

Buy EUR 27.00 (EUR 17.00) Price EUR 20.30 Upside 33.0 %	Value Indicators: EUR DCF: 26.79	Warburg ESG Risk Score: 3.0 ESG Score (MSCI based): 3.0 Balance Sheet Score: 5.0 Market Liquidity Score: 1.0	Description: Leading provider of aesthetic medicine services in Germany
	Market Snapshot: EUR m Market cap: 398.8 No. of shares (m): 19.6 EV: 374.2 Freefloat MC: 127.2 Ø Trad. Vol. (30d): 1.12 m	Shareholders: Freefloat 31.90 % MPH Health Care AG 68.10 %	Key Figures (WRe): 2024e Beta: 1.5 Price / Book: 3.4 x Equity Ratio: 67 %

Strong Q1 bodes well for the rest of the year - forecast raised

M1 Kliniken released blow-out Q1 EBIT figures, that significantly exceeded our expectations. Sales came in as expected at EUR 84.7m, while the EBIT margin increased to a whopping 8% (WRe 4.7%). The company confirmed its 2024 guidance for Beauty segment sales of EUR 80-90m and EBIT of EUR 18-22m, which is in line with our expectations (WRe sales EUR 89.3m, EBIT 21.5m).

FY end 31.12. (in EUR m)	Q1 2024 reported	Q1 2023 reported	yoy %	Q1 2024 WRe	Delta %
Sales	84.7	76.8	10.3%	84.5	0.3%
EBITDA	na	5.3	na	5.5	n.m.
EBIT	6.8	4.0	70.0%	4.0	71.3%
- margin	8.0%	5.2%		4.7%	

Source: Warburg Research, Company data

The medium-term forecast is for M1 to operate 150 to 200 clinics by the end of 2029, potentially resulting in Beauty segment sales of between EUR 200m and 300m and generate an EBIT margin of at least 20%.

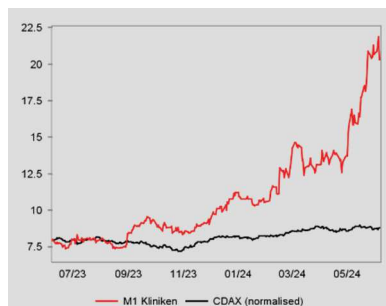
The development in the core Beauty business was particularly positive. Here, M1 generated sales of EUR 24.7m in Q1 2024 (18.2% yoy) while EBIT increased by as much as 50.0% from EUR 3.6m to EUR 5.4m. The corresponding EBIT margin increased from 17.3 % to 21.9 %. There was also good development in the trading segment in Q1. Sales in this segment rose from EUR 55.9m to EUR 60m, while the segment EBIT improved from EUR 0.4m to EUR 1.4m.

M1 Kliniken has proposed to pay a dividend of EUR 0.50 per share for FY 2023, implying a 96% ratio. For the future, the company intends to stick to a shareholder-friendly dividend policy. Judging by this wording, we assume that the company will continue to pay out 67% of its EPS as dividend over the next years.

M1 is also considering the sale of the trading segment (formerly parts of Haemato). Possibilities include further development within the M1 Group or together with a partner, or even a sale.

We expect that the significant beat of our EBIT expectations was the effect of very favourable purchasing conditions for a large order of injectables in Q4 2023. We do not think that this kind of profitability to be sustainable qoq but we do assume that the maturing clinic network will continue to perform well, leading to a higher profitability floor within our estimates, to some extent, based on the company 2029 targets. As a result, we have upgraded our short-term and long-term EBIT margin assumptions, raise our PT to EUR 27, and confirm our Buy rating.

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -		
Sales	349.6	0.0 %	372.0	0.0 %	387.0	0.0 %	▪ Update of short-term to long-term EBIT margin assumptions based on Q1 run-rate and mid-term targets.	
EBITDA	27.9	-2.1 %	36.1	1.4 %	40.1	3.5 %	▪ Increase in 2029e EBIT margin from 9.5% to 12.3%	
EBIT	20.7	10.9 %	28.4	10.8 %	32.8	10.1 %		

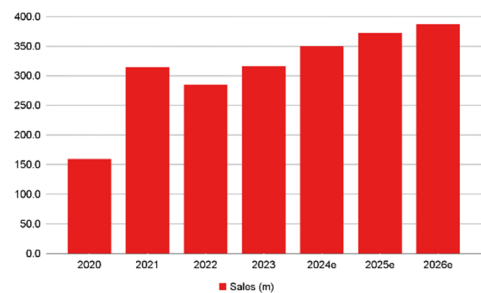


Rel. Performance vs CDAX:	
1 month:	28.2 %
6 months:	100.6 %
Year to date:	74.1 %
Trailing 12 months:	147.9 %

Company events:	
17.07.24	AGM
03.09.24	Q2
19.11.24	Q3

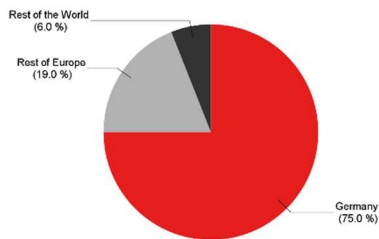
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	7.0 %	159.6	314.6	285.3	316.3	349.6	372.0	387.0
Change Sales yoy		106.7 %	97.1 %	-9.3 %	10.9 %	10.5 %	6.4 %	4.0 %
Gross profit margin		23.0 %	17.6 %	18.5 %	15.9 %	18.1 %	21.0 %	22.3 %
EBITDA	25.5 %	8.9	17.9	15.4	21.0	27.3	36.6	41.5
Margin		5.6 %	5.7 %	5.4 %	6.6 %	7.8 %	9.8 %	10.7 %
EBIT	32.0 %	4.3	12.3	9.3	15.7	22.9	31.4	36.1
Margin		2.7 %	3.9 %	3.2 %	5.0 %	6.6 %	8.4 %	9.3 %
Net income	31.5 %	6.8	9.0	4.3	10.3	14.5	20.0	23.4
EPS	31.8 %	0.36	0.46	0.22	0.52	0.74	1.02	1.19
DPS	16.8 %	0.00	0.00	0.00	0.50	0.50	0.68	0.80
Dividend Yield		n.a.	n.a.	n.a.	6.2 %	2.5 %	3.4 %	3.9 %
FCFPS		0.43	0.73	0.97	0.09	1.25	0.98	1.19
FCF / Market cap		4.0 %	7.9 %	16.1 %	1.1 %	6.2 %	4.8 %	5.9 %
EV / Sales		1.3 x	0.5 x	0.3 x	0.5 x	1.1 x	1.0 x	1.0 x
EV / EBITDA		23.3 x	9.1 x	5.8 x	6.8 x	13.7 x	10.2 x	9.0 x
EV / EBIT		47.6 x	13.3 x	9.7 x	9.1 x	16.3 x	11.9 x	10.3 x
P / E		30.1 x	20.1 x	27.4 x	15.6 x	27.4 x	19.9 x	17.1 x
FCF Potential Yield		3.6 %	8.7 %	13.7 %	11.4 %	5.5 %	7.3 %	8.3 %
Net Debt		5.4	-18.7	-29.2	-16.1	-24.6	-24.5	-26.9
ROCE (NOPAT)		4.1 %	7.7 %	5.4 %	9.3 %	12.9 %	17.8 %	19.8 %
Guidance:		Beauty segment sales EUR 80-90m, EBIT 18-22m						

Sales development
in EUR m



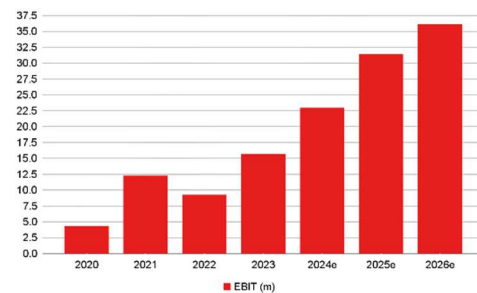
Source: Company data, Warburg Research

Sales by regions
2023; in %



Source: Company data, Warburg Research

EBIT development
in EUR m



Source: Company data, Warburg Research

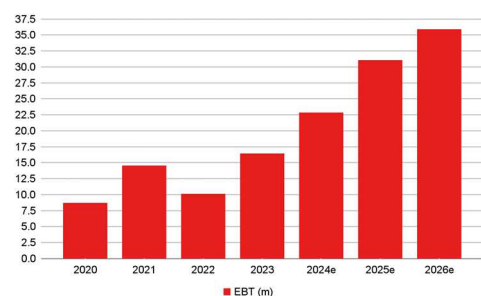
Company Background

- 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

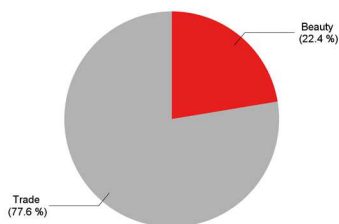
- With over 50 clinics in Germany, other parts of Europe and Australia, M1 Kliniken is the market leader in the European beauty treatment market and has established itself as a high-quality brand.
- M1 Kliniken puts great emphasis on training its ca. 100 surgeons and doctors to treat patients in accordance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



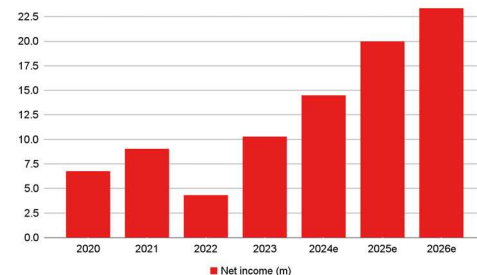
Source: Company data, Warburg Research

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	349.6	372.0	387.0	416.0	443.0	469.6	497.8	522.7	543.6	559.9	573.9	585.4	597.1	
Sales change	10.5 %	6.4 %	4.0 %	7.5 %	6.5 %	6.0 %	6.0 %	5.0 %	4.0 %	3.0 %	2.5 %	2.0 %	2.0 %	2.0 %
EBIT	22.9	31.4	36.1	43.0	50.2	57.9	66.4	69.7	75.2	77.5	79.4	81.0	82.6	
EBIT-margin	6.6 %	8.4 %	9.3 %	10.3 %	11.3 %	12.3 %	13.3 %	13.3 %	13.8 %	13.8 %	13.8 %	13.8 %	13.8 %	
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 %	30.0 %	
NOPAT	16.1	22.0	25.3	30.1	35.2	40.6	46.5	48.8	52.7	54.2	55.6	56.7	57.8	
Depreciation	4.4	5.1	5.3	8.3	8.9	9.4	10.0	10.5	10.9	11.2	11.5	11.7	11.9	
in % of Sales	1.3 %	1.4 %	1.4 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	2.0 %	
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	-11.7	1.5	0.9	1.9	17.4	7.4	3.1	2.7	2.3	1.8	1.5	1.3	1.3	
- Capex	7.5	6.2	6.2	10.4	11.1	11.7	12.4	13.1	13.6	14.0	14.3	14.6	11.9	
Capex in % of Sales	2.1 %	1.7 %	1.6 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.0 %	
- 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)	24.7	19.5	23.5	26.2	15.5	30.9	40.9	43.5	47.6	49.6	51.2	52.5	56.6	58
PV of FCF	23.6	17.0	18.8	19.2	10.4	18.9	22.9	22.3	22.4	21.3	20.1	18.9	18.6	260
share of PVs	11.55 %			37.91 %										50.54 %

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 %	Cyclicalit	1.50
Risk free rate	2.75 %	Transparency	1.50
		Others	1.50
WACC	9.30 %	Beta	1.50

Valuation (m)

Present values 2036e	254		
Terminal Value	260		
Financial liabilities	6		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	30		
Market val. of investments	26		
Liquidity	22	No. of shares (m)	19.6
Equity Value	526	Value per share (EUR)	26.79

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 %	22.34	22.61	22.90	23.20	23.52	23.87	24.23	1.74	10.3 %	20.26	21.24	22.22	23.20	24.18	25.16	26.14
1.62	9.8 %	23.85	24.17	24.51	24.88	25.27	25.68	26.12	1.62	9.8 %	21.74	22.79	23.83	24.88	25.92	26.97	28.01
1.56	9.6 %	24.68	25.03	25.40	25.80	26.23	26.69	27.17	1.56	9.6 %	22.56	23.64	24.72	25.80	26.88	27.97	29.05
1.50	9.3 %	25.56	25.95	26.36	26.79	27.26	27.77	28.31	1.50	9.3 %	23.44	24.56	25.68	26.79	27.91	29.03	30.15
1.44	9.1 %	26.50	26.92	27.38	27.86	28.38	28.94	29.54	1.44	9.1 %	24.38	25.54	26.70	27.86	29.02	30.18	31.34
1.38	8.8 %	27.51	27.97	28.47	29.00	29.58	30.20	30.87	1.38	8.8 %	25.39	26.60	27.80	29.00	30.21	31.41	32.61
1.26	8.3 %	29.75	30.31	30.92	31.58	32.29	33.06	33.90	1.26	8.3 %	27.67	28.97	30.28	31.58	32.88	34.18	35.48

- 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	1.4 x	3.4 x	3.3 x	3.1 x
Book value per share ex intangibles	2.41	1.77	1.69	1.32	1.42	1.66	1.95
EV / Sales	1.3 x	0.5 x	0.3 x	0.5 x	1.1 x	1.0 x	1.0 x
EV / EBITDA	23.3 x	9.1 x	5.8 x	6.8 x	13.7 x	10.2 x	9.0 x
EV / EBIT	47.6 x	13.3 x	9.7 x	9.1 x	16.3 x	11.9 x	10.3 x
EV / EBIT adj.*	47.6 x	13.3 x	9.7 x	9.1 x	16.3 x	11.9 x	10.3 x
P / FCF	25.0 x	12.7 x	6.2 x	87.9 x	16.2 x	20.8 x	17.1 x
P / E	30.1 x	20.1 x	27.4 x	15.6 x	27.4 x	19.9 x	17.1 x
P / E adj.*	30.1 x	20.1 x	27.4 x	15.6 x	27.4 x	19.9 x	17.1 x
Dividend Yield	n.a.	n.a.	n.a.	6.2 %	2.5 %	3.4 %	3.9 %
FCF Potential Yield (on market EV)	3.6 %	8.7 %	13.7 %	11.4 %	5.5 %	7.3 %	8.3 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	159.6	314.6	285.3	316.3	349.6	372.0	387.0
Change Sales yoy	106.7 %	97.1 %	-9.3 %	10.9 %	10.5 %	6.4 %	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	159.6	314.6	285.3	316.3	349.6	372.0	387.0
Material expenses	122.8	259.3	232.5	266.1	286.1	294.0	300.5
Gross profit	36.8	55.3	52.8	50.2	63.4	78.0	86.5
<i>Gross profit margin</i>	<i>23.0 %</i>	<i>17.6 %</i>	<i>18.5 %</i>	<i>15.9 %</i>	<i>18.1 %</i>	<i>21.0 %</i>	<i>22.3 %</i>
Personnel expenses	16.7	22.1	20.9	17.4	18.1	19.9	21.9
Other operating income	0.7	0.9	1.5	1.7	1.1	1.1	1.3
Other operating expenses	11.9	16.2	17.9	13.5	19.2	22.7	24.4
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	8.9	17.9	15.4	21.0	27.3	36.6	41.5
<i>Margin</i>	<i>5.6 %</i>	<i>5.7 %</i>	<i>5.4 %</i>	<i>6.6 %</i>	<i>7.8 %</i>	<i>9.8 %</i>	<i>10.7 %</i>
Depreciation of fixed assets	3.9	4.8	5.4	4.6	3.7	4.4	4.6
EBITA	5.0	13.1	10.0	16.4	23.6	32.1	36.8
Amortisation of intangible assets	0.6	0.8	0.7	0.7	0.7	0.7	0.7
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	4.3	12.3	9.3	15.7	22.9	31.4	36.1
<i>Margin</i>	<i>2.7 %</i>	<i>3.9 %</i>	<i>3.2 %</i>	<i>5.0 %</i>	<i>6.6 %</i>	<i>8.4 %</i>	<i>9.3 %</i>
EBIT adj.	4.3	12.3	9.3	15.7	22.9	31.4	36.1
Interest income	0.3	0.7	0.6	0.8	0.8	0.8	0.8
Interest expenses	0.7	0.9	0.8	1.3	0.9	1.1	1.0
Other financial income (loss)	8.5	2.5	1.1	1.3	0.0	0.0	0.0
EBT	8.7	14.6	10.1	16.5	22.9	31.1	35.9
<i>Margin</i>	<i>5.5 %</i>	<i>4.6 %</i>	<i>3.6 %</i>	<i>5.2 %</i>	<i>6.5 %</i>	<i>8.4 %</i>	<i>9.3 %</i>
Total taxes	1.4	3.5	3.2	4.8	6.9	9.3	10.8
Net income from continuing operations	7.4	11.0	7.0	11.7	16.0	21.7	25.1
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	7.4	11.0	7.0	11.7	16.0	21.7	25.1
Minority interest	0.6	2.0	2.7	1.4	1.5	1.8	1.8
Net income	6.8	9.0	4.3	10.3	14.5	20.0	23.4
<i>Margin</i>	<i>4.2 %</i>	<i>2.9 %</i>	<i>1.5 %</i>	<i>3.3 %</i>	<i>4.1 %</i>	<i>5.4 %</i>	<i>6.0 %</i>
Number of shares, average	18.6	19.6	19.6	19.6	19.6	19.6	19.6
EPS	0.36	0.46	0.22	0.52	0.74	1.02	1.19
EPS adj.	0.36	0.46	0.22	0.52	0.74	1.02	1.19

*Adjustments made for:

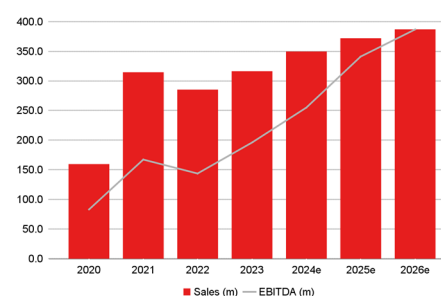
Guidance: Beauty segment sales EUR 80-90m, EBIT 18-22m

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	94.4 %	94.3 %	94.6 %	93.4 %	92.2 %	90.2 %	89.3 %
Operating Leverage	-0.4 x	1.9 x	2.6 x	6.4 x	4.4 x	5.8 x	3.7 x
EBITDA / Interest expenses	12.3 x	19.5 x	18.6 x	15.6 x	31.2 x	32.2 x	40.8 x
Tax rate (EBT)	15.5 %	24.3 %	31.2 %	29.0 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	84.1 %	61.4 %	61.7 %	62.3 %
Sales per Employee	372,874	898,857	779,484	864,260	955,131	1,016,374	1,057,310

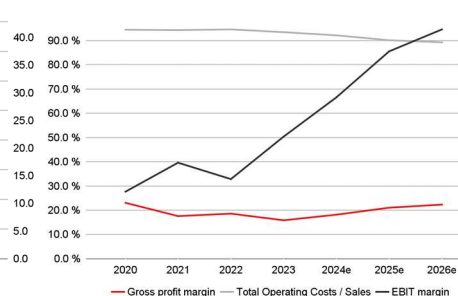
Sales, EBITDA

in EUR m

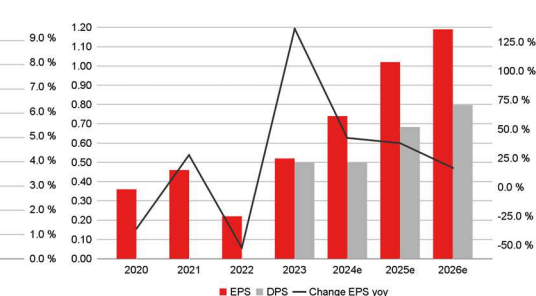


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

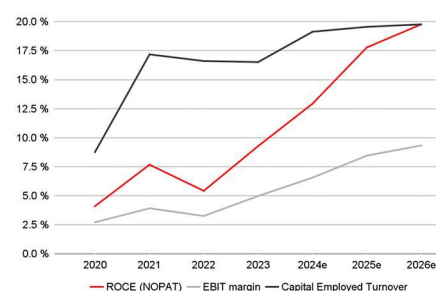
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	38.3	60.4	60.3	87.4	87.7	88.0	88.3
thereof other intangible assets	4.0	26.0	26.0	25.2	25.6	25.9	26.2
thereof Goodwill	34.4	34.4	34.3	62.1	62.1	62.1	62.1
Property, plant and equipment	15.8	15.3	17.2	13.8	16.6	17.4	17.9
Financial assets	12.0	12.0	12.0	0.9	1.4	1.9	2.4
Other long-term assets	0.2	0.3	0.3	0.3	0.3	0.3	0.3
Fixed assets	66.3	87.9	89.8	102.4	106.0	107.6	108.9
Inventories	42.3	35.2	27.6	45.5	35.0	37.2	38.7
Accounts receivable	20.5	16.3	21.8	28.0	31.0	33.0	34.3
Liquid assets	22.0	37.9	35.1	22.4	30.8	30.8	33.1
Other short-term assets	37.6	20.8	22.7	14.7	14.7	14.7	14.7
Current assets	122.4	110.2	107.2	110.6	111.5	115.6	120.8
Total Assets	188.7	198.1	197.0	212.9	217.5	223.2	229.7
Liabilities and shareholders' equity							
Subscribed capital	19.6	19.6	19.6	19.6	19.6	19.6	19.6
Capital reserve	49.9	49.9	49.9	49.9	49.9	49.9	49.9
Retained earnings	28.0	37.4	38.0	44.3	47.6	52.6	58.7
Other equity components	-11.8	-11.8	-14.0	-0.6	-1.5	-1.5	-1.6
Shareholders' equity	85.8	95.1	93.6	113.2	115.6	120.6	126.7
Minority interest	29.6	44.9	49.4	30.0	30.0	30.0	30.0
Total equity	115.3	140.0	143.0	143.2	145.6	150.6	156.7
Provisions	3.5	3.8	4.0	7.3	7.3	7.3	7.3
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	6.2	6.2	6.2	6.2
Short-term financial liabilities	22.3	14.8	2.8	4.4	4.4	4.4	4.4
Accounts payable	15.8	12.8	19.2	33.3	36.8	39.1	40.7
Other liabilities	26.7	22.2	24.9	22.9	21.6	20.0	18.8
Liabilities	73.4	58.0	54.0	69.7	71.9	72.6	73.1
Total liabilities and shareholders' equity	188.7	198.1	197.0	212.9	217.5	223.2	229.7

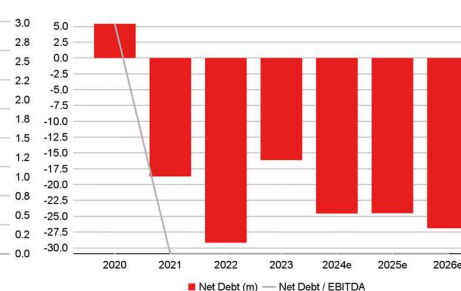
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	2.9 x	6.5 x	6.8 x	6.6 x	8.9 x	9.0 x	9.0 x
Capital Employed Turnover	1.3 x	2.6 x	2.5 x	2.5 x	2.9 x	3.0 x	3.0 x
ROA	10.2 %	10.3 %	4.8 %	10.0 %	13.7 %	18.6 %	21.5 %
Return on Capital							
ROCE (NOPAT)	4.1 %	7.7 %	5.4 %	9.3 %	12.9 %	17.8 %	19.8 %
ROE	8.8 %	10.0 %	4.6 %	9.9 %	12.7 %	16.9 %	18.9 %
Adj. ROE	8.8 %	10.0 %	4.6 %	9.9 %	12.7 %	16.9 %	18.9 %
Balance sheet quality							
Net Debt	5.4	-18.7	-29.2	-16.1	-24.6	-24.5	-26.9
Net Financial Debt	5.4	-18.7	-29.2	-16.1	-24.6	-24.5	-26.9
Net Gearing	4.7 %	-13.4 %	-20.4 %	-11.3 %	-16.9 %	-16.3 %	-17.2 %
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	5.8	5.9	6.1	6.4
Book value per share ex intangibles	2.4	1.8	1.7	1.3	1.4	1.7	2.0

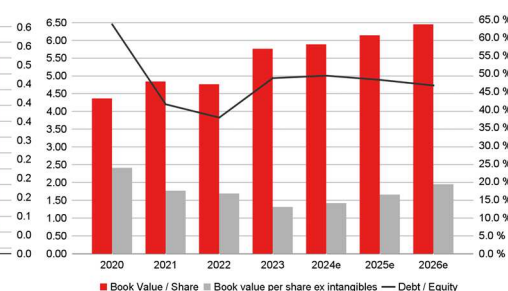
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

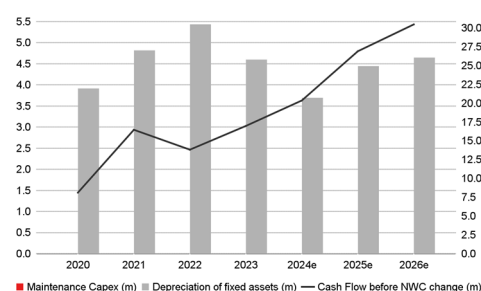
Consolidated cash flow statement

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	7.4	10.8	7.0	11.7	16.0	21.7	25.1
Depreciation of fixed assets	3.9	4.8	5.4	4.6	3.7	4.4	4.6
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	0.7	0.7	0.7
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
Cash Flow before NWC change	8.1	16.5	13.8	17.0	20.4	26.9	30.5
Increase / decrease in inventory	-4.5	7.1	7.6	-17.9	10.5	-2.2	-1.5
Increase / decrease in accounts receivable	3.7	4.2	-5.5	-6.2	-3.0	-2.0	-1.3
Increase / decrease in accounts payable	2.2	-4.5	6.2	14.7	4.2	2.7	1.9
Increase / decrease in other working capital positions	0.0	-7.6	-1.3	0.3	0.0	0.0	0.0
Increase / decrease in working capital (total)	1.4	-0.8	7.0	-9.2	11.7	-1.5	-0.9
Net cash provided by operating activities [1]	9.5	15.7	20.8	7.8	32.1	25.4	29.6
Investments in intangible assets	-0.5	-0.3	-0.6	-1.0	-1.0	-1.0	-1.0
Investments in property, plant and equipment	-0.9	-1.0	-1.2	-0.5	-2.0	-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	-1.4	0.0	0.0	0.0
Net cash provided by investing activities [2]	3.1	0.2	-1.1	-7.9	-8.0	-6.7	-6.7
Change in financial liabilities	3.7	-4.2	-13.2	0.3	0.0	0.0	0.0
Dividends paid	-0.1	-1.7	-1.8	-2.0	-11.1	-15.0	-17.2
Purchase of own shares	0.0	0.0	-2.1	7.6	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	-20.7	-4.5	-3.8	-3.3
Net cash provided by financing activities [3]	-3.8	4.0	-22.4	-14.8	-15.7	-18.7	-20.5
Change in liquid funds [1]+[2]+[3]	8.9	20.0	-2.7	-14.9	8.4	0.0	2.4
Effects of exchange-rate changes on cash	4.0	-4.0	0.0	0.1	0.0	0.0	0.0
Cash and cash equivalent at end of period	22.0	37.9	35.2	20.4	30.8	30.8	33.1

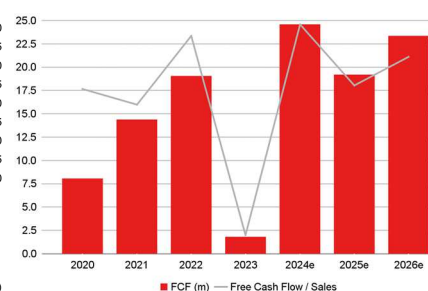
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	8.1	14.4	19.1	1.8	24.6	19.2	23.4
Free Cash Flow / Sales	5.1 %	4.6 %	6.7 %	0.6 %	7.0 %	5.2 %	6.0 %
Free Cash Flow Potential	7.5	14.2	12.2	16.2	20.5	27.2	30.7
Free Cash Flow / Net Profit	119.2 %	159.1 %	441.2 %	17.6 %	169.7 %	96.1 %	100.0 %
Interest Received / Avg. Cash	2.0 %	2.2 %	1.8 %	2.7 %	2.9 %	2.5 %	2.5 %
Interest Paid / Avg. Debt	5.3 %	3.9 %	6.6 %	22.1 %	14.0 %	18.2 %	16.3 %
Management of Funds							
Investment ratio	0.9 %	0.4 %	0.6 %	0.5 %	0.9 %	0.9 %	0.8 %
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 %	27.4 %	68.6 %	62.3 %	59.9 %
Avg. Working Capital / Sales	17.3 %	11.6 %	10.2 %	9.3 %	8.1 %	6.3 %	6.3 %
Trade Debtors / Trade Creditors	129.3 %	127.0 %	113.3 %	84.3 %	84.2 %	84.4 %	84.3 %
Inventory Turnover	2.9 x	7.4 x	8.4 x	5.8 x	8.2 x	7.9 x	7.8 x
Receivables collection period (days)	47	19	28	32	32	32	32
Payables payment period (days)	47	18	30	46	47	49	49
Cash conversion cycle (Days)	105	43	33	41	22	21	21

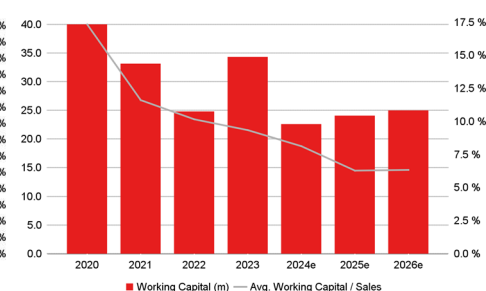
CAPEX and Cash Flow
in EUR m



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. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. 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.
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.
- 4- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 5- 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.
- 6a- 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.
- 6b- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 6c- 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.
- 7-

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
M1 Kliniken	5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0STSQ8.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	144	70
Hold	46	22
Sell	9	4
Rating suspended	7	3
Total	206	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	46	79
Hold	9	16
Sell	0	0
Rating suspended	3	5
Total	58	100

PRICE AND RATING HISTORY M1 KLINIKEN AS OF 07.06.2024



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.

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 Rüschemier +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

Sander Brockow +49 40 309537-248
Industrials sbrockow@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

Fabio Hölscher +49 40 309537-240
Automobiles, Car Suppliers fhoelscher@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate, Construction pkaiser@warburg-research.com

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

Hannes Müller +49 40 309537-255
Software, IT hmueller@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, Telco sstippig@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

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

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

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

Rudolf Alexander Michaelis +49 40 3282-2649
Germany rmichaelis@mmwarburg.com

Roman Alexander Niklas +49 69 5050-7412
Switzerland rniklas@mmwarburg.com

Antonia Möller +49 69 5050-7417
Roadshow/Marketing amoeller@mmwarburg.com

Charlotte Wernicke +49 40 3282-2669
Roadshow/Marketing cwernicke@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 omerkel@mmwarburg.com

Rico Müller +49 40 3282-2685
Sales Trading rmueller@mmwarburg.com

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

DESIGNATED SPONSORING

Marcel Magiera +49 40 3282-2662
Designated Sponsoring mmagiera@mmwarburg.com

Sebastian Schulz +49 40 3282-2631
Designated Sponsoring sschulz@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Designated Sponsoring 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

LSEG www.lseg.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