation	6	7	7	10	10	10	10	11	11	11	11	11	12	
in % of Sales	2.8 %	2.9 %	3.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
Changes in provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	
Change in Liquidity from														
- Working Capital	1	3	1	3	1	1	1	2	1	1	1	1	1	
- Capex	9	8	7	10	10	10	10	11	11	11	11	11	12	
Capex in % of Sales	4.1 %	3.5 %	3.1 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
Other	0	0	0	0	0	0	0	0	0	0	0	0	0	
Free Cash Flow (WACC Model)	-1	1	5	3	6	7	7	7	7	6	7	6	5	5
PV of FCF	-1	0	4	2	4	5	4	4	4	3	3	3	2	46
share of PVs	4.44 %			41.89 %										53.67 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	40.00 %	Financial Strength	1.20
Cost of debt (after tax)	4.9 %	Liquidity (share)	1.20
Market return	7.00 %	Cyclicality	1.20
Risk free rate	1.50 %	Transparency	1.20
		Others	1.20
WACC	6.82 %	Beta	1.20

Valuation (m)

Present values 2027e	39		
Terminal Value	46		
Financial liabilities	24		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	9	No. of shares (m)	19.5
Equity Value	67	Value per share (EUR)	3.42

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.50	7.8 %	2.48	2.54	2.61	2.68	2.76	2.84	2.94	1.50	7.8 %	0.58	1.28	1.98	2.68	3.38	4.08	4.78
1.35	7.3 %	2.77	2.85	2.93	3.02	3.12	3.23	3.35	1.35	7.3 %	0.72	1.49	2.25	3.02	3.78	4.55	5.32
1.28	7.1 %	2.93	3.02	3.11	3.21	3.32	3.45	3.59	1.28	7.1 %	0.80	1.60	2.41	3.21	4.01	4.82	5.62
1.20	6.8 %	3.11	3.20	3.31	3.42	3.55	3.69	3.85	1.20	6.8 %	0.89	1.73	2.58	3.42	4.27	5.11	5.96
1.12	6.6 %	3.30	3.41	3.53	3.66	3.80	3.97	4.16	1.12	6.6 %	0.99	1.88	2.77	3.66	4.55	5.44	6.33
1.05	6.3 %	3.51	3.63	3.77	3.92	4.09	4.28	4.50	1.05	6.3 %	1.09	2.04	2.98	3.92	4.86	5.80	6.74
0.90	5.8 %	4.00	4.16	4.34	4.54	4.77	5.04	5.35	0.90	5.8 %	1.35	2.41	3.48	4.54	5.60	6.67	7.73

- High beta due to low visibility and high cyclicality
- Long term growth rates in line with market growth

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2011	2012	2013	2014	2015e	2016e	2017e	
Net Income before minorities	-4	0	2	2	2	4	4	
+ Depreciation + Amortisation	8	6	8	6	6	7	7	
- Net Interest Income	-2	-2	-2	-2	-2	-2	-2	
- Maintenance Capex	5	5	6	6	6	7	7	
+ Other	0	0	0	0	0	0	0	
= Free Cash Flow Potential	1	3	6	4	4	6	7	
Free Cash Flow Yield Potential	2.3 %	9.0 %	14.6 %	7.3 %	7.3 %	10.6 %	13.0 %	
WACC	6.82 %	6.82 %	6.82 %	6.82 %	6.82 %	6.82 %	6.82 %	
= Enterprise Value (EV)	44	38	40	60	59	57	55	
= Fair Enterprise Value	15	50	86	65	63	89	104	
- Net Debt (Cash)	15	15	15	15	18	16	14	
- Pension Liabilities	1	1	1	1	1	1	1	
- Other	0	0	0	0	0	0	0	
- Market value of minorities	0	0	0	0	0	0	0	
+ Market value of investments	0	0	0	0	0	0	0	
= Fair Market Capitalisation	n.a.	34	70	49	44	72	89	
No. of shares (total) (m)	20	20	20	20	20	20	20	
= Fair value per share (EUR)	n.a.	1.76	3.61	2.49	2.24	3.67	4.58	
premium (-) / discount (+) in %					6.0 %	73.7 %	116.7 %	
Sensitivity Fair value per Share (EUR)								
	9.82 %	n.a.	0.97	2.25	1.48	1.26	2.28	2.95
	8.82 %	n.a.	1.17	2.60	1.74	1.51	2.64	3.37
	7.82 %	n.a.	1.43	3.04	2.07	1.83	3.09	3.90
WACC	6.82 %	n.a.	1.76	3.61	2.49	2.24	3.67	4.58
	5.82 %	0.08	2.20	4.37	3.06	2.79	4.45	5.50
	4.82 %	0.27	2.83	5.45	3.87	3.57	5.56	6.80
	3.82 %	0.56	3.79	7.09	5.10	4.76	7.25	8.78

- Cash flows about to stabilise due to restructuring and new focus
- Long term potential significantly above current share price

Valuation	2011	2012	2013	2014	2015e	2016e	2017e
Price / Book	0.5 x	0.4 x	0.5 x	0.7 x	0.6 x	0.6 x	0.5 x
Book value per share ex intangibles	1.87	1.90	1.97	2.15	2.19	2.53	2.72
EV / Sales	0.3 x	0.2 x	0.2 x	0.3 x	0.3 x	0.2 x	0.2 x
EV / EBITDA	6.9 x	3.6 x	3.0 x	5.1 x	5.1 x	3.9 x	3.3 x
EV / EBIT	n.a.	8.5 x	7.8 x	10.0 x	10.9 x	7.1 x	6.0 x
EV / EBIT adj.*	n.a.	8.5 x	7.8 x	10.0 x	10.9 x	7.1 x	6.0 x
P / FCF	n.a.	n.a.	13.4 x	n.a.	n.a.	23.8 x	12.0 x
P / E	n.a.	120.6 x	14.8 x	29.3 x	17.6 x	9.6 x	8.1 x
P / E adj.*	n.a.	120.6 x	14.8 x	29.3 x	17.6 x	9.6 x	8.1 x
Dividend Yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	2.4 %	3.8 %
Free Cash Flow Yield Potential	2.3 %	9.0 %	14.6 %	7.3 %	7.3 %	10.6 %	13.0 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Sales	172	186	208	218	223	233	238
Change Sales yoy	4.4 %	8.1 %	11.6 %	4.9 %	2.4 %	4.3 %	2.1 %
Increase / decrease in inventory	0	0	0	0	0	0	0
Own work capitalised	0	0	0	0	0	0	0
Total Sales	172	186	208	218	223	233	238
Material Expenses	72	80	92	84	86	90	91
Gross profit	100	106	115	134	137	144	147
<i>Gross profit margin</i>	<i>58.1 %</i>	<i>56.9 %</i>	<i>55.5 %</i>	<i>61.4 %</i>	<i>61.5 %</i>	<i>61.6 %</i>	<i>61.8 %</i>
Personnel expenses	66	70	76	91	96	98	99
Other operating income	4	5	5	3	4	4	4
Other operating expenses	31	30	32	33	34	35	36
Unfrequent items	0	0	0	0	0	0	0
EBITDA	6	11	13	12	12	15	16
<i>Margin</i>	<i>3.7 %</i>	<i>5.8 %</i>	<i>6.5 %</i>	<i>5.4 %</i>	<i>5.2 %</i>	<i>6.3 %</i>	<i>6.9 %</i>
Depreciation of fixed assets	8	6	8	6	6	7	7
EBITA	-1	5	5	6	6	8	9
Amortisation of intangible assets	0	0	0	0	0	0	0
Goodwill amortization	0	0	0	0	0	0	0
EBIT	-1	5	5	6	5	8	9
<i>Margin</i>	<i>-0.8 %</i>	<i>2.4 %</i>	<i>2.5 %</i>	<i>2.8 %</i>	<i>2.4 %</i>	<i>3.4 %</i>	<i>3.8 %</i>
EBIT adj.	-1	5	5	6	5	8	9
Interest income	0	0	0	0	0	0	0
Interest expenses	2	2	2	2	3	2	2
Other financial income (loss)	0	0	0	0	0	0	0
EBT	-3	2	3	4	3	6	7
<i>Margin</i>	<i>-2.0 %</i>	<i>1.2 %</i>	<i>1.6 %</i>	<i>1.7 %</i>	<i>1.3 %</i>	<i>2.5 %</i>	<i>3.0 %</i>
Total taxes	1	2	2	1	1	2	3
Net income from continuing operations	-4	0	2	2	2	4	4
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
Net income before minorities	-4	0	2	2	2	4	4
Minority interest	0	0	0	-1	0	1	1
Net income	-4	0	2	2	2	4	5
<i>Margin</i>	<i>-2.3 %</i>	<i>0.1 %</i>	<i>0.9 %</i>	<i>0.7 %</i>	<i>1.0 %</i>	<i>1.8 %</i>	<i>2.1 %</i>
Number of shares, average	19	19	19	19	19	19	19
EPS	-0.21	0.01	0.10	0.08	0.12	0.22	0.26
EPS adj.	-0.21	0.01	0.10	0.08	0.12	0.22	0.26

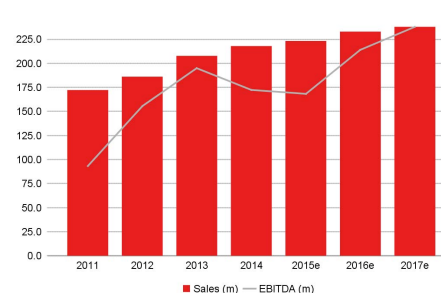
*Adjustments made for:

Guidance: 2015: EBIT in the range of EUR 3.5m to 6.5m

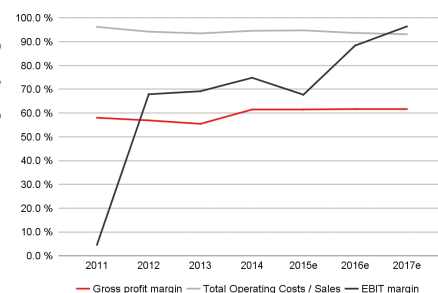
Financial Ratios

	2011	2012	2013	2014	2015e	2016e	2017e
Total Operating Costs / Sales	96.3 %	94.2 %	93.5 %	94.6 %	94.8 %	93.7 %	93.1 %
Operating Leverage	-10.7 x	n.a.	1.2 x	3.5 x	-4.4 x	11.3 x	6.7 x
EBITDA / Interest expenses	3.0 x	4.6 x	6.9 x	5.0 x	4.5 x	6.4 x	7.5 x
Tax rate (EBT)	-17.0 %	93.3 %	53.4 %	36.8 %	37.0 %	37.0 %	37.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	25.5 %	33.7 %
Sales per Employee	80,843	82,151	86,953	88,989	88,929	90,529	90,216

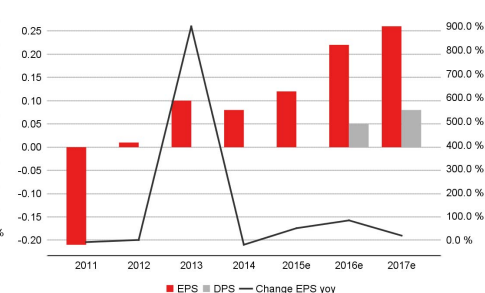
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

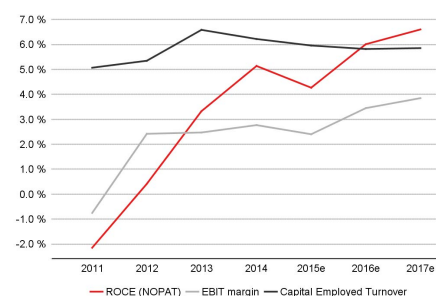
Consolidated balance sheet

In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Assets							
Goodwill and other intangible assets	21	22	20	19	19	19	19
thereof other intangible assets	1	1	1	1	1	1	1
thereof Goodwill	21	21	19	18	18	18	19
Property, plant and equipment	23	21	20	29	32	33	34
Financial assets	0	0	0	0	0	0	0
Other long-term assets	0	0	0	0	0	0	0
Fixed assets	45	42	40	48	51	53	53
Inventories	4	4	4	5	5	5	5
Accounts receivable	43	48	51	46	48	50	52
Liquid assets	11	10	9	9	6	7	8
Other short-term assets	10	9	9	11	12	12	12
Current assets	67	71	73	71	70	74	78
Total Assets	112	114	113	119	121	127	131
Liabilities and shareholders' equity							
Subscribed capital	20	20	20	20	20	20	20
Capital reserve	28	28	28	14	14	14	14
Retained earnings	9	10	7	8	24	29	32
Other equity components	0	0	2	17	2	4	5
Shareholders' equity	57	57	57	59	60	67	71
Minority interest	0	0	2	2	3	3	3
Total equity	57	58	58	61	63	69	73
Provisions	2	1	1	1	1	1	1
thereof provisions for pensions and similar obligations	1	1	1	1	1	1	1
Financial liabilities (total)	23	25	20	24	24	23	22
thereof short-term financial liabilities	1	6	7	8	9	9	9
Accounts payable	17	16	18	15	16	16	17
Other liabilities	14	14	15	16	17	17	17
Liabilities	55	56	54	57	58	58	58
Total liabilities and shareholders' equity	112	114	113	119	121	127	131

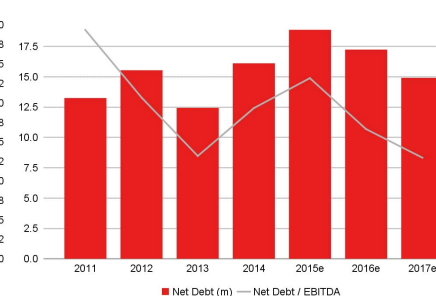
Financial Ratios

	2011	2012	2013	2014	2015e	2016e	2017e
Efficiency of Capital Employment							
Operating Assets Turnover	3.2 x	3.3 x	3.6 x	3.4 x	3.3 x	3.2 x	3.2 x
Capital Employed Turnover	2.5 x	2.5 x	2.9 x	2.8 x	2.7 x	2.7 x	2.7 x
ROA	-8.7 %	0.5 %	4.5 %	3.3 %	4.4 %	8.0 %	9.4 %
Return on Capital							
ROCE (NOPAT)	-2.1 %	0.4 %	3.3 %	5.1 %	4.3 %	6.0 %	6.6 %
ROE	-6.7 %	0.4 %	3.2 %	2.7 %	3.7 %	6.6 %	7.2 %
Adj. ROE	-6.7 %	0.4 %	3.2 %	2.7 %	3.7 %	6.6 %	7.2 %
Balance sheet quality							
Net Debt	13	16	12	16	19	17	15
Net Financial Debt	12	15	12	15	18	16	14
Net Gearing	23.2 %	26.9 %	21.3 %	26.3 %	30.1 %	24.9 %	20.4 %
Net Fin. Debt / EBITDA	193.3 %	136.7 %	86.8 %	129.0 %	155.5 %	110.9 %	85.3 %
Book Value / Share	3.0	3.0	3.0	3.1	3.2	3.5	3.8
Book value per share ex intangibles	1.9	1.9	2.0	2.1	2.2	2.5	2.7

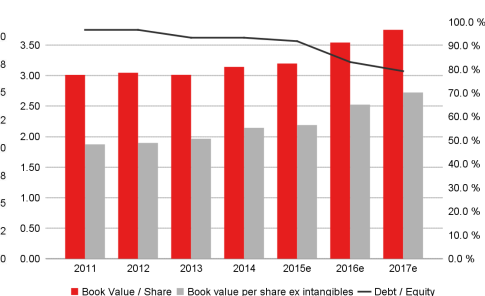
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

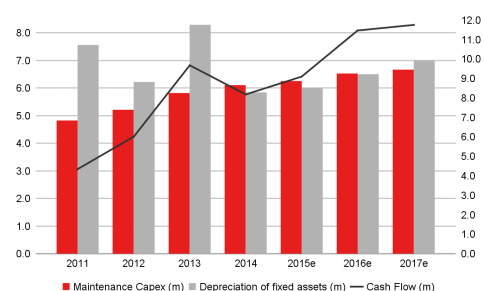
In EUR m	2011	2012	2013	2014	2015e	2016e	2017e
Net income	-4	0	2	2	2	4	4
Depreciation of fixed assets	8	6	8	6	6	7	7
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	0	0	0	0	0	0	0
Increase/decrease in long-term provisions	0	0	0	0	0	0	0
Other non-cash income and expenses	0	0	0	0	1	1	0
Cash Flow	4	6	10	8	9	11	12
Increase / decrease in inventory	-1	0	0	0	0	0	0
Increase / decrease in accounts receivable	-5	-5	-3	5	-2	-3	-2
Increase / decrease in accounts payable	5	-1	2	-2	1	0	1
Increase / decrease in other working capital positions	1	-1	1	0	1	2	0
Increase / decrease in working capital (total)	0	-6	-1	2	0	-2	-1
Net cash provided by operating activities	4	0	9	10	9	10	11
Investments in intangible assets	0	0	0	0	0	0	0
Investments in property, plant and equipment	-7	-5	-7	-14	-9	-8	-7
Payments for acquisitions	0	-1	0	0	-3	0	0
Financial investments	0	0	0	0	0	0	0
Income from asset disposals	1	4	1	0	0	0	0
Net cash provided by investing activities	-6	-2	-6	-14	-12	-8	-7
Change in financial liabilities	1	1	-4	5	-1	-1	-1
Dividends paid	0	0	0	0	0	0	-1
Purchase of own shares	0	0	0	-1	0	0	0
Capital measures	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
Net cash provided by financing activities	1	1	-4	4	-1	-1	-2
Change in liquid funds	-1	-1	-1	0	-3	1	1
Effects of exchange-rate changes on cash	0	0	0	0	0	0	0
Cash and cash equivalent at end of period	11	10	9	9	6	7	8

Financial Ratios

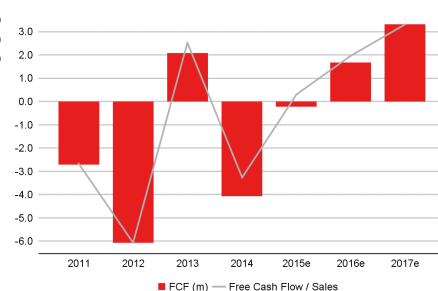
	2011	2012	2013	2014	2015e	2016e	2017e
Cash Flow							
FCF	-3	-6	2	-4	0	2	3
Free Cash Flow / Sales	-1.6 %	-3.3 %	1.0 %	-1.9 %	-0.1 %	0.7 %	1.4 %
Free Cash Flow Potential	1	3	6	4	4	6	7
Free Cash Flow / Net Profit	69.0 %	-2734.2 %	115.4 %	-260.9 %	-10.0 %	40.0 %	66.7 %
Interest Received / Avg. Cash	0.6 %	0.6 %	0.3 %	0.2 %	1.9 %	2.2 %	1.8 %
Interest Paid / Avg. Debt	9.3 %	9.8 %	8.7 %	10.6 %	10.8 %	9.8 %	9.7 %
Management of Funds							
Investment ratio	4.0 %	3.0 %	3.3 %	6.3 %	4.1 %	3.5 %	3.1 %
Maint. Capex / Sales	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %
Capex / Dep	89.3 %	90.5 %	83.6 %	235.9 %	146.7 %	122.6 %	103.3 %
Avg. Working Capital / Sales	17.3 %	17.8 %	17.6 %	16.7 %	16.1 %	16.3 %	16.8 %
Trade Debtors / Trade Creditors	256.2 %	304.6 %	285.3 %	300.2 %	298.3 %	315.2 %	306.8 %
Inventory Turnover	17.2 x	20.7 x	21.2 x	17.9 x	17.7 x	17.3 x	16.8 x
Receivables collection period (days)	90	94	89	77	78	79	80
Payables payment period (days)	84	71	70	67	68	65	68
Cash conversion cycle (Days)	-58	-49	-49	-42	-43	-40	-42

CAPEX and Cash Flow

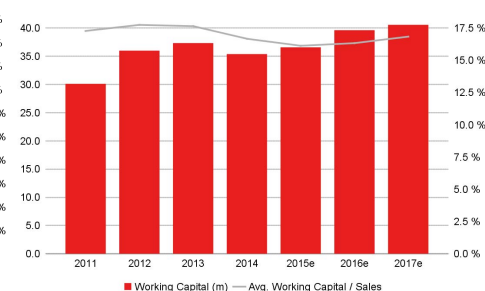
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
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Rating	Number of stocks	% of Universe
Buy	107	58
Hold	67	37
Sell	6	3
Rating suspended	3	2
Total	183	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

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Rating	Number of stocks	% of Universe
Buy	90	63
Hold	47	33
Sell	4	3
Rating suspended	2	1
Total	143	100

PRICE AND RATING HISTORY MUEHLHAN AG AS OF 28.07.2015



The chart has markings if Warburg Research GmbH changed its rating in the last 12 months. Every marking represents the date and closing price on the day of the rating change.

EQUITIES

Roland Rapelius +49 40 3282-2673
Head of Equities rrapelius@mmwarburg.com

RESEARCH

Henner Rüschemier +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Lucas Boventer +49 40 309537-290
Renewables, Internet, Media lboventer@warburg-research.com

Christian Cohrs +49 40 309537-175
Engineering, Logistics ccohrs@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Harald Hof +49 40 309537-125
Medtech hhof@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Frank Laser +49 40 309537-235
Construction, Industrials flaser@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplasier@warburg-research.com

Malte Räther +49 40 309537-185
Technology, Telco, Internet mraether@warburg-research.com

Jochen Reichert +49 40 309537-130
Telco, Internet, Media jreichert@warburg-research.com

Moritz Rieser +49 40 309537-260
Real Estate mrieser@warburg-research.com

Arash Roshan Zamir +49 40 309537-155
Engineering, Logistics aroshanzamir@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Björn Voss +49 40 309537-254
Steel, Car Suppliers bvoss@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Holger Nass +49 40 3282-2669
Head of Equity Sales, USA hnass@mmwarburg.com

Klaus Schilling +49 40 3282-2664
Dep. Head of Equity Sales, GER kschilling@mmwarburg.com

Christian Alisch +49 40 3282-2667
Scandinavia, Spain calisch@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Marie-Therese Grübner +49 40 3282-2630
France, Switzerland mgruebner@mmwarburg.com

Ömer Güven +49 40 3282-2633
USA, Germany ogueven@mmwarburg.com

Michael Kriszun +49 40 3282-2695
United Kingdom mkriszun@mmwarburg.com

Marc Niemann +49 40 3282-2660
Germany mniemann@mmwarburg.com

Sanjay Oberoi +49 69 5050-7410
United Kingdom soberoi@mmwarburg.com

Philipp Stumpfegger +49 40 3282-2635
Australia, United Kingdom pstumpfegger@mmwarburg.com

Juliane Willenbruch +49 40 3282-2694
Roadshow/Marketing jwillenbruch@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Thekla Struve +49 40 3282-2668
Dep. Head of Sales Trading tstruve@mmwarburg.com

Gudrun Bolsen +49 40 3282-2679
Sales Trading gbolsen@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3262-2658
Sales Trading jtreptow@mmwarburg.com

Jan Walter +49 40 3262-2662
Sales Trading jwalter@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Matthias Thiel +49 40 3282-2401
Macro Research mthiel@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

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For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com