

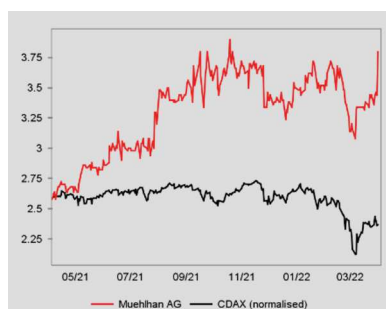
Buy EUR 5.10 (EUR 4.80) Price EUR 3.80 Upside 34.2 %	Value Indicators: EUR DCF: 5.14	Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 0.0	Description: Ind. service company for surface protection, passive fire prot., welding.
	Market Snapshot: EUR m Market cap: 74.1 No. of shares (m): 19.5 EV: 87.9 Freefloat MC: 23.1 Ø Trad. Vol. (30d): 22.52 th	Shareholders: Freefloat 31.2 % Treasury stock 1.5 % Greverath family 55.0 % Management 12.3 %	Key Figures (WRe): 2022e Beta: 1.4 Price / Book: 1.1 x Equity Ratio: 48 % Net Fin. Debt / EBITDA: 0.8 x Net Debt / EBITDA: 0.8 x

Attractive repositioning

Stated Figures Q4/2021: Figures in EUR m	Comment on Figures: <ul style="list-style-type: none"> On April 1, 2022, the company presented the final business figures for the 2021 financial year. Due to the sale of two business areas (scaffolding and major oil and gas activities), the figures presented are not comparable with the original expectations (WRe). This applies to the sales, due to ex ante unknown deconsolidation dates, as well as to the reported income due to ex ante unknown reference book values. 																																																
<table border="1"> <thead> <tr> <th></th> <th>Q4/21</th> <th>Q4/20</th> <th>yoy</th> <th>2021</th> <th>2021e</th> <th>2020</th> <th>yoy</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>73.3</td> <td>63.9</td> <td>14.6%</td> <td>298.5</td> <td>237.0</td> <td>260.4</td> <td>14.6%</td> </tr> <tr> <td>EBIT</td> <td>8.5</td> <td>1.0</td> <td>751.7%</td> <td>16.7</td> <td>24.2</td> <td>3.0</td> <td>451.9%</td> </tr> <tr> <td><i>margin</i></td> <td>11.7%</td> <td>1.6%</td> <td></td> <td>5.6%</td> <td>10.2%</td> <td>1.2%</td> <td></td> </tr> <tr> <td>Net income</td> <td>4.7</td> <td>0.9</td> <td>449.8%</td> <td>8.3</td> <td>13.1</td> <td>0.3</td> <td>2621.1%</td> </tr> <tr> <td><i>margin</i></td> <td>6.4%</td> <td>1.3%</td> <td></td> <td>2.8%</td> <td>5.5%</td> <td>0.1%</td> <td></td> </tr> </tbody> </table>		Q4/21	Q4/20	yoy	2021	2021e	2020	yoy	Sales	73.3	63.9	14.6%	298.5	237.0	260.4	14.6%	EBIT	8.5	1.0	751.7%	16.7	24.2	3.0	451.9%	<i>margin</i>	11.7%	1.6%		5.6%	10.2%	1.2%		Net income	4.7	0.9	449.8%	8.3	13.1	0.3	2621.1%	<i>margin</i>	6.4%	1.3%		2.8%	5.5%	0.1%		
	Q4/21	Q4/20	yoy	2021	2021e	2020	yoy																																										
Sales	73.3	63.9	14.6%	298.5	237.0	260.4	14.6%																																										
EBIT	8.5	1.0	751.7%	16.7	24.2	3.0	451.9%																																										
<i>margin</i>	11.7%	1.6%		5.6%	10.2%	1.2%																																											
Net income	4.7	0.9	449.8%	8.3	13.1	0.3	2621.1%																																										
<i>margin</i>	6.4%	1.3%		2.8%	5.5%	0.1%																																											
Sources: Muehlhan (historical data), Warburg Research (estimates)																																																	

After the sale of two company divisions, Muehlhan is now positioning itself more strongly in promising business areas. Renewables will be the largest segment in 2022 with an estimated sales share of around 40% (WRe). In this business area, Muehlhan provides surface protection services for wind turbines and transformer platforms on water and on land. In recent years, the group has become a specialist in tower and rotor blade coating and thus a partner for the leading wind turbine manufacturers. Muehlhan offers a wide range of installation and maintenance services (full service provider). This area will account for most of the group's EBIT (EUR 7m WRe). In the past financial year, sales already increased by EUR 18m to EUR 81m, mainly due to the expansion of business in the area of installation and maintenance of wind turbines. EBIT rose to EUR 6.5m (6.1m). The Ship segment had to cope with a decline in sales from EUR 66m to EUR 61m last year and is still expected to contribute around 25% to group sales in 2022. Depending on the market situation, this area will probably show considerable fluctuation in earnings, but a clearly positive EBIT is expected (WRe). The remaining unsold business segments Construction/Infrastructure and Oil & Gas will still contribute a total of 35% (WRe) to group sales, but will probably make a negative contribution to earnings. Overall, the positioning towards more attractive business areas has made significant progress. The earnings momentum today depends essentially on the development in the attractive renewable energy sector. The share continues to be rated Buy with a price target of EUR 5.10 (4.80).

Changes in Estimates: FY End: 31.12. in EUR m	Comment on Changes: <ul style="list-style-type: none"> The forecasts reflect the new business orientation (excluding the business activities sold in 2021). A very attractive dividend of EUR 0.75 is planned for 2021 – after the sale of the business units. 																																			
<table border="1"> <thead> <tr> <th></th> <th>2022e (old)</th> <th>+ / -</th> <th>2023e (old)</th> <th>+ / -</th> <th>2024e (old)</th> <th>+ / -</th> </tr> </thead> <tbody> <tr> <td>Sales</td> <td>228.8</td> <td>9.3 %</td> <td>238.0</td> <td>9.3 %</td> <td>n.a.</td> <td>n.m.</td> </tr> <tr> <td>EBIT</td> <td>10.3</td> <td>-27.2 %</td> <td>10.7</td> <td>-15.0 %</td> <td>n.a.</td> <td>n.m.</td> </tr> <tr> <td>EBT</td> <td>8.7</td> <td>-32.2 %</td> <td>9.1</td> <td>-17.7 %</td> <td>n.a.</td> <td>n.m.</td> </tr> <tr> <td>Net income</td> <td>4.1</td> <td>-44.8 %</td> <td>4.2</td> <td>-24.8 %</td> <td>n.a.</td> <td>n.m.</td> </tr> </tbody> </table>		2022e (old)	+ / -	2023e (old)	+ / -	2024e (old)	+ / -	Sales	228.8	9.3 %	238.0	9.3 %	n.a.	n.m.	EBIT	10.3	-27.2 %	10.7	-15.0 %	n.a.	n.m.	EBT	8.7	-32.2 %	9.1	-17.7 %	n.a.	n.m.	Net income	4.1	-44.8 %	4.2	-24.8 %	n.a.	n.m.	
	2022e (old)	+ / -	2023e (old)	+ / -	2024e (old)	+ / -																														
Sales	228.8	9.3 %	238.0	9.3 %	n.a.	n.m.																														
EBIT	10.3	-27.2 %	10.7	-15.0 %	n.a.	n.m.																														
EBT	8.7	-32.2 %	9.1	-17.7 %	n.a.	n.m.																														
Net income	4.1	-44.8 %	4.2	-24.8 %	n.a.	n.m.																														

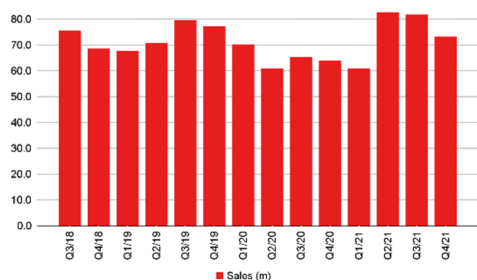


Rel. Performance vs CDAX:	
1 month:	11.0 %
6 months:	10.2 %
Year to date:	19.1 %
Trailing 12 months:	55.8 %

Company events:	

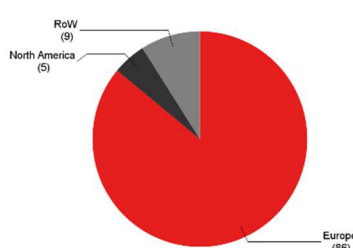
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	-3.2 %	267.8	295.3	260.4	298.5	250.0	260.0	270.4
Change Sales yoy		8.1 %	10.3 %	-11.8 %	14.6 %	-16.3 %	4.0 %	4.0 %
Gross profit margin		67.9 %	66.5 %	66.1 %	65.5 %	66.0 %	66.0 %	66.0 %
EBITDA	-9.3 %	18.3	24.5	14.4	27.2	16.3	18.2	20.3
Margin		6.8 %	8.3 %	5.5 %	9.1 %	6.5 %	7.0 %	7.5 %
EBIT	-13.6 %	10.1	12.4	3.0	16.7	7.5	9.1	10.8
Margin		3.8 %	4.2 %	1.2 %	5.6 %	3.0 %	3.5 %	4.0 %
Net income	-20.3 %	5.0	7.5	0.3	8.3	2.2	3.2	4.2
EPS	-20.0 %	0.26	0.39	0.02	0.43	0.12	0.17	0.22
EPS adj.	-20.0 %	0.26	0.39	0.02	0.43	0.12	0.17	0.22
DPS	-33.6 %	0.10	0.00	0.02	0.75	0.12	0.17	0.22
Dividend Yield		3.4 %	n.a.	0.8 %	24.3 %	3.2 %	4.5 %	5.8 %
FCFPS		0.11	0.14	0.39	-0.48	0.09	0.57	0.26
FCF / Market cap		3.8 %	5.2 %	15.0 %	-15.6 %	2.4 %	14.9 %	7.0 %
EV / Sales		0.3 x	0.3 x	0.3 x	0.2 x	0.3 x	0.3 x	0.3 x
EV / EBITDA		4.5 x	3.0 x	4.8 x	2.2 x	5.3 x	4.3 x	3.8 x
EV / EBIT		8.1 x	6.0 x	22.7 x	3.6 x	11.6 x	8.6 x	7.1 x
P / E		11.2 x	7.0 x	128.6 x	7.2 x	31.7 x	22.4 x	17.3 x
P / E adj.		11.2 x	7.0 x	128.6 x	7.2 x	31.7 x	22.4 x	17.3 x
FCF Potential Yield		9.7 %	16.1 %	10.2 %	22.8 %	8.3 %	10.6 %	12.4 %
Net Debt		25.6	22.0	19.4	1.1	13.8	5.2	3.5
ROCE (NOPAT)		7.2 %	9.4 %	3.2 %	13.2 %	6.0 %	7.4 %	9.0 %
Guidance:		Sales around EUR 250m, EBIT EUR 5-8m						

Sales development
in EUR m



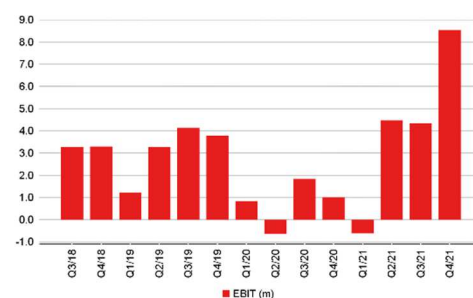
Source: Warburg Research

Sales by regions
2022e; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

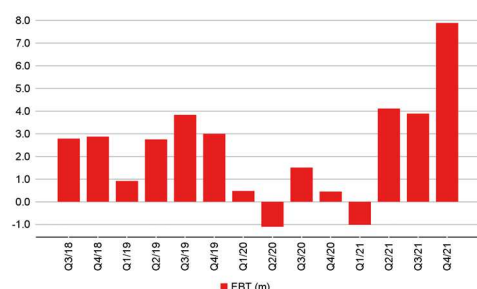
Company Background

- 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 range of services has been extended in the past and includes passive fire protection, welding, isolation and industrial cleaning.
- The significance of the former dominating but still important Ship Newbuilding/Repair decreased over the years. As a result of diversification/restructuring, Industry and Energy now make the highest sales contribution.

Competitive Quality

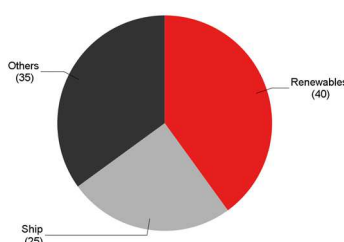
- The competitive quality vis-à-vis a high number of mainly smaller competitors is a result of...
- ...the comparably strong financing power, the long-standing customer relationships as well as the brand name resulting from quality and tradition.
- The capital intensity of larger and more complex orders 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



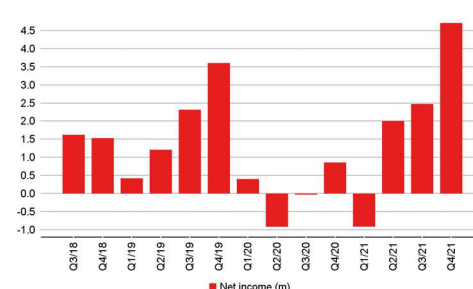
Source: Warburg Research

Sales by segments
2021e; 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
	2022e	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	
Sales	250.0	260.0	270.4	274.5	278.6	282.8	287.0	291.3	295.7	300.1	304.6	309.2	313.8	
Sales change	-16.3 %	4.0 %	4.0 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %
EBIT	7.5	9.1	10.8	11.0	11.1	11.3	11.5	11.7	11.8	12.0	12.2	12.4	12.6	
EBIT-margin	3.0 %	3.5 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	4.0 %	
Tax rate (EBT)	35.0 %	35.0 %	35.0 %	36.0 %	35.0 %	34.0 %	34.0 %	33.0 %	33.0 %	33.0 %	32.0 %	32.0 %	32.0 %	
NOPAT	4.9	5.9	7.0	7.0	7.2	7.5	7.6	7.8	7.9	8.0	8.3	8.4	8.5	
Depreciation	8.8	9.1	9.5	11.0	11.1	11.3	11.5	11.7	11.8	12.0	12.2	12.4	12.6	
in % of Sales	3.5 %	3.5 %	3.5 %	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	3.0	-5.0	1.9	-10.2	0.6	0.6	0.6	0.6	0.7	0.7	0.7	0.7	0.7	
- Capex	7.9	8.2	8.5	11.0	11.1	11.3	11.5	11.7	11.8	12.0	12.2	12.4	12.6	
Capex in % of Sales	3.1 %	3.1 %	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	2.8	11.9	6.1	17.2	6.6	6.9	7.0	7.2	7.3	7.4	7.6	7.7	7.9	8
PV of FCF	2.7	10.6	5.0	13.2	4.7	4.6	4.3	4.1	3.9	3.7	3.5	3.3	3.1	53
share of PVs	15.19 %			40.36 %										44.45 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	40.00 %	Financial Strength	1.40
Cost of debt (after tax)	4.9 %	Liquidity (share)	1.40
Market return	7.00 %	Cyclicality	1.40
Risk free rate	1.50 %	Transparency	1.40
		Others	1.40
WACC	7.48 %	Beta	1.40

Valuation (m)

Present values 2034e	67		
Terminal Value	53		
Financial liabilities	8		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	30		
Market val. of investments	0		
Liquidity	19	No. of shares (m)	19.5
Equity Value	100	Value per share (EUR)	5.14

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Delta EBIT-margin								
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp		
1.70	8.5 %	4.11	4.17	4.24	4.31	4.39	4.47	4.56	1.70	8.5 %	2.34	2.99	3.65	4.31	4.97	5.63	6.29
1.55	8.0 %	4.45	4.52	4.61	4.69	4.79	4.89	5.01	1.55	8.0 %	2.57	3.27	3.98	4.69	5.40	6.11	6.82
1.48	7.7 %	4.63	4.72	4.81	4.91	5.01	5.13	5.26	1.48	7.7 %	2.69	3.43	4.17	4.91	5.64	6.38	7.12
1.40	7.5 %	4.83	4.93	5.03	5.14	5.26	5.39	5.53	1.40	7.5 %	2.83	3.60	4.37	5.14	5.91	6.68	7.44
1.32	7.2 %	5.05	5.15	5.26	5.39	5.52	5.67	5.83	1.32	7.2 %	2.98	3.78	4.59	5.39	6.19	6.99	7.79
1.25	7.0 %	5.28	5.40	5.52	5.66	5.81	5.98	6.16	1.25	7.0 %	3.15	3.98	4.82	5.66	6.50	7.34	8.18
1.10	6.5 %	5.80	5.95	6.11	6.29	6.48	6.70	6.95	1.10	6.5 %	3.52	4.44	5.37	6.29	7.21	8.13	9.06

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

Valuation	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	0.9 x	0.8 x	0.8 x	0.8 x	1.1 x	1.0 x	1.0 x
Book value per share ex intangibles	2.39	2.65	2.50	2.85	2.59	2.72	2.86
EV / Sales	0.3 x	0.3 x	0.3 x	0.2 x	0.3 x	0.3 x	0.3 x
EV / EBITDA	4.5 x	3.0 x	4.8 x	2.2 x	5.3 x	4.3 x	3.8 x
EV / EBIT	8.1 x	6.0 x	22.7 x	3.6 x	11.6 x	8.6 x	7.1 x
EV / EBIT adj.*	8.1 x	6.0 x	22.7 x	3.6 x	11.6 x	8.6 x	7.1 x
P / FCF	26.2 x	19.2 x	6.6 x	n.a.	41.7 x	6.7 x	14.4 x
P / E	11.2 x	7.0 x	128.6 x	7.2 x	31.7 x	22.4 x	17.3 x
P / E adj.*	11.2 x	7.0 x	128.6 x	7.2 x	31.7 x	22.4 x	17.3 x
Dividend Yield	3.4 %	n.a.	0.8 %	24.3 %	3.2 %	4.5 %	5.8 %
FCF Potential Yield (on market EV)	9.7 %	16.1 %	10.2 %	22.8 %	8.3 %	10.6 %	12.4 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	267.8	295.3	260.4	298.5	250.0	260.0	270.4
Change Sales yoy	8.1 %	10.3 %	-11.8 %	14.6 %	-16.3 %	4.0 %	4.0 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Sales	267.8	295.3	260.4	298.5	250.0	260.0	270.4
Material expenses	86.0	98.9	88.1	102.9	85.0	88.4	91.9
Gross profit	181.8	196.4	172.2	195.6	165.0	171.6	178.5
<i>Gross profit margin</i>	<i>67.9 %</i>	<i>66.5 %</i>	<i>66.1 %</i>	<i>65.5 %</i>	<i>66.0 %</i>	<i>66.0 %</i>	<i>66.0 %</i>
Personnel expenses	127.1	136.5	123.3	134.0	111.3	114.4	117.6
Other operating income	4.1	7.4	7.2	22.1	7.5	7.8	8.1
Other operating expenses	40.5	42.8	41.8	56.5	45.0	46.8	48.7
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	18.3	24.5	14.4	27.2	16.3	18.2	20.3
<i>Margin</i>	<i>6.8 %</i>	<i>8.3 %</i>	<i>5.5 %</i>	<i>9.1 %</i>	<i>6.5 %</i>	<i>7.0 %</i>	<i>7.5 %</i>
Depreciation of fixed assets	8.2	12.1	11.4	10.5	8.8	9.1	9.5
EBITA	10.1	12.4	3.0	16.7	7.5	9.1	10.8
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	10.1	12.4	3.0	16.7	7.5	9.1	10.8
<i>Margin</i>	<i>3.8 %</i>	<i>4.2 %</i>	<i>1.2 %</i>	<i>5.6 %</i>	<i>3.0 %</i>	<i>3.5 %</i>	<i>4.0 %</i>
EBIT adj.	10.1	12.4	3.0	16.7	7.5	9.1	10.8
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	1.6	1.9	1.7	1.9	1.6	1.6	1.6
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	8.4	10.5	1.3	14.9	5.9	7.5	9.2
<i>Margin</i>	<i>3.2 %</i>	<i>3.6 %</i>	<i>0.5 %</i>	<i>5.0 %</i>	<i>2.4 %</i>	<i>2.9 %</i>	<i>3.4 %</i>
Total taxes	2.9	3.0	0.1	5.1	2.1	2.6	3.2
Net income from continuing operations	5.5	7.5	1.3	9.8	3.8	4.9	6.0
Income from discontinued operations (net of tax)	0.0	-1.2	0.0	0.0	0.0	0.0	0.0
Net income before minorities	5.5	6.3	1.3	9.8	3.8	4.9	6.0
Minority interest	-0.5	0.1	-1.0	-1.5	-1.6	-1.7	-1.8
Net income	5.0	7.5	0.3	8.3	2.2	3.2	4.2
<i>Margin</i>	<i>1.9 %</i>	<i>2.6 %</i>	<i>0.1 %</i>	<i>2.8 %</i>	<i>0.9 %</i>	<i>1.2 %</i>	<i>1.5 %</i>
Number of shares, average	19.2	19.2	19.2	19.2	19.2	19.2	19.2
EPS	0.26	0.39	0.02	0.43	0.12	0.17	0.22
EPS adj.	0.26	0.39	0.02	0.43	0.12	0.17	0.22

*Adjustments made for:

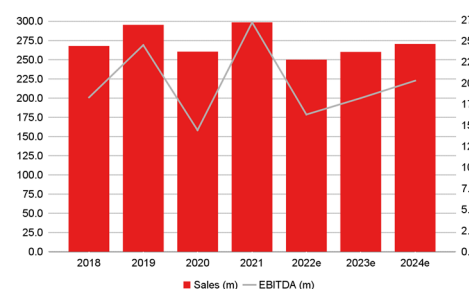
Guidance: Sales around EUR 250m, EBIT EUR 5-8m

Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	93.2 %	91.7 %	94.5 %	90.9 %	93.5 %	93.0 %	92.5 %
Operating Leverage	2.2 x	2.3 x	6.4 x	30.9 x	3.4 x	5.3 x	4.7 x
EBITDA / Interest expenses	11.3 x	13.0 x	8.5 x	14.6 x	10.2 x	11.4 x	12.7 x
Tax rate (EBT)	34.7 %	28.9 %	4.7 %	34.2 %	35.0 %	35.0 %	35.0 %
Dividend Payout Ratio	34.8 %	0.0 %	30.2 %	147.0 %	60.1 %	66.9 %	70.5 %
Sales per Employee	99,036	106,531	94,684	108,551	88,692	89,990	91,307

Sales, EBITDA

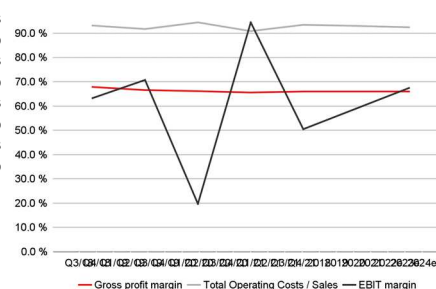
in EUR m



Source: Warburg Research

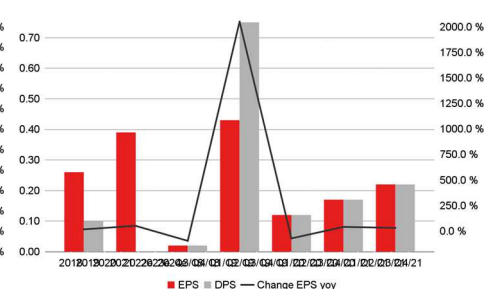
Operating Performance

in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

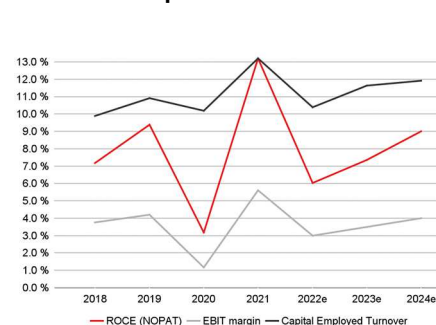
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	19.5	18.2	17.3	15.7	17.5	17.6	17.8
thereof other intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
thereof Goodwill	19.5	18.2	17.3	17.3	17.5	17.6	17.8
Property, plant and equipment	37.7	45.0	42.2	19.5	18.5	17.4	16.4
Financial assets	0.0	0.2	0.2	0.0	0.0	0.0	0.0
Other long-term assets	5.6	5.2	4.0	3.2	4.5	4.5	4.5
Fixed assets	62.8	68.6	63.7	38.4	40.5	39.6	38.7
Inventories	4.8	6.2	6.6	8.2	8.9	9.3	9.7
Accounts receivable	59.8	73.2	63.2	61.5	68.5	64.1	66.7
Liquid assets	8.5	10.0	13.2	18.7	5.3	13.1	14.2
Other short-term assets	11.9	17.3	15.0	21.1	21.8	22.4	23.1
Current assets	85.0	106.7	98.0	109.5	104.5	108.9	113.6
Total Assets	147.9	175.4	161.6	147.9	144.9	148.5	152.4
Liabilities and shareholders' equity							
Subscribed capital	19.5	19.5	19.5	19.5	19.5	19.5	19.5
Capital reserve	13.8	14.2	13.6	13.5	13.5	13.5	13.5
Retained earnings	27.8	32.3	32.7	38.7	31.9	33.6	35.5
Other equity components	4.4	3.1	-0.5	-1.2	2.2	3.2	4.2
Shareholders' equity	65.5	69.0	65.3	70.4	67.1	69.8	72.7
Minority interest	2.8	2.8	3.8	6.8	2.5	2.5	2.5
Total equity	68.3	71.8	69.2	77.3	69.6	72.3	75.2
Provisions	1.6	1.2	0.8	0.7	0.7	0.7	0.8
thereof provisions for pensions and similar obligations	0.8	0.9	0.8	0.7	0.7	0.7	0.8
Financial liabilities (total)	33.3	31.2	31.8	19.1	18.3	17.6	16.9
Short-term financial liabilities	18.1	4.9	9.3	9.2	8.9	8.6	8.4
Accounts payable	25.1	27.3	18.5	18.3	23.0	24.0	25.0
Other liabilities	19.7	44.0	41.4	32.6	33.3	33.9	34.6
Liabilities	79.7	103.6	92.5	70.7	75.3	76.3	77.3
Total liabilities and shareholders' equity	147.9	175.4	161.6	147.9	144.9	148.5	152.4

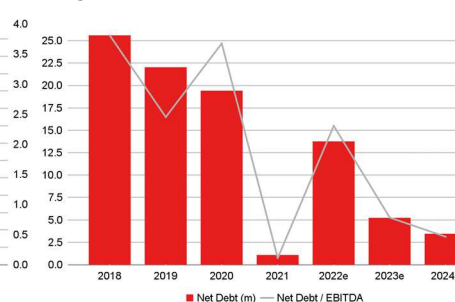
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	3.5 x	3.0 x	2.8 x	4.2 x	3.4 x	3.9 x	4.0 x
Capital Employed Turnover	2.9 x	3.1 x	2.9 x	3.8 x	3.0 x	3.4 x	3.4 x
ROA	8.0 %	11.0 %	0.5 %	21.6 %	5.5 %	8.0 %	10.8 %
Return on Capital							
ROCE (NOPAT)	7.2 %	9.4 %	3.2 %	13.2 %	6.0 %	7.4 %	9.0 %
ROE	7.9 %	11.2 %	0.5 %	12.2 %	3.3 %	4.6 %	5.9 %
Adj. ROE	7.9 %	11.2 %	0.5 %	12.2 %	3.3 %	4.6 %	5.9 %
Balance sheet quality							
Net Debt	25.6	22.0	19.4	1.1	13.8	5.2	3.5
Net Financial Debt	24.8	21.2	18.6	0.4	13.1	4.5	2.7
Net Gearing	37.5 %	30.7 %	28.1 %	1.4 %	19.8 %	7.2 %	4.6 %
Net Fin. Debt / EBITDA	135.4 %	86.3 %	129.0 %	1.5 %	80.3 %	24.7 %	13.2 %
Book Value / Share	3.4	3.6	3.4	3.7	3.5	3.6	3.8
Book value per share ex intangibles	2.4	2.6	2.5	2.9	2.6	2.7	2.9

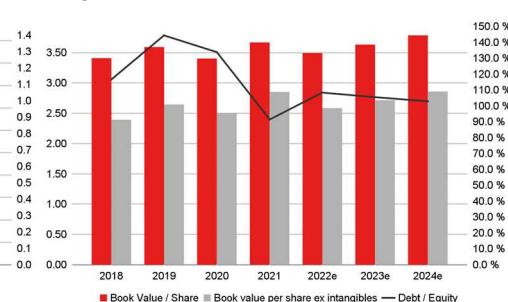
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

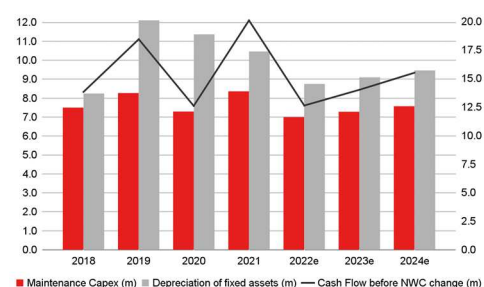
Consolidated cash flow statement

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	5.5	6.3	1.3	9.8	3.8	4.9	6.0
Depreciation of fixed assets	8.2	12.1	11.4	10.5	8.8	9.1	9.5
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
Increase/decrease in long-term provisions	0.1	0.1	0.0	-0.2	0.0	0.0	0.0
Other non-cash income and expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash Flow before NWC change	13.8	18.4	12.6	20.1	12.6	14.0	15.5
Increase / decrease in inventory	-0.8	-1.3	-0.4	-1.7	-0.7	-0.4	-0.4
Increase / decrease in accounts receivable	-2.5	-13.4	10.0	1.8	-7.0	4.4	-2.6
Increase / decrease in accounts payable	2.7	2.2	-8.8	-0.2	4.7	1.0	1.0
Increase / decrease in other working capital positions	-1.9	5.1	-1.6	-25.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-2.5	-7.5	-0.8	-25.1	-3.0	5.0	-1.9
Net cash provided by operating activities [1]	11.4	10.9	11.8	-5.0	9.6	19.0	13.6
Investments in intangible assets	0.0	0.0	0.0	0.0	-0.1	-0.1	-0.1
Investments in property, plant and equipment	-9.2	-8.2	-4.3	-4.3	-7.8	-8.1	-8.4
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.2	1.0	0.4	32.2	0.0	0.0	0.0
Net cash provided by investing activities [2]	-8.9	-7.1	-3.9	27.9	-7.9	-8.2	-8.5
Change in financial liabilities	1.0	0.7	0.6	-12.6	-0.8	-0.7	-0.7
Dividends paid	-1.6	-1.6	-0.3	3.7	-14.4	-2.3	-3.3
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-1.2	-2.2	-4.5	-9.0	0.0	0.0	0.0
Net cash provided by financing activities [3]	-1.9	-3.1	-4.3	-18.0	-15.2	-3.0	-4.0
Change in liquid funds [1]+[2]+[3]	0.6	0.7	3.6	5.0	-13.4	7.8	1.1
Effects of exchange-rate changes on cash	0.6	-0.6	-0.4	0.5	0.0	0.0	0.0
Cash and cash equivalent at end of period	9.9	10.0	13.2	18.7	5.3	13.1	14.2

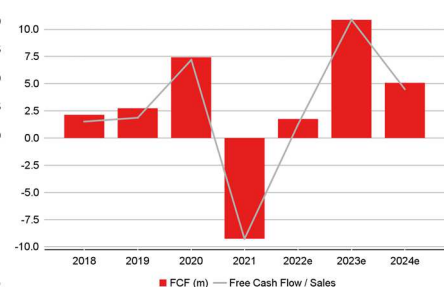
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	2.1	2.7	7.4	-9.3	1.8	10.9	5.1
Free Cash Flow / Sales	0.8 %	0.9 %	2.9 %	-3.1 %	0.7 %	4.2 %	1.9 %
Free Cash Flow Potential	7.9	12.0	7.0	13.8	7.2	8.3	9.5
Free Cash Flow / Net Profit	42.7 %	36.3 %	2443.6 %	-112.0 %	78.3 %	342.5 %	121.2 %
Interest Received / Avg. Cash	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	5.0 %	5.9 %	5.4 %	7.3 %	8.5 %	8.9 %	9.3 %
Management of Funds							
Investment ratio	3.4 %	2.8 %	1.7 %	1.4 %	3.1 %	3.1 %	3.1 %
Maint. Capex / Sales	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %	2.8 %
Capex / Dep	112.0 %	67.6 %	38.1 %	40.6 %	89.7 %	89.7 %	89.6 %
Avg. Working Capital / Sales	14.6 %	15.5 %	19.9 %	17.2 %	21.2 %	20.0 %	18.6 %
Trade Debtors / Trade Creditors	237.9 %	268.1 %	342.2 %	335.9 %	297.8 %	267.1 %	266.7 %
Inventory Turnover	17.8 x	16.0 x	13.4 x	12.5 x	9.5 x	9.5 x	9.5 x
Receivables collection period (days)	81	91	89	75	100	90	90
Payables payment period (days)	107	101	77	65	99	99	99
Cash conversion cycle (Days)	-5	12	39	39	40	29	29

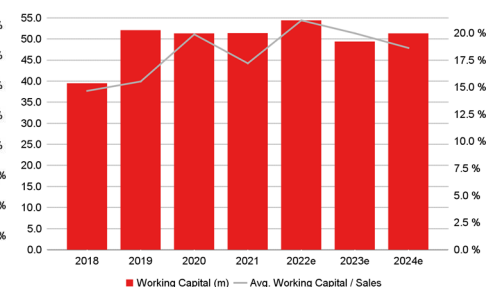
CAPEX and Cash Flow
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All **data and consensus estimates** have been obtained from FactSet except where stated otherwise.

The **Warburg ESG Risk Score** is based on information © 2020 MSCI ESG Research LLC. Reproduced by permission. Although Warburg Research's information providers, including without limitation, MSCI ESG Research LLC and its affiliates (the "ESG Parties"), obtain information (the "Information") from sources they consider reliable, none of the ESG Parties warrants or guarantees the originality, accuracy and/or completeness, of any data herein and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. The Information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for, or a component, of any financial instruments or products indices. Further, none of the Information can in and of itself be used to determine which securities to buy or sell or when to buy or sell them. None of the ESG Parties shall have any liability for any errors or omissions in connection with any data herein, or any liability for any direct, indirect, special, punitive, consequential or any other damage (including lost profits) even if notified of the possibility.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M. Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

This report has been made accessible to the company analysed.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Muehlhan AG	5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0KD0F7.htm

INVESTMENT RECOMMENDATION

Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

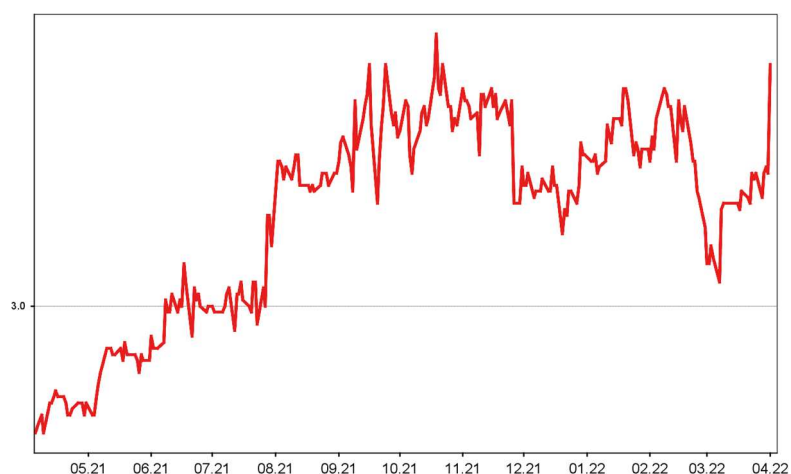
Rating	Number of stocks	% of Universe
Buy	171	81
Hold	34	16
Sell	4	2
Rating suspended	2	1
Total	211	100

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

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	51	86
Hold	5	8
Sell	1	2
Rating suspended	2	3
Total	59	100

PRICE AND RATING HISTORY MUEHLHAN AG AS OF 04.04.2022



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

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

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Jonas Blum +49 40 309537-240
Telco, Media, Construction jblum@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@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

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Mustafa Hidir +49 40 309537-230
Automobiles, Car Suppliers mhidir@warburg-research.com

Thor Höfs +49 40 309537-255
Software, IT thoefs@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate pkaiser@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

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@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

Simon Stippig +49 40 309537-265
Real Estate sstippig@warburg-research.com

Cansu Tatar +49 40 309537-248
Cap. Goods, Engineering ctatar@warburg-research.com

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

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

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

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Klaus Schilling +49 69 5050-7400
Head of Equity Sales, Germany kschilling@mmwarburg.com

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

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Alexander Eschweiler +49 40 3282-2669
Germany, Luxembourg aeschweiler@mmwarburg.com

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

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Christopher Seedorf +49 40 3282-2695
Switzerland cseedorf@mmwarburg.com

Sophie Hauer +49 69 5050-7417
Roadshow/Marketing shauer@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

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

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

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

Marcel Magiera +49 40 3282-2662
Sales Trading mmagiera@mmwarburg.com

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

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

MACRO RESEARCH

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

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

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg RESP MMWA GO
FactSet www.factset.com

Refinitiv www.refinitiv.com
Capital IQ www.capitaliq.com

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