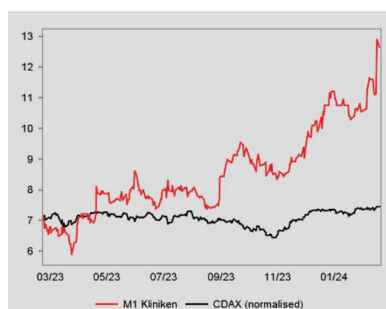


<b>Buy</b> <b>EUR 15.50</b> (EUR 13.30)  Price <b>EUR 12.65</b> <b>Upside 22.5 %</b>	<b>Value Indicators:</b> EUR DCF: 15.53	<b>Warburg ESG Risk Score: 3.0</b> ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.0	<b>Description:</b> Leading provider of aesthetic medicine services in Germany
	<b>Market Snapshot:</b> EUR m Market cap: 248.5 No. of shares (m): 19.6 EV: 234.0 Freefloat MC: 79.3 Ø Trad. Vol. (30d): 237.08 th	<b>Shareholders:</b> Freefloat 31.90 % MPH Health Care AG 68.10 %	<b>Key Figures (WRe):</b> 2024e Beta: 1.5 Price / Book: 2.4 x Equity Ratio: 74 %

## Private equity expresses interest in M1 Kliniken; Model update

- The company has announced that an unnamed US investment bank has approached M1 Kliniken, expressing interest by private equity in the company's beauty segment. According to M1 Kliniken, comparable transactions have been closed at 30x EV/EBITDA multiples. Based on our FY 2024 EBITDA estimate of EUR 27.4m, this would then correspond to an EV of EUR 822m (WRe EUR 6m debt FY 2024). Given the current market capitalization, such a price tag could be very attractive for investors.
- In similar fashion, the company stated that the current FY 2024 EBITDA estimate of around EUR 27m, is in line with management expectations.
- Model update:** we have rolled our model forward and have fine-tuned our estimates for 2024 and beyond. We forecast an average treatment growth rate of 16% from 2024 until 2026, mainly driven by improvements in utilization rates and increased numbers of doctors per treatment centre. We expect M1 Kliniken to grow its clinic network to 85 sites in 2026 and focus on improving site utilization after the recent and ongoing site expansion which features an emphasis on Eastern Europe.
- Investment in beauty sector is heating up:** in May 2023, M1 Kliniken's US peer Skin Pharm received a minority investment of USD 15m from Prelude growth partners to fund its expansion. According to McKinsey in 2021, approx. USD 3.1bn in private equity capital had been invested across 400 beauty-sector transactions in the last five years. In June 2023, KKR portfolio company Skinspirit (39 clinics in the US) snapped up Contempo Aesthetics. In January 2023, Carlyle group acquired a majority stake in Indian beauty care and wellness solutions provider VLCC for USD 300m at 14.7x EBITDA according to Intrepid Beauty Care M&A Report Q1 23.
- Given the high fragmentation rate of the beauty market, the sector is ripe for consolidation. A well-established service provider such as M1 Kliniken with a known brand would certainly be able to attract interest to gain a sizeable footing in the European market. We raise our PT on an updated model and stick to our Buy rating.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -	
Sales	346.2	0.4 %	362.1	0.8 %	n.a.	n.m.	<ul style="list-style-type: none"> <li>Improvement in gross margins and EBIT margins on continued economies of scale</li> <li>Fine-tuning of estimates</li> </ul>
EBITDA	27.1	1.2 %	33.3	2.7 %	n.a.	n.m.	
EBIT	19.6	1.6 %	25.4	3.5 %	n.a.	n.m.	

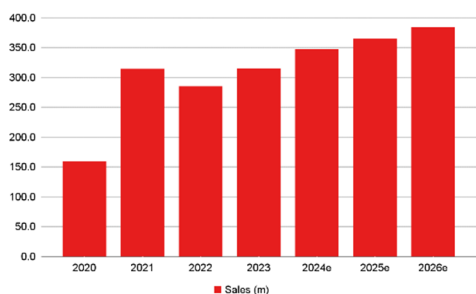


Rel. Performance vs CDAX:	
1 month:	19.3 %
6 months:	61.9 %
Year to date:	11.6 %
Trailing 12 months:	73.6 %

Company events:	
18.04.24	Prel. FY 2023
23.05.24	FY 2023
06.06.24	Q1
17.07.24	AGM

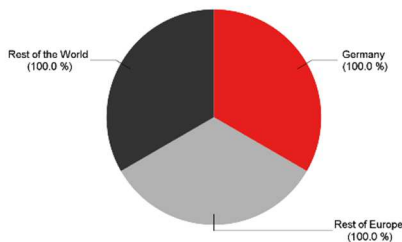
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	6.9 %	159.6	314.6	285.3	314.9	347.5	365.1	384.3
Change Sales yoy		106.7 %	97.1 %	-9.3 %	10.4 %	10.4 %	5.0 %	5.3 %
Gross profit margin		23.0 %	17.6 %	18.5 %	20.1 %	21.0 %	23.1 %	25.4 %
EBITDA	20.6 %	8.9	17.9	15.4	22.4	27.4	34.2	39.4
Margin		5.6 %	5.7 %	5.4 %	7.1 %	7.9 %	9.4 %	10.2 %
EBIT	27.1 %	4.3	12.3	9.3	15.6	19.9	26.3	32.0
Margin		2.7 %	3.9 %	3.2 %	4.9 %	5.7 %	7.2 %	8.3 %
Net income	32.2 %	6.8	9.0	4.3	8.4	11.5	15.5	19.5
EPS	32.0 %	0.36	0.46	0.22	0.43	0.58	0.79	0.99
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		0.43	0.73	0.97	0.14	0.32	0.75	0.92
FCF / Market cap		4.0 %	7.9 %	16.1 %	1.7 %	2.5 %	5.9 %	7.3 %
EV / Sales		1.3 x	0.5 x	0.3 x	0.5 x	0.7 x	0.6 x	0.5 x
EV / EBITDA		23.3 x	9.1 x	5.8 x	6.5 x	8.5 x	6.6 x	5.4 x
EV / EBIT		47.6 x	13.3 x	9.7 x	9.3 x	11.7 x	8.5 x	6.6 x
P / E		30.1 x	20.1 x	27.4 x	18.8 x	21.8 x	16.0 x	12.8 x
FCF Potential Yield		3.6 %	8.7 %	13.7 %	12.3 %	9.1 %	11.7 %	14.0 %
Net Debt		5.4	-18.7	-29.2	-14.1	-14.5	-23.9	-37.2
ROCE (NOPAT)		4.1 %	7.7 %	5.4 %	9.1 %	10.6 %	13.2 %	15.3 %
Guidance:	n.a.							

**Sales development**  
in EUR m



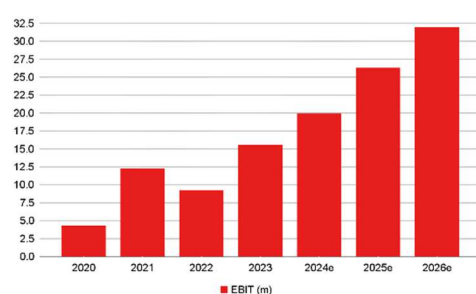
Source: Company data, Warburg Research

**Sales by regions**  
2023; in %



Source: Company data, Warburg Research

**EBIT development**  
in EUR m



Source: Company data, Warburg Research

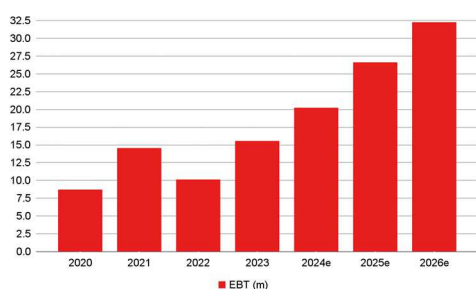
**Company Background**

- 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**

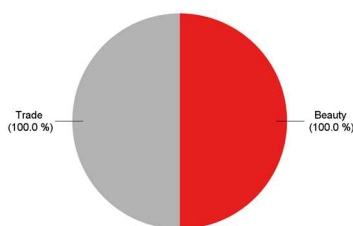
- With over 50 clinics in Germany, other parts of Europe and Australia, M1 Kliniken is the market leader in the European beauty treatment market and has established itself as a high-quality brand.
- M1 Kliniken puts great emphasis on training its ca. 100 surgeons and doctors to treat patients in accordance 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



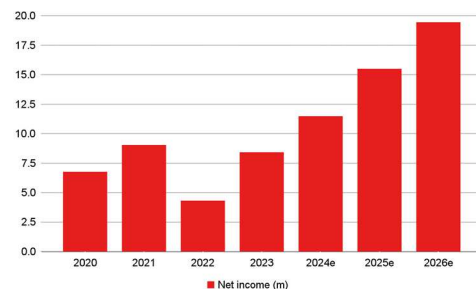
Source: Company data, Warburg Research

**Sales by segments**  
2023; 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
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	347.5	365.1	384.3	413.1	439.9	466.3	494.3	519.0	539.8	556.0	569.9	581.3	n.a.	2.0 %
Sales change	10.4 %	5.0 %	5.3 %	7.5 %	6.5 %	6.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.5 %	2.0 %	n.a.	
EBIT	19.9	26.3	32.0	38.5	41.0	43.5	46.1	48.4	50.3	51.8	53.1	54.2	n.a.	n.a.
EBIT-margin	5.7 %	7.2 %	8.3 %	9.3 %	9.3 %	9.3 %	9.3 %	9.3 %	9.3 %	9.3 %	9.3 %	9.3 %	n.a.	
Tax rate (EBT)	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	n.a.	n.a.
NOPAT	14.0	18.4	22.4	26.9	28.7	30.4	32.2	33.9	35.2	36.3	37.2	37.9	n.a.	
Depreciation	7.5	7.9	7.4	8.3	8.8	9.3	9.9	10.4	10.8	11.1	11.4	11.6	n.a.	n.a.
in % of Sales	2.1 %	2.2 %	1.9 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	n.a.	
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	n.a.	n.a.
Change in Liquidity from														
- Working Capital	2.9	1.6	1.6	2.5	8.1	7.3	3.1	2.7	2.3	1.8	1.5	1.3	n.a.	n.a.
- Capex	12.5	10.2	10.2	10.3	11.0	11.7	12.4	13.0	13.5	13.9	14.2	14.5	n.a.	
Capex in % of Sales	3.6 %	2.8 %	2.7 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	n.a.	n.a.
- 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	n.a.	
Free Cash Flow (WACC Model)	6.0	14.5	17.9	22.4	18.4	20.8	26.7	28.5	30.2	31.7	32.8	33.8	n.a.	34
PV of FCF	5.6	12.3	13.9	15.9	12.0	12.4	14.5	14.2	13.8	13.2	12.5	11.8	n.a.	148
share of PVs	10.24 %			42.08 %										47.68 %

## Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	25.00 %	Financial Strength	1.50
Cost of debt (after tax)	4.2 %	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>9.30 %</b>	<b>Beta</b>	<b>1.50</b>

## Valuation (m)

Present values 2036e	163		
Terminal Value	148		
Financial liabilities	6		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	49		
Market val. of investments	29		
Liquidity	20	No. of shares (m)	19.6
<b>Equity Value</b>	<b>305</b>	<b>Value per share (EUR)</b>	<b>15.53</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 %	12.89	13.05	13.21	13.38	13.57	13.76	13.97	1.74	10.3 %	10.56	11.50	12.44	13.38	14.32	15.27	16.21
1.62	9.8 %	13.80	13.98	14.18	14.39	14.61	14.84	15.09	1.62	9.8 %	11.37	12.37	13.38	14.39	15.39	16.40	17.40
1.56	9.6 %	14.30	14.50	14.71	14.94	15.18	15.44	15.72	1.56	9.6 %	11.82	12.86	13.90	14.94	15.98	17.02	18.06
1.50	9.3 %	14.83	15.05	15.28	15.53	15.80	16.09	16.39	1.50	9.3 %	12.30	13.37	14.45	15.53	16.61	17.69	18.76
1.44	9.1 %	15.39	15.63	15.89	16.16	16.46	16.78	17.12	1.44	9.1 %	12.81	13.93	15.05	16.16	17.28	18.40	19.52
1.38	8.8 %	15.99	16.26	16.54	16.85	17.17	17.53	17.91	1.38	8.8 %	13.36	14.52	15.69	16.85	18.01	19.17	20.33
1.26	8.3 %	17.33	17.65	18.00	18.38	18.78	19.23	19.71	1.26	8.3 %	14.60	15.86	17.12	18.38	19.63	20.89	22.15

- Capex includes setup costs of new centres
- Depreciation mainly characterized by Right-of-Use assets

Valuation	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	2.4 x	1.9 x	1.3 x	1.7 x	2.4 x	2.1 x	1.8 x
Book value per share ex intangibles	2.41	1.77	1.69	1.34	1.71	2.27	3.05
EV / Sales	1.3 x	0.5 x	0.3 x	0.5 x	0.7 x	0.6 x	0.5 x
EV / EBITDA	23.3 x	9.1 x	5.8 x	6.5 x	8.5 x	6.6 x	5.4 x
EV / EBIT	47.6 x	13.3 x	9.7 x	9.3 x	11.7 x	8.5 x	6.6 x
EV / EBIT adj.*	47.6 x	13.3 x	9.7 x	9.3 x	11.7 x	8.5 x	6.6 x
P / FCF	25.0 x	12.7 x	6.2 x	58.3 x	39.9 x	16.8 x	13.7 x
P / E	30.1 x	20.1 x	27.4 x	18.8 x	21.8 x	16.0 x	12.8 x
P / E adj.*	30.1 x	20.1 x	27.4 x	18.8 x	21.8 x	16.0 x	12.8 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	3.6 %	8.7 %	13.7 %	12.3 %	9.1 %	11.7 %	14.0 %

\*Adjustments made for: -

## Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	<b>159.6</b>	<b>314.6</b>	<b>285.3</b>	<b>314.9</b>	<b>347.5</b>	<b>365.1</b>	<b>384.3</b>
Change Sales yoy	106.7 %	97.1 %	-9.3 %	10.4 %	10.4 %	5.0 %	5.3 %
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>159.6</b>	<b>314.6</b>	<b>285.3</b>	<b>314.9</b>	<b>347.5</b>	<b>365.1</b>	<b>384.3</b>
Material expenses	122.8	259.3	232.5	251.4	274.4	280.8	286.8
<b>Gross profit</b>	<b>36.8</b>	<b>55.3</b>	<b>52.8</b>	<b>63.4</b>	<b>73.1</b>	<b>84.3</b>	<b>97.4</b>
<i>Gross profit margin</i>	<i>23.0 %</i>	<i>17.6 %</i>	<i>18.5 %</i>	<i>20.1 %</i>	<i>21.0 %</i>	<i>23.1 %</i>	<i>25.4 %</i>
Personnel expenses	16.7	22.1	20.9	23.7	28.0	29.9	35.5
Other operating income	0.7	0.9	1.5	1.1	1.1	1.1	1.3
Other operating expenses	11.9	16.2	17.9	18.4	18.7	21.3	23.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>8.9</b>	<b>17.9</b>	<b>15.4</b>	<b>22.4</b>	<b>27.4</b>	<b>34.2</b>	<b>39.4</b>
<i>Margin</i>	<i>5.6 %</i>	<i>5.7 %</i>	<i>5.4 %</i>	<i>7.1 %</i>	<i>7.9 %</i>	<i>9.4 %</i>	<i>10.2 %</i>
Depreciation of fixed assets	3.9	4.8	5.4	6.1	6.6	6.9	6.3
<b>EBITA</b>	<b>5.0</b>	<b>13.1</b>	<b>10.0</b>	<b>16.3</b>	<b>20.8</b>	<b>27.3</b>	<b>33.0</b>
Amortisation of intangible assets	0.6	0.8	0.7	0.7	0.8	1.0	1.1
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>4.3</b>	<b>12.3</b>	<b>9.3</b>	<b>15.6</b>	<b>19.9</b>	<b>26.3</b>	<b>32.0</b>
<i>Margin</i>	<i>2.7 %</i>	<i>3.9 %</i>	<i>3.2 %</i>	<i>4.9 %</i>	<i>5.7 %</i>	<i>7.2 %</i>	<i>8.3 %</i>
<b>EBIT adj.</b>	<b>4.3</b>	<b>12.3</b>	<b>9.3</b>	<b>15.6</b>	<b>19.9</b>	<b>26.3</b>	<b>32.0</b>
Interest income	0.3	0.7	0.6	0.6	0.6	0.6	0.6
Interest expenses	0.7	0.9	0.8	0.7	0.4	0.3	0.3
Other financial income (loss)	8.5	2.5	1.1	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>8.7</b>	<b>14.6</b>	<b>10.1</b>	<b>15.6</b>	<b>20.2</b>	<b>26.6</b>	<b>32.3</b>
<i>Margin</i>	<i>5.5 %</i>	<i>4.6 %</i>	<i>3.6 %</i>	<i>4.9 %</i>	<i>5.8 %</i>	<i>7.3 %</i>	<i>8.4 %</i>
Total taxes	1.4	3.5	3.2	4.7	6.1	8.0	9.7
<b>Net income from continuing operations</b>	<b>7.4</b>	<b>11.0</b>	<b>7.0</b>	<b>10.9</b>	<b>14.2</b>	<b>18.6</b>	<b>22.6</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>7.4</b>	<b>11.0</b>	<b>7.0</b>	<b>10.9</b>	<b>14.2</b>	<b>18.6</b>	<b>22.6</b>
Minority interest	0.6	2.0	2.7	2.5	2.7	3.1	3.1
<b>Net income</b>	<b>6.8</b>	<b>9.0</b>	<b>4.3</b>	<b>8.4</b>	<b>11.5</b>	<b>15.5</b>	<b>19.5</b>
<i>Margin</i>	<i>4.2 %</i>	<i>2.9 %</i>	<i>1.5 %</i>	<i>2.7 %</i>	<i>3.3 %</i>	<i>4.2 %</i>	<i>5.1 %</i>
Number of shares, average	18.6	19.6	19.6	19.6	19.6	19.6	19.6
<b>EPS</b>	<b>0.36</b>	<b>0.46</b>	<b>0.22</b>	<b>0.43</b>	<b>0.58</b>	<b>0.79</b>	<b>0.99</b>
EPS adj.	0.36	0.46	0.22	0.43	0.58	0.79	0.99

\*Adjustments made for:

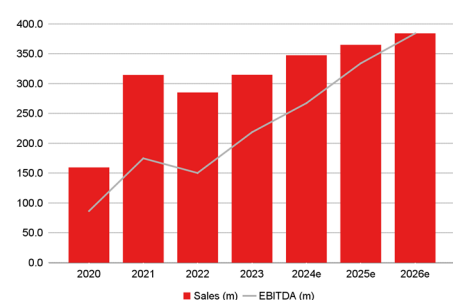
Guidance: n.a.

## Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	94.4 %	94.3 %	94.6 %	92.9 %	92.1 %	90.6 %	89.8 %
Operating Leverage	-0.4 x	1.9 x	2.6 x	6.6 x	2.7 x	6.3 x	4.1 x
EBITDA / Interest expenses	12.3 x	19.5 x	18.6 x	33.9 x	77.5 x	102.5 x	114.5 x
Tax rate (EBT)	15.5 %	24.3 %	31.2 %	30.0 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	372,874	898,857	779,484	860,251	949,493	997,432	1,049,920

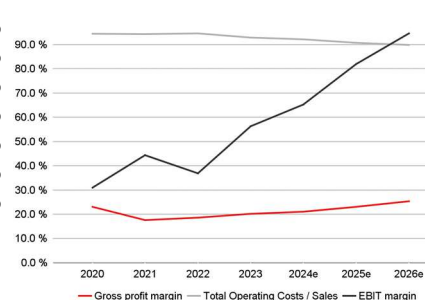
### Sales, EBITDA

in EUR m

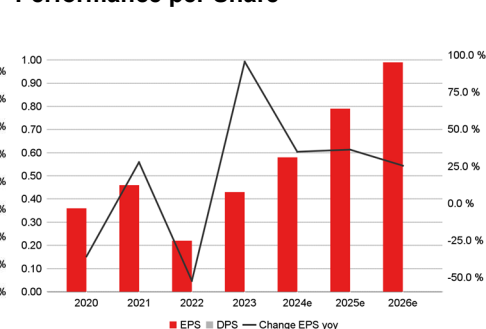


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

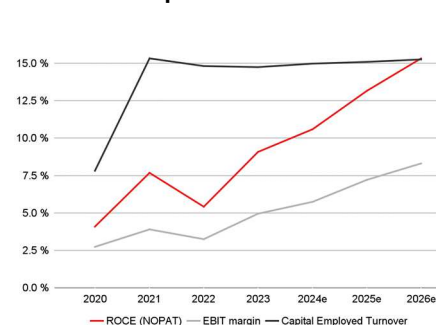
## Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
<b>Assets</b>							
Goodwill and other intangible assets	38.3	60.4	60.3	64.6	68.7	72.8	76.7
thereof other intangible assets	4.0	26.0	26.0	30.2	34.4	38.4	42.4
thereof Goodwill	34.4	34.4	34.3	34.3	34.3	34.3	34.3
Property, plant and equipment	15.8	15.3	17.2	18.6	19.5	17.7	16.6
Financial assets	12.0	12.0	12.0	12.5	13.0	13.5	14.0
Other long-term assets	0.2	0.3	0.3	0.3	0.3	0.3	0.3
<b>Fixed assets</b>	<b>66.3</b>	<b>87.9</b>	<b>89.8</b>	<b>95.9</b>	<b>101.5</b>	<b>104.3</b>	<b>107.6</b>
Inventories	42.3	35.2	27.6	30.4	33.6	35.3	37.2
Accounts receivable	20.5	16.3	21.8	24.0	26.5	27.9	29.3
Liquid assets	22.0	37.9	35.1	20.1	20.4	29.9	43.2
Other short-term assets	37.6	20.8	22.7	22.7	22.7	22.7	22.7
<b>Current assets</b>	<b>122.4</b>	<b>110.2</b>	<b>107.2</b>	<b>97.2</b>	<b>103.2</b>	<b>115.8</b>	<b>132.4</b>
<b>Total Assets</b>	<b>188.7</b>	<b>198.1</b>	<b>197.0</b>	<b>193.1</b>	<b>204.7</b>	<b>220.0</b>	<b>239.9</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	19.6	19.6	19.6	18.1	18.1	18.1	18.1
Capital reserve	49.9	49.9	49.9	40.6	40.6	40.6	40.6
Retained earnings	28.0	37.4	38.0	45.2	55.4	69.3	87.2
Other equity components	-11.8	-11.8	-14.0	-13.1	-11.9	-10.7	-9.3
Shareholders' equity	85.8	95.1	93.6	90.9	102.3	117.4	136.7
Minority interest	29.6	44.9	49.4	49.4	49.4	49.4	49.4
<b>Total equity</b>	<b>115.3</b>	<b>140.0</b>	<b>143.0</b>	<b>140.3</b>	<b>151.7</b>	<b>166.8</b>	<b>186.1</b>
Provisions	3.5	3.8	4.0	4.0	4.0	4.0	4.0
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	27.4	19.2	6.0	6.0	6.0	6.0	6.0
Short-term financial liabilities	22.3	14.8	2.8	2.8	2.8	2.8	2.8
Accounts payable	15.8	12.8	19.2	21.2	23.4	24.6	25.9
Other liabilities	26.7	22.2	24.9	21.7	19.7	18.6	18.0
<b>Liabilities</b>	<b>73.4</b>	<b>58.0</b>	<b>54.0</b>	<b>52.8</b>	<b>53.0</b>	<b>53.1</b>	<b>53.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>188.7</b>	<b>198.1</b>	<b>197.0</b>	<b>193.1</b>	<b>204.7</b>	<b>220.0</b>	<b>239.9</b>

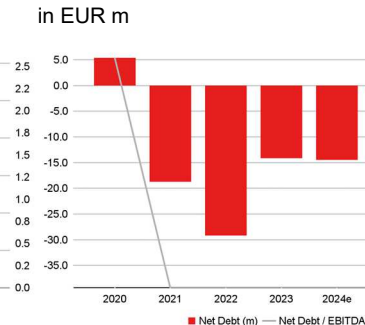
## Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	2.9 x	6.5 x	6.8 x	6.9 x	7.0 x	7.4 x	7.7 x
Capital Employed Turnover	1.3 x	2.6 x	2.5 x	2.5 x	2.5 x	2.6 x	2.6 x
ROA	10.2 %	10.3 %	4.8 %	8.8 %	11.3 %	14.9 %	18.1 %
<b>Return on Capital</b>							
ROCE (NOPAT)	4.1 %	7.7 %	5.4 %	9.1 %	10.6 %	13.2 %	15.3 %
ROE	8.8 %	10.0 %	4.6 %	9.1 %	11.9 %	14.1 %	15.3 %
Adj. ROE	8.8 %	10.0 %	4.6 %	9.1 %	11.9 %	14.1 %	15.3 %
<b>Balance sheet quality</b>							
Net Debt	5.4	-18.7	-29.2	-14.1	-14.5	-23.9	-37.2
Net Financial Debt	5.4	-18.7	-29.2	-14.1	-14.5	-23.9	-37.2
Net Gearing	4.7 %	-13.4 %	-20.4 %	-10.1 %	-9.5 %	-14.3 %	-20.0 %
Net Fin. Debt / EBITDA	60.7 %	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Book Value / Share	4.4	4.8	4.8	4.6	5.2	6.0	7.0
Book value per share ex intangibles	2.4	1.8	1.7	1.3	1.7	2.3	3.1

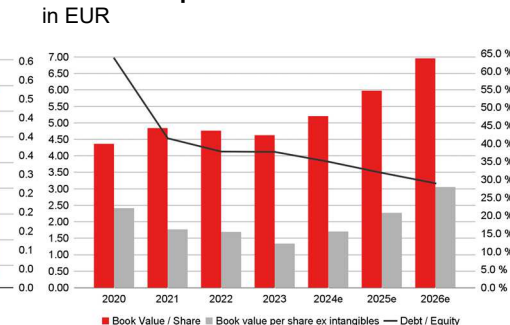
### ROCE Development



### Net debt in EUR m



### Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

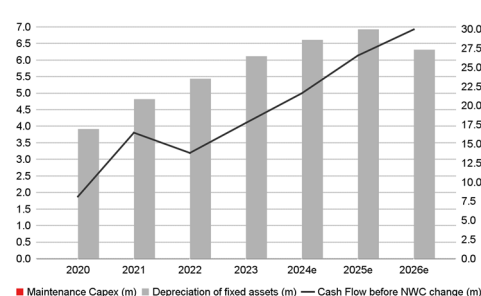
**Consolidated cash flow statement**

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	7.4	10.8	7.0	10.9	14.2	18.6	22.6
Depreciation of fixed assets	3.9	4.8	5.4	6.1	6.6	6.9	6.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.6	0.8	0.7	0.7	0.8	1.0	1.1
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	-3.8	0.0	0.7	0.0	0.0	0.0	0.0
<b>Cash Flow before NWC change</b>	<b>8.1</b>	<b>16.5</b>	<b>13.8</b>	<b>17.7</b>	<b>21.6</b>	<b>26.5</b>	<b>30.0</b>
Increase / decrease in inventory	-4.5	7.1	7.6	-2.8	-3.2	-1.7	-1.9
Increase / decrease in accounts receivable	3.7	4.2	-5.5	-2.2	-2.5	-1.4	-1.4
Increase / decrease in accounts payable	2.2	-4.5	6.2	2.5	2.8	1.5	1.7
Increase / decrease in other working capital positions	0.0	-7.6	-1.3	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	1.4	-0.8	7.0	-2.5	-2.9	-1.6	-1.6
<b>Net cash provided by operating activities [1]</b>	<b>9.5</b>	<b>15.7</b>	<b>20.8</b>	<b>15.2</b>	<b>18.7</b>	<b>25.0</b>	<b>28.3</b>
Investments in intangible assets	-0.5	-0.3	-0.6	-5.0	-5.0	-5.0	-5.0
Investments in property, plant and equipment	-0.9	-1.0	-1.2	-3.0	-3.0	-2.2	-2.2
Payments for acquisitions	2.2	0.2	0.0	0.0	0.0	0.0	0.0
Financial investments	2.2	0.0	-0.5	-0.5	-0.5	-0.5	-0.5
Income from asset disposals	0.2	1.4	1.2	0.0	0.0	0.0	0.0
<b>Net cash provided by investing activities [2]</b>	<b>3.1</b>	<b>0.2</b>	<b>-1.1</b>	<b>-13.0</b>	<b>-13.0</b>	<b>-10.7</b>	<b>-10.7</b>
Change in financial liabilities	3.7	-4.2	-13.2	0.0	0.0	0.0	0.0
Dividends paid	-0.1	-1.7	-1.8	-1.2	-1.3	-1.6	-1.6
Purchase of own shares	0.0	0.0	-2.1	-10.8	0.0	0.0	0.0
Capital measures	0.0	14.5	0.0	0.0	0.0	0.0	0.0
Other	-7.4	-4.6	-5.3	-5.2	-4.1	-3.2	-2.8
<b>Net cash provided by financing activities [3]</b>	<b>-3.8</b>	<b>4.0</b>	<b>-22.4</b>	<b>-17.3</b>	<b>-5.4</b>	<b>-4.8</b>	<b>-4.3</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>8.9</b>	<b>20.0</b>	<b>-2.7</b>	<b>-15.0</b>	<b>0.3</b>	<b>9.4</b>	<b>13.3</b>
Effects of exchange-rate changes on cash	4.0	-4.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	22.0	37.9	35.2	20.1	20.4	29.9	43.2

**Financial Ratios**

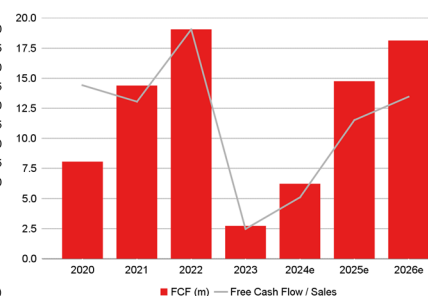
	2020	2021	2022	2023	2024e	2025e	2026e
<b>Cash Flow</b>							
FCF	8.1	14.4	19.1	2.7	6.2	14.8	18.1
Free Cash Flow / Sales	5.1 %	4.6 %	6.7 %	0.9 %	1.8 %	4.0 %	4.7 %
Free Cash Flow Potential	7.5	14.2	12.2	17.8	21.3	26.2	29.7
Free Cash Flow / Net Profit	119.2 %	159.1 %	441.2 %	32.4 %	54.2 %	95.1 %	93.2 %
Interest Received / Avg. Cash	2.0 %	2.2 %	1.8 %	2.3 %	3.2 %	2.5 %	1.8 %
Interest Paid / Avg. Debt	5.3 %	3.9 %	6.6 %	11.1 %	5.9 %	5.6 %	5.8 %
<b>Management of Funds</b>							
Investment ratio	0.9 %	0.4 %	0.6 %	2.5 %	2.3 %	2.0 %	1.9 %
Maint. Capex / Sales	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Capex / Dep	31.8 %	23.7 %	28.7 %	116.9 %	107.3 %	91.3 %	97.5 %
Avg. Working Capital / Sales	17.3 %	11.6 %	10.2 %	8.3 %	8.3 %	8.5 %	8.5 %
Trade Debtors / Trade Creditors	129.3 %	127.0 %	113.3 %	113.2 %	113.2 %	113.4 %	113.1 %
Inventory Turnover	2.9 x	7.4 x	8.4 x	8.3 x	8.2 x	8.0 x	7.7 x
Receivables collection period (days)	47	19	28	28	28	28	28
Payables payment period (days)	47	18	30	31	31	32	33
Cash conversion cycle (Days)	105	43	33	33	33	33	33

**CAPEX and Cash Flow**  
in EUR m



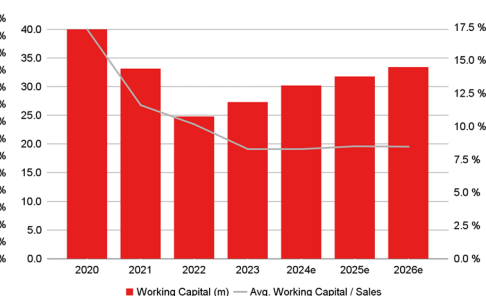
Source: Warburg Research

**Free Cash Flow Generation**



Source: Warburg Research

**Working Capital**



Source: Warburg Research

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- 7-

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	148	70
Hold	50	24
Sell	7	3
Rating suspended	7	3
<b>Total</b>	<b>212</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	48	83
Hold	7	12
Sell	0	0
Rating suspended	3	5
<b>Total</b>	<b>58</b>	<b>100</b>

## PRICE AND RATING HISTORY M1 KLINIKEN AS OF 20.02.2024



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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