

<b>Buy</b> <b>EUR 10.00</b>  Price <b>EUR 5.10</b> Upside <b>96.1 %</b>	<b>Value Indicators:</b> EUR DCF: 10.28	<b>Warburg ESG Risk Score: 2.9</b> ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.8 Market Liquidity Score: 1.0	<b>Description:</b> Leading provider of aesthetic medicine services in Germany
	<b>Market Snapshot:</b> EUR m Market cap: 100.2 No. of shares (m): 19.6 EV: 82.4 Freefloat MC: 32.0 Ø Trad. Vol. (30d): 59.39 th	<b>Shareholders:</b> Freefloat 31.90 % MPH Health Care AG 68.10 %	<b>Key Figures (WRe):</b> 2022e Beta: 1.5 Price / Book: 1.0 x Equity Ratio: 72 %

## Clinic network expansion remains in focus

### M1 Kliniken AG

FY end 31.12. (in EUR m)	Q2 2022 reported	Q2 2021 reported	yoy %	Q2 2022 WRe	Delta %	H1 2022 reported	H1 2021 reported	yoy %	H1 2022 WRe	Delta %
Sales	75.5	83.9	-10.0%	72.7	3.8%	139.0	164.9	-15.7%	136.2	2.0%
EBITDA	3.2	5.9	-45.8%	3.3	-2.7%	7.4	9.9	-25.3%	7.5	-1.2%
EBIT	1.7	4.5	-62.2%	1.8	-5.0%	4.5	7.1	-36.6%	4.6	-2.0%

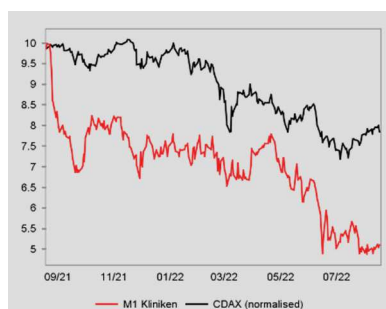
Source: Warburg Research, Company data

M1 Kliniken reported 6M figures that were similar to our expectations. Sales came in at EUR 139m, of which EUR 76m were generated in Q2 2022. This represents a sequential increase compared to Q1 sales of EUR 64m. The decline in the 6M result on a yoy basis (-16%) is explained by a reduction in sales volume at Haemato's trading business, which was affected by the considerable decrease in SARS-CoV-2 test sales after 2021 which also improved profitability in H1 2021. Because of the commoditization of Covid tests, Haemato no longer sells these products to such an extent. M1 Kliniken performed around 190k treatments in H1 2022, growing the business by 15% yoy.

Sales in the Beauty segment increased to EUR 28m (yoy: EUR 24m). The opening of five new treatment centers in H1 2022 contributed to this growth. Currently, M1 is not experiencing any significant impact from the deteriorating consumer climate and expects only minor or manageable effects on its own economic development.

In the area of foreign locations, M1 continues to pursue its expansive business approach. The number of treatments increased by more than 50% to around 30k; sales rose by around 40% yoy to around EUR 4m. Part of this development includes targeted price campaigns to increase coverage. Because of these expansion efforts, M1 Kliniken was able to add only EUR 0.1m in EBIT to Haemato's bottom line in H1 2022. The clinic network in Germany is operating within M1 Kliniken's target EBIT margin of 15-20%.

The next important news event for both M1 Kliniken and Haemato should be news regarding the cost and scope of Haemato's clinical trial for the commercial approval of its own-brand Botox product in Europe. We leave our estimates unchanged and reiterate our Buy recommendation.



### Rel. Performance vs CDAX:

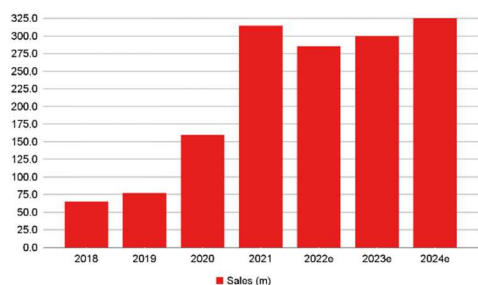
1 month:	-14.9 %
6 months:	-14.1 %
Year to date:	-12.1 %
Trailing 12 months:	-28.0 %

### Company events:

25.08.22	Q2
17.11.22	Q3

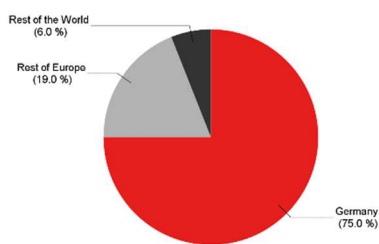
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
<b>Sales</b>	1.1 %	65.2	77.2	159.6	314.6	285.6	299.8	325.1
Change Sales yoy		38.2 %	18.4 %	106.7 %	97.1 %	-9.2 %	4.9 %	8.5 %
Gross profit margin		35.2 %	40.9 %	23.0 %	17.6 %	17.8 %	18.0 %	20.0 %
<b>EBITDA</b>	10.3 %	7.2	11.3	8.9	17.9	16.2	18.9	24.0
Margin		11.0 %	14.7 %	5.6 %	5.7 %	5.7 %	6.3 %	7.4 %
<b>EBIT</b>	11.6 %	6.5	7.9	4.3	12.3	10.5	12.8	17.1
Margin		9.9 %	10.3 %	2.7 %	3.9 %	3.7 %	4.3 %	5.2 %
<b>Net income</b>	3.2 %	6.6	9.7	6.8	9.0	5.5	7.0	9.9
<b>EPS</b>	3.5 %	0.38	0.56	0.36	0.46	0.28	0.35	0.51
<b>DPS</b>	-	0.28	0.30	0.00	0.00	0.00	0.00	0.00
Dividend Yield		1.9 %	2.3 %	n.a.	n.a.	n.a.	n.a.	n.a.
<b>FCFPS</b>		0.04	-0.39	0.43	0.73	0.07	0.05	0.18
<b>FCF / Market cap</b>		0.2 %	-2.9 %	4.0 %	7.9 %	1.4 %	1.0 %	3.4 %
<b>EV / Sales</b>		3.5 x	2.9 x	1.3 x	0.5 x	0.3 x	0.3 x	0.3 x
<b>EV / EBITDA</b>		32.3 x	19.7 x	23.3 x	9.1 x	5.1 x	4.4 x	3.4 x
<b>EV / EBIT</b>		35.8 x	28.1 x	47.6 x	13.3 x	7.9 x	6.5 x	4.8 x
<b>P / E</b>		38.6 x	23.7 x	30.1 x	20.1 x	18.2 x	14.6 x	10.0 x
<b>FCF Potential Yield</b>		2.5 %	3.7 %	3.6 %	8.7 %	16.7 %	19.0 %	24.4 %
<b>Net Debt</b>		-25.2	-9.0	5.4	-18.7	-17.8	-17.1	-18.8
<b>ROCE (NOPAT)</b>		14.8 %	12.4 %	4.1 %	7.7 %	6.3 %	7.3 %	9.1 %
<b>Guidance:</b>	n.a.							

**Sales development**  
in EUR m



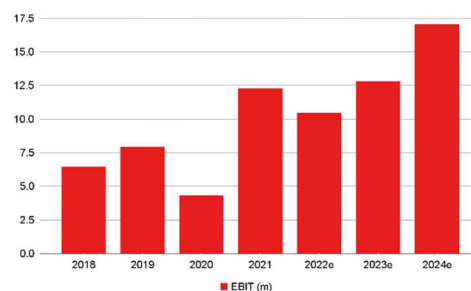
Source: Company data, Warburg Research

**Sales by regions**  
2021; in %



Source: Company data, Warburg Research

**EBIT development**  
in EUR m



Source: Company data, Warburg Research

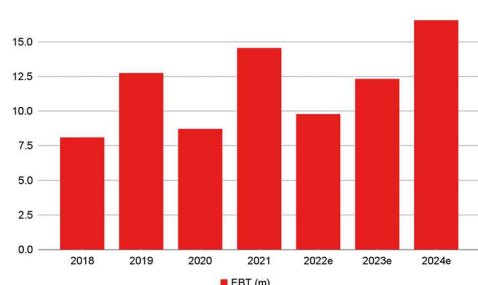
**Company Background**

- M1 Kliniken opened its first clinic in 2012 in Berlin and has since then expanded to over 50 clinics in the EU and Australia with a clear focus on Germany. In 2021 it performed over 340k treatments
- M1 Kliniken has established itself as high-quality and low-cost beauty brand in Germany and intends to double its footprint within the next three years.
- With a clear focus on injection-based beauty treatments such as hyaluronic acid and botulinum toxin at a competitive price, M1 is active in a fast-growing market segment.
- After the acquisition of Haemato, M1 Kliniken now has a clear separation between services and products. Haemato focusses on the cost-efficient procurement of beauty products for M1's services.

**Competitive Quality**

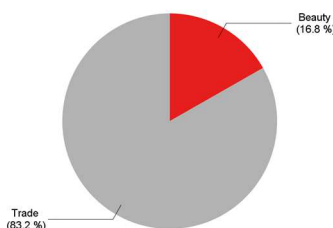
- With over 50 clinics in Germany, other parts of Europe and Australia, M1 Kliniken is the market leader in the European beauty treatment market and has established itself as a high-quality brand.
- M1 Kliniken puts great emphasis on training its ca. 100 surgeons and doctors to treat patients in accordance with the highest standards. Doctors are specialized experts in aesthetic treatments
- Due to high utilization of clinics, a large integrated value chain and economies of scale, M1 Kliniken is able to offer its services to customers at highly competitive prices (up to 50% discount)
- The acquisition of Haemato enables each company to concentrate on its respective field of expertise and allows for the direct use of Haemato's product development know-how.

**EBT development**  
in EUR m



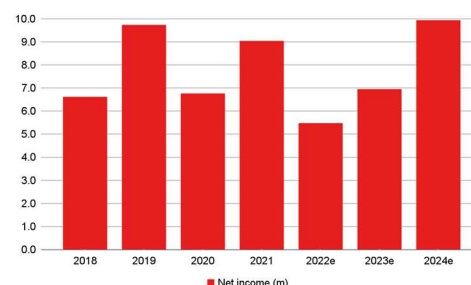
Source: Company data, Warburg Research

**Sales by segments**  
2021; in %



Source: Company data, Warburg Research

**Net income development**  
in EUR m



Source: Company data, 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	285.6	299.8	325.1	349.2	373.6	403.5	427.7	449.1	467.1	481.1	493.1	503.0	513.1	
Sales change	-9.2 %	4.9 %	8.5 %	7.4 %	7.0 %	8.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.5 %	2.0 %	2.0 %	2.0 %
EBIT	10.5	12.8	17.1	21.0	26.2	30.3	32.1	33.7	35.0	36.1	37.0	37.7	38.5	
EBIT-margin	3.7 %	4.3 %	5.2 %	6.0 %	7.0 %	7.5 %	7.5 %	7.5 %	7.5 %	7.5 %	7.5 %	7.5 %	7.5 %	
Tax rate (EBT)	25.0 %	25.0 %	25.0 %	25.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	27.0 %	
NOPAT	7.9	9.6	12.8	15.7	19.1	22.1	23.4	24.6	25.6	26.3	27.0	27.5	28.1	
Depreciation	5.7	6.1	7.0	7.6	7.5	8.1	8.6	9.0	7.0	7.2	7.4	7.5	7.7	
in % of Sales	2.0 %	2.0 %	2.1 %	2.2 %	2.0 %	2.0 %	2.0 %	2.0 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	
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	5.6	1.9	3.5	3.3	-2.5	-0.4	2.7	2.4	2.0	1.5	1.3	1.1	1.1	
- Capex	6.0	12.5	12.5	10.2	7.5	6.1	6.4	6.7	7.0	7.2	7.4	7.5	7.7	
Capex in % of Sales	2.1 %	4.2 %	3.8 %	2.9 %	2.0 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	
- Other	1.9	2.3	2.5	2.9	3.4	3.6	3.8	4.0	4.2	4.3	4.4	4.5	4.6	
Free Cash Flow (WACC Model)	0.1	-1.0	1.3	7.0	18.3	20.9	19.0	20.4	19.4	20.5	21.2	21.9	22.4	23
PV of FCF	0.1	-0.9	1.1	5.2	12.4	13.0	10.8	10.6	9.2	8.9	8.4	8.0	7.4	104
share of PVs	0.14 %			47.49 %										52.37 %

## Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	1.50
Cost of debt (after tax)	4.4 %	Liquidity (share)	1.50
Market return	8.25 %	Cyclicality	1.50
Risk free rate	2.75 %	Transparency	1.50
		Others	1.50
<b>WACC</b>	<b>9.35 %</b>	<b>Beta</b>	<b>1.50</b>

## Valuation (m)

Present values 2034e	94		
Terminal Value	104		
Financial liabilities	19		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	45		
Market val. of investments	30		
Liquidity	38	No. of shares (m)	19.6
<b>Equity Value</b>	<b>202</b>	<b>Value per share (EUR)</b>	<b>10.28</b>

## 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
1.74	10.3 %	8.49	8.60	8.71	8.83	8.96	9.10	9.24	1.74	10.3 %	6.18	7.06	7.95	8.83	9.72	10.60	11.49
1.62	9.8 %	9.10	9.23	9.36	9.51	9.66	9.82	10.00	1.62	9.8 %	6.68	7.62	8.56	9.51	10.45	11.39	12.33
1.56	9.6 %	9.43	9.57	9.72	9.88	10.05	10.23	10.42	1.56	9.6 %	6.96	7.93	8.90	9.88	10.85	11.83	12.80
1.50	9.3 %	9.79	9.94	10.10	10.28	10.46	10.66	10.88	1.50	9.3 %	7.25	8.26	9.27	10.28	11.28	12.29	13.30
1.44	9.1 %	10.17	10.33	10.51	10.70	10.91	11.13	11.37	1.44	9.1 %	7.57	8.61	9.66	10.70	11.75	12.79	13.83
1.38	8.8 %	10.57	10.75	10.95	11.16	11.39	11.63	11.90	1.38	8.8 %	7.91	9.00	10.08	11.16	12.24	13.33	14.41
1.26	8.3 %	11.47	11.69	11.93	12.19	12.47	12.77	13.11	1.26	8.3 %	8.68	9.85	11.02	12.19	13.36	14.53	15.70

- Capex includes setup costs of new centres
- Depreciation mainly characterized by Right-of-Use assets
- The line "Other" reflects the share in profits payable to Haemato's minority shareholders.

Valuation	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	4.0 x	3.4 x	2.4 x	1.9 x	1.0 x	0.9 x	0.8 x
Book value per share ex intangibles	3.17	3.42	2.41	1.77	2.10	2.32	2.68
EV / Sales	3.5 x	2.9 x	1.3 x	0.5 x	0.3 x	0.3 x	0.3 x
EV / EBITDA	32.3 x	19.7 x	23.3 x	9.1 x	5.1 x	4.4 x	3.4 x
EV / EBIT	35.8 x	28.1 x	47.6 x	13.3 x	7.9 x	6.5 x	4.8 x
EV / EBIT adj.*	35.8 x	28.1 x	47.6 x	13.3 x	7.9 x	6.5 x	4.8 x
P / FCF	413.8 x	n.a.	25.0 x	12.7 x	71.5 x	103.7 x	29.1 x
P / E	38.6 x	23.7 x	30.1 x	20.1 x	18.2 x	14.6 x	10.0 x
P / E adj.*	38.6 x	23.7 x	30.1 x	20.1 x	18.2 x	14.6 x	10.0 x
Dividend Yield	1.9 %	2.3 %	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	2.5 %	3.7 %	3.6 %	8.7 %	16.7 %	19.0 %	24.4 %

\*Adjustments made for: -

## Consolidated profit & loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
<b>Sales</b>	<b>65.2</b>	<b>77.2</b>	<b>159.6</b>	<b>314.6</b>	<b>285.6</b>	<b>299.8</b>	<b>325.1</b>
Change Sales yoy	38.2 %	18.4 %	106.7 %	97.1 %	-9.2 %	4.9 %	8.5 %
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
<b>Total Sales</b>	<b>65.2</b>	<b>77.2</b>	<b>159.6</b>	<b>314.6</b>	<b>285.6</b>	<b>299.8</b>	<b>325.1</b>
Material expenses	42.3	45.6	122.8	259.3	234.8	245.7	259.9
<b>Gross profit</b>	<b>22.9</b>	<b>31.6</b>	<b>36.8</b>	<b>55.3</b>	<b>50.8</b>	<b>54.1</b>	<b>65.2</b>
<i>Gross profit margin</i>	<i>35.2 %</i>	<i>40.9 %</i>	<i>23.0 %</i>	<i>17.6 %</i>	<i>17.8 %</i>	<i>18.0 %</i>	<i>20.0 %</i>
Personnel expenses	9.4	12.6	16.7	22.1	21.3	22.5	26.9
Other operating income	0.2	0.3	0.7	0.9	1.0	1.0	1.1
Other operating expenses	6.5	7.9	11.9	16.2	14.3	13.7	15.3
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>7.2</b>	<b>11.3</b>	<b>8.9</b>	<b>17.9</b>	<b>16.2</b>	<b>18.9</b>	<b>24.0</b>
<i>Margin</i>	<i>11.0 %</i>	<i>14.7 %</i>	<i>5.6 %</i>	<i>5.7 %</i>	<i>5.7 %</i>	<i>6.3 %</i>	<i>7.4 %</i>
Depreciation of fixed assets	0.7	1.3	3.9	4.8	4.7	5.1	5.8
<b>EBITA</b>	<b>6.5</b>	<b>10.1</b>	<b>5.0</b>	<b>13.1</b>	<b>11.5</b>	<b>13.8</b>	<b>18.2</b>
Amortisation of intangible assets	0.0	0.1	0.6	0.8	1.0	1.0	1.2
Goodwill amortisation	0.0	2.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>6.5</b>	<b>7.9</b>	<b>4.3</b>	<b>12.3</b>	<b>10.5</b>	<b>12.8</b>	<b>17.1</b>
<i>Margin</i>	<i>9.9 %</i>	<i>10.3 %</i>	<i>2.7 %</i>	<i>3.9 %</i>	<i>3.7 %</i>	<i>4.3 %</i>	<i>5.2 %</i>
<b>EBIT adj.</b>	<b>6.5</b>	<b>7.9</b>	<b>4.3</b>	<b>12.3</b>	<b>10.5</b>	<b>12.8</b>	<b>17.1</b>
Interest income	0.2	0.1	0.3	0.7	0.4	0.4	0.4
Interest expenses	0.0	0.3	0.7	0.9	1.1	0.9	0.9
Other financial income (loss)	1.5	-1.5	8.5	2.5	0.0	0.0	0.0
<b>EBT</b>	<b>8.1</b>	<b>12.8</b>	<b>8.7</b>	<b>14.6</b>	<b>9.8</b>	<b>12.3</b>	<b>16.6</b>
<i>Margin</i>	<i>12.4 %</i>	<i>16.5 %</i>	<i>5.5 %</i>	<i>4.6 %</i>	<i>3.4 %</i>	<i>4.1 %</i>	<i>5.1 %</i>
Total taxes	1.5	3.0	1.4	3.5	2.4	3.1	4.1
<b>Net income from continuing operations</b>	<b>6.6</b>	<b>9.7</b>	<b>7.4</b>	<b>11.0</b>	<b>7.3</b>	<b>9.2</b>	<b>12.4</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income before minorities</b>	<b>6.6</b>	<b>9.7</b>	<b>7.4</b>	<b>11.0</b>	<b>7.3</b>	<b>9.2</b>	<b>12.4</b>
Minority interest	0.0	0.0	0.6	2.0	1.9	2.3	2.5
<b>Net income</b>	<b>6.6</b>	<b>9.7</b>	<b>6.8</b>	<b>9.0</b>	<b>5.5</b>	<b>7.0</b>	<b>9.9</b>
<i>Margin</i>	<i>10.2 %</i>	<i>12.6 %</i>	<i>4.2 %</i>	<i>2.9 %</i>	<i>1.9 %</i>	<i>2.3 %</i>	<i>3.1 %</i>
Number of shares, average	17.5	17.5	18.6	19.6	19.6	19.6	19.6
<b>EPS</b>	<b>0.38</b>	<b>0.56</b>	<b>0.36</b>	<b>0.46</b>	<b>0.28</b>	<b>0.35</b>	<b>0.51</b>
EPS adj.	0.38	0.56	0.36	0.46	0.28	0.35	0.51

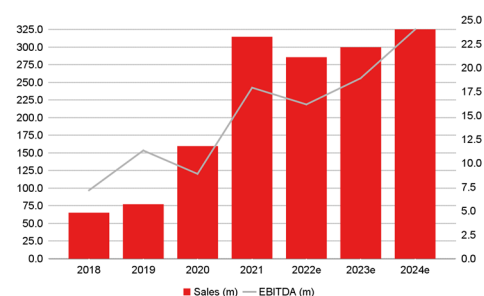
\*Adjustments made for:

Guidance: n.a.

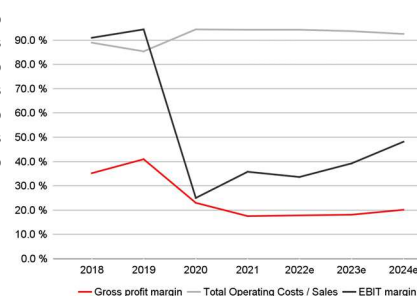
## Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	89.0 %	85.3 %	94.4 %	94.3 %	94.3 %	93.7 %	92.6 %
Operating Leverage	0.3 x	1.2 x	-0.4 x	1.9 x	1.6 x	4.5 x	3.9 x
EBITDA / Interest expenses	n.a.	33.1 x	12.3 x	19.5 x	15.0 x	21.2 x	27.0 x
Tax rate (EBT)	18.3 %	23.6 %	15.5 %	24.3 %	25.0 %	25.0 %	25.0 %
Dividend Payout Ratio	74.8 %	53.9 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	360,265	327,186	372,874	898,857	816,054	856,434	928,893

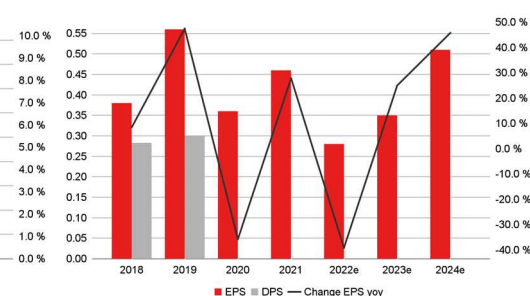
### Sales, EBITDA in EUR m



### Operating Performance in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

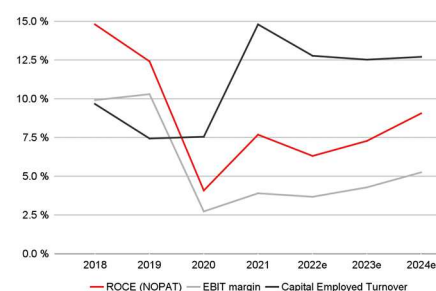
## Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
<b>Assets</b>							
Goodwill and other intangible assets	8.3	8.5	38.3	60.4	59.3	63.3	67.2
thereof other intangible assets	0.3	0.4	4.0	26.0	24.9	28.9	32.8
thereof Goodwill	8.0	8.0	34.4	34.4	34.4	34.4	34.4
Property, plant and equipment	5.5	16.0	15.8	15.3	16.6	19.0	20.7
Financial assets	11.1	9.0	12.0	12.0	12.5	13.0	13.5
Other long-term assets	0.1	0.1	0.2	0.3	0.3	0.3	0.3
<b>Fixed assets</b>	<b>24.9</b>	<b>33.5</b>	<b>66.3</b>	<b>87.9</b>	<b>88.7</b>	<b>95.6</b>	<b>101.6</b>
Inventories	1.4	1.5	42.3	35.2	32.0	33.5	36.4
Accounts receivable	16.7	22.2	20.5	16.3	23.5	24.6	26.7
Liquid assets	25.4	9.1	22.0	37.9	36.9	36.3	38.0
Other short-term assets	1.2	26.4	37.6	20.8	20.8	20.8	20.8
<b>Current assets</b>	<b>44.7</b>	<b>59.3</b>	<b>122.4</b>	<b>110.2</b>	<b>113.3</b>	<b>115.2</b>	<b>121.9</b>
<b>Total Assets</b>	<b>69.6</b>	<b>92.8</b>	<b>188.7</b>	<b>198.1</b>	<b>201.9</b>	<b>210.8</b>	<b>223.5</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	17.5	17.5	19.6	19.6	19.6	19.6	19.6
Capital reserve	28.0	28.0	49.9	49.9	49.9	49.9	49.9
Retained earnings	18.2	22.7	28.0	37.4	41.0	46.9	55.6
Other equity components	0.0	0.0	-11.8	-11.8	-10.0	-7.6	-5.2
Shareholders' equity	63.7	68.2	85.8	95.1	100.6	108.8	119.9
Minority interest	0.0	0.0	29.6	44.9	44.9	44.9	44.9
<b>Total equity</b>	<b>63.7</b>	<b>68.2</b>	<b>115.3</b>	<b>140.0</b>	<b>145.5</b>	<b>153.7</b>	<b>164.8</b>
Provisions	0.7	2.1	3.5	3.8	3.8	3.8	3.8
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	0.2	0.1	27.4	19.2	19.2	19.2	19.2
Short-term financial liabilities	0.0	0.0	22.3	14.8	14.8	14.8	14.8
Accounts payable	0.9	7.8	15.8	12.8	11.7	12.2	13.3
Other liabilities	4.1	14.7	26.7	22.2	21.7	22.0	22.4
<b>Liabilities</b>	<b>5.8</b>	<b>24.6</b>	<b>73.4</b>	<b>58.0</b>	<b>56.4</b>	<b>57.1</b>	<b>58.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>69.6</b>	<b>92.8</b>	<b>188.7</b>	<b>198.1</b>	<b>201.9</b>	<b>210.8</b>	<b>223.5</b>

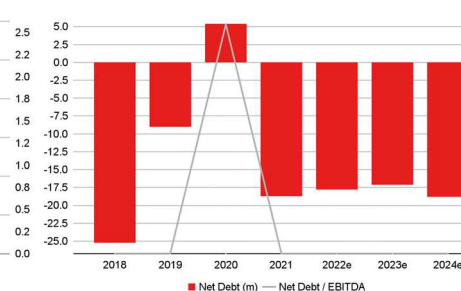
## Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	2.9 x	2.5 x	2.9 x	6.5 x	5.2 x	5.0 x	5.0 x
Capital Employed Turnover	1.7 x	1.3 x	1.3 x	2.6 x	2.2 x	2.2 x	2.2 x
ROA	26.6 %	29.1 %	10.2 %	10.3 %	6.2 %	7.3 %	9.8 %
<b>Return on Capital</b>							
ROCE (NOPAT)	14.8 %	12.4 %	4.1 %	7.7 %	6.3 %	7.3 %	9.1 %
ROE	11.9 %	14.8 %	8.8 %	10.0 %	5.6 %	6.6 %	8.7 %
Adj. ROE	11.9 %	14.8 %	8.8 %	10.0 %	5.6 %	6.6 %	8.7 %
<b>Balance sheet quality</b>							
Net Debt	-25.2	-9.0	5.4	-18.7	-17.8	-17.1	-18.8
Net Financial Debt	-25.2	-9.0	5.4	-18.7	-17.8	-17.1	-18.8
Net Gearing	-39.6 %	-13.2 %	4.7 %	-13.4 %	-12.2 %	-11.1 %	-11.4 %
Net Fin. Debt / EBITDA	n.a.	n.a.	60.7 %	n.a.	n.a.	n.a.	n.a.
Book Value / Share	3.6	3.9	4.4	4.8	5.1	5.5	6.1
Book value per share ex intangibles	3.2	3.4	2.4	1.8	2.1	2.3	2.7

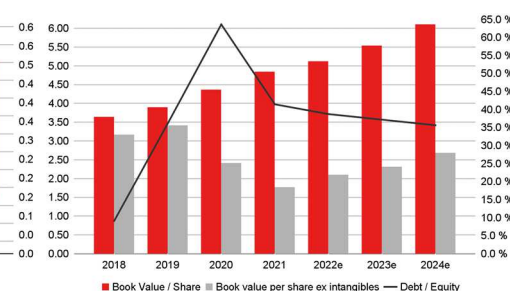
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

### Consolidated cash flow statement

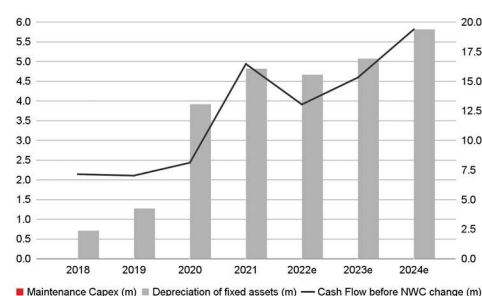
In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	6.6	9.7	7.4	10.8	7.3	9.2	12.4
Depreciation of fixed assets	0.7	1.3	3.9	4.8	4.7	5.1	5.8
Amortisation of goodwill	0.0	2.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.1	0.6	0.8	1.0	1.0	1.2
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other non-cash income and expenses	-0.2	-6.1	-3.8	0.0	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>7.1</b>	<b>7.0</b>	<b>8.1</b>	<b>16.5</b>	<b>13.0</b>	<b>15.3</b>	<b>19.4</b>
Increase / decrease in inventory	0.0	-0.1	-4.5	7.1	3.2	-1.5	-2.9
Increase / decrease in accounts receivable	-5.4	-19.3	3.7	4.2	-7.2	-1.1	-2.1
Increase / decrease in accounts payable	1.2	7.0	2.2	-4.5	-1.7	0.7	1.5
Increase / decrease in other working capital positions	0.0	0.0	0.0	-7.6	0.0	0.0	0.0
Increase / decrease in working capital (total)	-4.2	-12.5	1.4	-0.8	-5.6	-1.9	-3.5
<b>Net cash provided by operating activities [1]</b>	<b>2.9</b>	<b>-5.4</b>	<b>9.5</b>	<b>15.7</b>	<b>7.4</b>	<b>13.5</b>	<b>15.9</b>
Investments in intangible assets	-0.2	-0.3	-0.5	-0.3	0.0	-5.0	-5.0
Investments in property, plant and equipment	-2.1	-1.1	-0.9	-1.0	-2.4	-3.0	-3.0
Payments for acquisitions	0.0	0.7	2.2	0.2	0.0	0.0	0.0
Financial investments	-1.3	-4.2	2.2	0.0	-0.5	-0.5	-0.5
Income from asset disposals	1.6	1.5	0.2	1.4	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>-1.9</b>	<b>-3.3</b>	<b>3.1</b>	<b>0.2</b>	<b>-6.5</b>	<b>-13.0</b>	<b>-13.0</b>
Change in financial liabilities	0.1	0.0	3.7	-4.2	0.0	0.0	0.0
Dividends paid	-5.0	-5.3	-0.1	-1.7	-1.8	-1.1	-1.2
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	14.8	0.0	0.0	14.5	0.0	0.0	0.0
Other	-0.1	-2.4	-7.4	-4.6	0.0	0.0	0.0
<b>Net cash provided by financing activities [3]</b>	<b>9.8</b>	<b>-7.6</b>	<b>-3.8</b>	<b>4.0</b>	<b>-1.8</b>	<b>-1.1</b>	<b>-1.2</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>10.8</b>	<b>-16.4</b>	<b>8.9</b>	<b>20.0</b>	<b>-0.9</b>	<b>-0.7</b>	<b>1.7</b>
Effects of exchange-rate changes on cash	0.0	0.0	4.0	-4.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	25.5	9.0	22.0	37.9	36.9	36.3	38.0

### Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
<b>Cash Flow</b>							
FCF	0.6	-6.8	8.1	14.4	1.4	1.0	3.4
Free Cash Flow / Sales	1.0 %	-8.8 %	5.1 %	4.6 %	0.5 %	0.3 %	1.1 %
Free Cash Flow Potential	5.7	8.3	7.5	14.2	13.7	15.8	19.9
Free Cash Flow / Net Profit	9.4 %	-69.5 %	119.2 %	159.1 %	25.6 %	13.9 %	34.6 %
Interest Received / Avg. Cash	0.8 %	0.5 %	2.0 %	2.2 %	1.1 %	1.1 %	1.1 %
Interest Paid / Avg. Debt	0.0 %	289.8 %	5.3 %	3.9 %	5.6 %	4.7 %	4.7 %
<b>Management of Funds</b>							
Investment ratio	3.6 %	1.7 %	0.9 %	0.4 %	0.8 %	2.7 %	2.5 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	327.7 %	39.6 %	31.8 %	23.7 %	42.1 %	131.8 %	114.7 %
Avg. Working Capital / Sales	20.3 %	20.8 %	17.3 %	11.6 %	12.6 %	13.2 %	13.0 %
Trade Debtors / Trade Creditors	1845.4 %	286.0 %	129.3 %	127.0 %	200.9 %	201.6 %	200.8 %
Inventory Turnover	30.1 x	30.0 x	2.9 x	7.4 x	7.3 x	7.3 x	7.1 x
Receivables collection period (days)	94	105	47	19	30	30	30
Payables payment period (days)	8	62	47	18	18	18	19
Cash conversion cycle (Days)	94	50	105	43	54	54	54

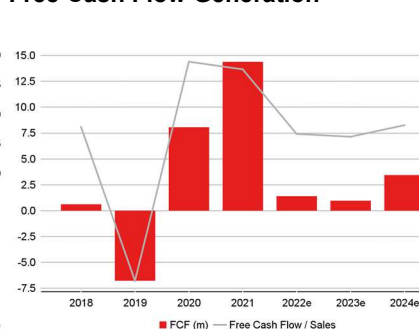
### CAPEX and Cash Flow

in EUR m



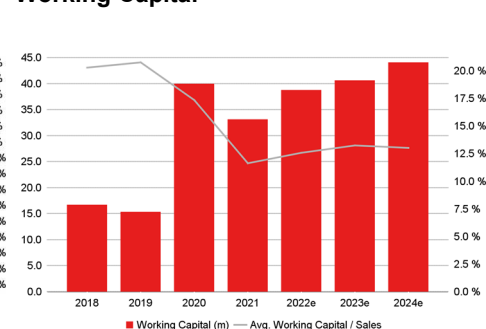
Source: Warburg Research

### Free Cash Flow Generation



Source: Warburg Research

### Working Capital



Source: Warburg Research



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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
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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-	<b>Buy:</b>	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	<b>Hold:</b>	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	<b>Sell:</b>	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	<b>Rating suspended:</b>	The available information currently does not permit an evaluation of the company.

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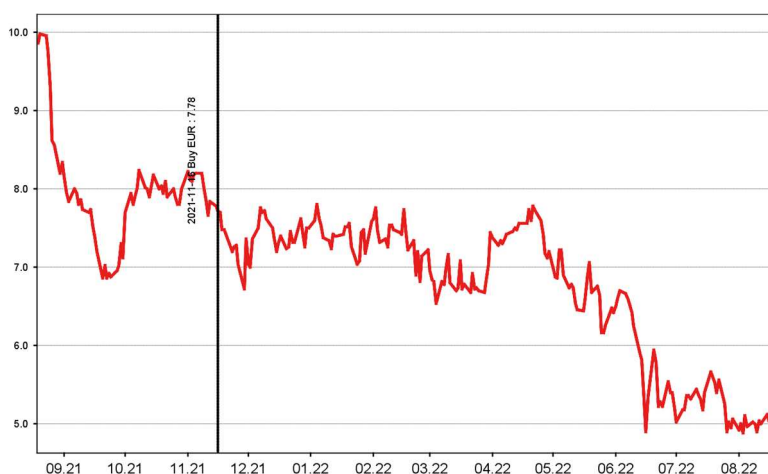
Rating	Number of stocks	% of Universe
Buy	162	75
Hold	46	21
Sell	4	2
Rating suspended	3	1
<b>Total</b>	<b>215</b>	<b>100</b>

## 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	49	83
Hold	8	14
Sell	0	0
Rating suspended	2	3
<b>Total</b>	<b>59</b>	<b>100</b>

## PRICE AND RATING HISTORY M1 KLINIKEN AS OF 18.08.2022



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.

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## Our research can be found under:

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