

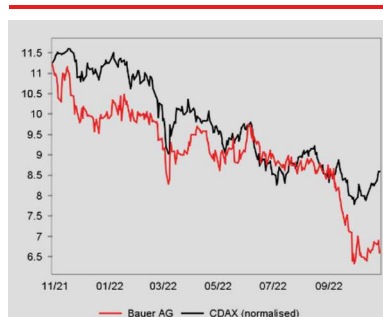
<b>Hold</b> <b>EUR 11.00</b>  Price <b>EUR 6.60</b> Upside <b>66.7 %</b>	<b>Value Indicators:</b> EUR DCF: 11.19 SotP 22e: 11.60	<b>Warburg ESG Risk Score: 1.2</b> ESG Score (MSCI based): 2.0 Balance Sheet Score: 1.5 Market Liquidity Score: 0.0	<b>Description:</b> Supplier of specialist foundation engineering services and construction equipment
	<b>Market Snapshot:</b> EUR m Market cap: 172 No. of shares (m): 26 EV: 744 Freefloat MC: 59 Ø Trad. Vol. (30d): 32.20 th	<b>Shareholders:</b> Freefloat 33.98 % Bauer Family 36.02 % Alfons Doblinger 30.00 %	<b>Key Figures (WRe):</b> 2022e Beta: 1.7 Price / Book: 0.4 x Equity Ratio: 30 % Net Fin. Debt / EBITDA: 2.5 x Net Debt / EBITDA: 3.5 x

## Market environment remains challenging but clear strategy for the years ahead

BAUER AG hosted its Capital Markets Day during this year's "bauma" in Munich. The company underlined the still demanding macro environment especially for the Construction segment. Operative performance was rather subdued in most markets especially in Canada, Qatar and Malaysia, where the subsidiaries had to deal with considerable underutilization of capacities or poor operative performance. China too is generally a very difficult market for all segments due to the current political situation. Nevertheless, the company was able to convincingly present the transformation for the coming years. In our view, this is one of the biggest opportunities for the company in recent years.

- Parts and Services:** BAUER AG bundles its spare parts and services activities in this segment. In the future, the company would like to focus even more specifically on this area. To this end, BAUER is starting to employ dedicated sales personnel exclusively for the "Parts and Services" area in its individual subsidiaries, who will not be involved in the sale of larger machines. In this way, the company aims to double the turnover of this high-margin area in the next two years.
- Restructuring Construction:** Driven by the lessons learned in recent years as well as the very mixed performance of the Construction segment to date, BAUER AG has logically decided to restructure the division. The company already started to optimize the international position and earnings growth. Thus, some markets that can be handled as needed by existing units in the region on a single-project basis were abandoned. Examples of this include Bulgaria, Vietnam, Bangladesh, Lebanon and Georgia. In total, the company plans to close about 10 of its foreign subsidiaries. The restructuring involves an external consultant and should be completed by the end of 2023.
- Postponement of mid-term targets:** Given the start of restructuring in the Construction segment, BAUER postponed its mid-term targets (EBIT margin between 7-9%; WRe: 6.2%) from 2023 to 2024. The reason for this is, among other things, further one-off costs arising from the restructuring, which should continue to burden earnings to a small extent next year. In the run-up to the CMD, our estimates were already below the mid-term guidance for 2023. Given the uncertain course of the construction industry in the coming years, our expectations for 2024 (WRe: 6.6%) are also slightly lower than the communicated corridor.
- Capital increase:** On 10 October, the company proposed a capital increase to its shareholders. For this purpose, the company will schedule an extraordinary general meeting on 18 November. As part of the proposed capital increase, the share capital of currently EUR 111.2m is to be increased by up to EUR 74.1m with the issue of up to 17.4m new shares. According to the Executive Board, the main shareholder Doblinger Beteiligung GmbH (share: 30.0%) has already expressed its willingness to participate in the capital increase to a significant extent. As a result, Doblinger Beteiligung GmbH should further increase its shareholding and hold more than 30% of the voting rights in BAUER AG, which would lead to a mandatory offer. The proceeds of at least EUR 100m are to be used primarily to reduce debt. We expect the capital increase to take place in January 2023.

**Conclusion:** At its Capital Markets Day, BAUER AG presented a convincing strategy for the coming years, with which the company intends to sustainably strengthen its profitability. In our opinion, the successful implementation of the new strategy also depends on the success of the announced capital increase. Given the recent share-price performance, the subscription price should be significantly below our target price, which should lead to dilution. Thus, we stick to our Hold recommendation for the time being.

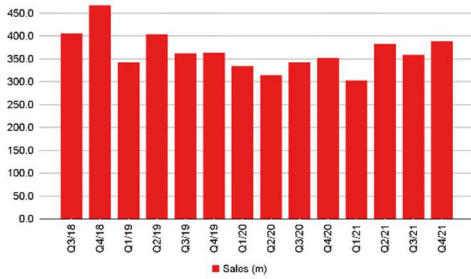


<b>Rel. Performance vs CDAX:</b>	
1 month:	-7.5 %
6 months:	-16.1 %
Year to date:	-9.6 %
Trailing 12 months:	-18.8 %

<b>Company events:</b>	
11.11.22	Q3

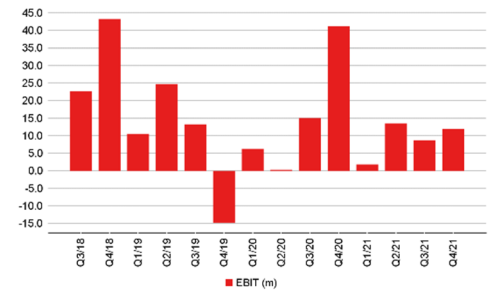
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
<b>Sales</b>	3.0 %	1,589	1,471	1,343	1,433	1,515	1,539	1,564
Change Sales yoy		-4.7 %	-7.4 %	-8.7 %	6.7 %	5.7 %	1.6 %	1.6 %
<b>Gross profit margin</b>		49.0 %	49.6 %	52.7 %	50.5 %	49.3 %	51.0 %	51.5 %
<b>EBITDA</b>	15.5 %	199	134	165	153	164	222	236
<b>Margin</b>		12.5 %	9.1 %	12.3 %	10.7 %	10.8 %	14.4 %	15.1 %
<b>EBIT</b>	42.0 %	100	34	56	36	28	95	103
<b>Margin</b>		6.3 %	2.3 %	4.1 %	2.5 %	1.8 %	6.2 %	6.6 %
<b>Net income</b>	-	23	-37	-8	-1	12	27	35
<b>EPS</b>	-	1.32	-2.17	-0.48	-0.02	0.46	1.03	1.36
<b>DPS</b>	-	0.10	0.00	0.00	0.00	0.00	0.25	0.35
<b>Dividend Yield</b>		0.5 %	n.a.	n.a.	n.a.	n.a.	3.8 %	5.3 %
<b>FCFPS</b>		1.27	1.91	1.69	-3.37	0.61	0.43	1.17
<b>EV / Sales</b>		0.6 x	0.7 x	0.6 x	0.6 x	0.5 x	0.5 x	0.4 x
<b>EV / EBITDA</b>		5.1 x	7.4 x	5.1 x	5.8 x	4.5 x	3.2 x	2.8 x
<b>EV / EBIT</b>		10.1 x	29.5 x	15.1 x	24.5 x	26.7 x	7.5 x	6.4 x
<b>P / E</b>		14.9 x	n.a.	n.a.	n.a.	14.3 x	6.4 x	4.9 x
<b>Net Debt</b>		671	688	647	610	569	533	484
<b>ROE</b>		5.4 %	-9.2 %	-2.2 %	-0.1 %	2.5 %	5.3 %	6.7 %
<b>ROCE (NOPAT)</b>		3.3 %	10.0 %	13.3 %	6.2 %	1.0 %	4.0 %	4.9 %
<b>Guidance:</b>		FY 2022: Total sales output with sign. increase yoy & EBIT sign. below last year						

**Sales development**  
in EUR m



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

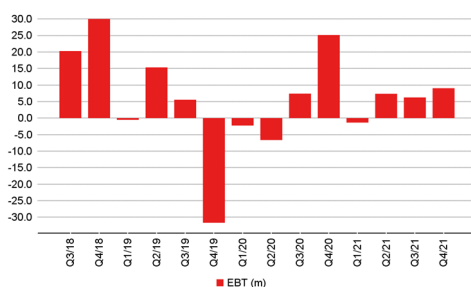
**Company Background**

- BAUER is a provider of specialist foundation engineering services and construction equipment. It is also active in the areas of environmental technology, water treatment and natural resources
- Construction: specialist foundation engineering services for major infrastructure and building projects, installation of cut-off walls, ground improvement works and related project development services
- Equipment: specialist foundation engineering equipment and equipment for related underground drilling operations (mining, oil and gas extraction)
- Resources: bundles the group's activities in the area of water, mineral resources and environmental technology

**Competitive Quality**

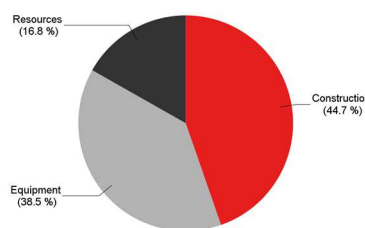
- BAUER is one of the global market leaders for special foundation engineering equipment, specialist foundation engineering services and has a significant footprint across the globe
- BAUER is a best-in-class provider of specialist foundation engineering services with strong reputation in the industry
- A global approach combined with a hub strategy allows staff and equipment to be relocated as required, which lowers the cluster and concentration risks related to project-driven business
- Availability of services and spare parts worldwide and around the clock gives customers crucial planning security.

**EBT development**  
in EUR m



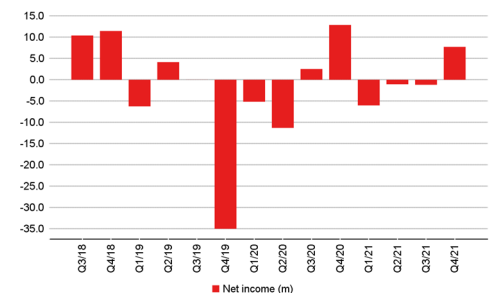
Source: Warburg Research

**Sales by segments**  
2021; 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	1,515	1,539	1,564	1,587	1,611	1,635	1,660	1,685	1,710	1,736	1,762	1,788	1,806	
Sales change	5.7 %	1.6 %	1.6 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.0 %	1.0 %
EBIT	28	95	103	107	105	102	100	100	102	104	106	107	108	
EBIT-margin	1.8 %	6.2 %	6.6 %	6.8 %	6.5 %	6.3 %	6.0 %	5.9 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	
Tax rate (EBT)	60.0 %	55.0 %	50.0 %	48.0 %	46.0 %	44.0 %	43.0 %	42.0 %	41.0 %	40.0 %	39.0 %	39.0 %	35.0 %	
NOPAT	11	43	52	56	57	57	57	58	60	62	64	66	70	
Depreciation	136	127	133	131	129	127	124	122	120	118	116	114	112	
in % of Sales	9.0 %	8.3 %	8.5 %	8.2 %	8.0 %	7.7 %	7.5 %	7.3 %	7.0 %	6.8 %	6.6 %	6.4 %	6.2 %	
Changes in provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	
Change in Liquidity from														
- Working Capital	1	9	5	8	8	8	9	9	9	9	9	9	6	
- Capex	130	132	133	130	128	126	124	123	121	119	117	115	113	
Capex in % of Sales	8.6 %	8.6 %	8.5 %	8.2 %	8.0 %	7.7 %	7.5 %	7.3 %	7.1 %	6.9 %	6.7 %	6.5 %	6.3 %	
- Other	0	0	0	0	0	0	0	0	0	0	0	0	0	
Free Cash Flow (WACC Model)	16	29	47	48	49	49	48	49	51	53	55	55	63	67
PV of FCF	16	26	40	38	36	34	31	29	28	27	26	24	26	421
share of PVs	10.25 %			37.21 %										52.54 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	55.00 %	Financial Strength	1.50
Cost of debt (after tax)	4.0 %	Liquidity (share)	1.80
Market return	8.25 %	Cyclicality	1.60
Risk free rate	2.75 %	Transparency	1.60
		Others	1.80
<b>WACC</b>	<b>7.56 %</b>	<b>Beta</b>	<b>1.66</b>

Valuation (m)

Present values 2034e	380		
Terminal Value	421		
Financial liabilities	499		
Pension liabilities	152		
Hybrid capital	0		
Minority interest	72		
Market val. of investments	93		
Liquidity	121	No. of shares (m)	26.1
<b>Equity Value</b>	<b>292</b>	<b>Value per share (EUR)</b>	<b>11.19</b>

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.25 %	0.50 %	0.75 %	1.00 %	1.25 %	1.50 %	1.75 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
2.06	8.6 %	5.64	5.99	6.37	6.77	7.19	7.65	8.14	2.06	8.6 %	-0.64	1.83	4.30	6.77	9.23	11.70	14.17
1.86	8.1 %	7.46	7.88	8.33	8.82	9.34	9.90	10.50	1.86	8.1 %	0.86	3.51	6.17	8.82	11.47	14.12	16.77
1.76	7.8 %	8.46	8.93	9.42	9.96	10.54	11.16	11.83	1.76	7.8 %	1.70	4.45	7.21	9.96	12.71	15.47	18.22
1.66	7.6 %	9.54	10.05	10.60	11.19	11.83	12.52	13.28	1.66	7.6 %	2.60	5.46	8.33	11.19	14.06	16.92	19.78
1.56	7.3 %	10.69	11.26	11.87	12.52	13.24	14.01	14.85	1.56	7.3 %	3.58	6.56	9.54	12.52	15.51	18.49	21.47
1.46	7.1 %	11.93	12.56	13.24	13.97	14.77	15.63	16.58	1.46	7.1 %	4.63	7.75	10.86	13.97	17.08	20.19	23.31
1.26	6.6 %	14.73	15.50	16.35	17.26	18.27	19.37	20.59	1.26	6.6 %	7.05	10.45	13.86	17.26	20.67	24.07	27.48

- Beta value reflects the company's cyclical business exposure and high indebtedness
- Beyond the detailed planning period we assume constant sales growth of 1% p.a.
- We value minorities with 15x forward earnings attributable to minority shareholders
- FY 2020 tax rate adjusted in Others line to reflect the EUR 53m gap between P&L and DCF calculation

Valuation	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	0.8 x	0.8 x	0.5 x	0.6 x	0.4 x	0.3 x	0.3 x
Book value per share ex intangibles	23.95	21.30	20.27	20.02	18.14	19.15	20.25
EV / Sales	0.6 x	0.7 x	0.6 x	0.6 x	0.5 x	0.5 x	0.4 x
EV / EBITDA	5.1 x	7.4 x	5.1 x	5.8 x	4.5 x	3.2 x	2.8 x
EV / EBIT	10.1 x	29.5 x	15.1 x	24.5 x	26.7 x	7.5 x	6.4 x
EV / EBIT adj.*	10.1 x	13.5 x	15.1 x	24.5 x	26.7 x	7.5 x	6.4 x
P / FCF	15.5 x	9.3 x	6.5 x	n.a.	10.8 x	15.3 x	5.7 x
P / E	14.9 x	n.a.	n.a.	n.a.	14.3 x	6.4 x	4.9 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend Yield	0.5 %	n.a.	n.a.	n.a.	n.a.	3.8 %	5.3 %
FCF Potential Yield (on market EV)	6.6 %	1.9 %	6.0 %	5.2 %	6.5 %	13.2 %	16.1 %

\*Adjustments made for: -

**Consolidated profit & loss**

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
<b>Sales</b>	<b>1,589</b>	<b>1,471</b>	<b>1,343</b>	<b>1,433</b>	<b>1,515</b>	<b>1,539</b>	<b>1,564</b>
Change Sales yoy	-4.7 %	-7.4 %	-8.7 %	6.7 %	5.7 %	1.6 %	1.6 %
Increase / decrease in inventory	2	32	-17	5	3	3	3
Own work capitalised	9	10	8	15	16	16	16
<b>Total Sales</b>	<b>1,599</b>	<b>1,513</b>	<b>1,335</b>	<b>1,454</b>	<b>1,534</b>	<b>1,559</b>	<b>1,584</b>
Material expenses	821	783	626	730	788	774	779
<b>Gross profit</b>	<b>778</b>	<b>730</b>	<b>708</b>	<b>724</b>	<b>746</b>	<b>784</b>	<b>805</b>
<i>Gross profit margin</i>	<i>49.0 %</i>	<i>49.6 %</i>	<i>52.7 %</i>	<i>50.5 %</i>	<i>49.3 %</i>	<i>51.0 %</i>	<i>51.5 %</i>
Personnel expenses	392	419	395	430	441	447	454
Other operating income	17	36	77	30	68	88	89
Other operating expenses	204	213	225	170	210	203	204
Unfrequent items	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>199</b>	<b>134</b>	<b>165</b>	<b>153</b>	<b>164</b>	<b>222</b>	<b>236</b>
<i>Margin</i>	<i>12.5 %</i>	<i>9.1 %</i>	<i>12.3 %</i>	<i>10.7 %</i>	<i>10.8 %</i>	<i>14.4 %</i>	<i>15.1 %</i>
Depreciation of fixed assets	91	94	102	107	115	121	127
<b>EBITA</b>	<b>108</b>	<b>40</b>	<b>63</b>	<b>47</b>	<b>49</b>	<b>101</b>	<b>109</b>
Amortisation of intangible assets	8	6	7	11	6	6	6
Goodwill amortisation	0	0	0	0	-15	0	0
<b>EBIT</b>	<b>100</b>	<b>34</b>	<b>56</b>	<b>36</b>	<b>28</b>	<b>95</b>	<b>103</b>
<i>Margin</i>	<i>6.3 %</i>	<i>2.3 %</i>	<i>4.1 %</i>	<i>2.5 %</i>	<i>1.8 %</i>	<i>6.2 %</i>	<i>6.6 %</i>
<b>EBIT adj.</b>	<b>100</b>	<b>74</b>	<b>56</b>	<b>36</b>	<b>28</b>	<b>95</b>	<b>103</b>
Interest income	38	34	33	51	90	30	30
Interest expenses	33	36	27	28	26	24	22
Other financial income (loss)	5	0	0	0	0	0	0
<b>EBT</b>	<b>66</b>	<b>-11</b>	<b>16</b>	<b>21</b>	<b>42</b>	<b>70</b>	<b>81</b>
<i>Margin</i>	<i>4.1 %</i>	<i>-0.8 %</i>	<i>1.2 %</i>	<i>1.5 %</i>	<i>2.8 %</i>	<i>4.6 %</i>	<i>5.2 %</i>
Total taxes	-42	-25	-25	-17	-25	-39	-40
<b>Net income from continuing operations</b>	<b>24</b>	<b>-37</b>	<b>-8</b>	<b>4</b>	<b>17</b>	<b>32</b>	<b>40</b>
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
<b>Net income before minorities</b>	<b>24</b>	<b>-37</b>	<b>-8</b>	<b>4</b>	<b>17</b>	<b>32</b>	<b>40</b>
Minority interest	2	1	0	5	5	5	5
<b>Net income</b>	<b>23</b>	<b>-37</b>	<b>-8</b>	<b>-1</b>	<b>12</b>	<b>27</b>	<b>35</b>
<i>Margin</i>	<i>1.4 %</i>	<i>-2.5 %</i>	<i>-0.6 %</i>	<i>0.0 %</i>	<i>0.8 %</i>	<i>1.7 %</i>	<i>2.3 %</i>
Number of shares, average	17	17	17	23	26	26	26
<b>EPS</b>	<b>1.32</b>	<b>-2.17</b>	<b>-0.48</b>	<b>-0.02</b>	<b>0.46</b>	<b>1.03</b>	<b>1.36</b>

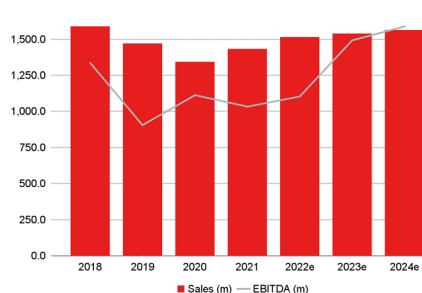
\*Adjustments made for:

**Guidance: FY 2022: Total sales output with sign. increase yoy & EBIT sign. below last year**

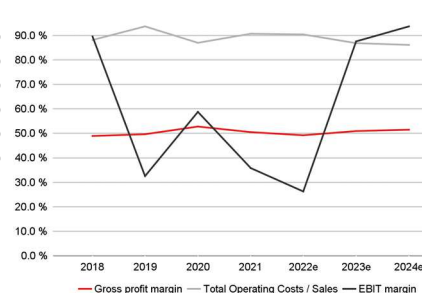
**Financial Ratios**

	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	88.2 %	93.7 %	87.0 %	90.7 %	90.5 %	86.8 %	86.2 %
Operating Leverage	-2.5 x	8.9 x	-7.5 x	-5.3 x	-3.9 x	150.3 x	5.5 x
EBITDA / Interest expenses	6.1 x	3.8 x	6.1 x	5.5 x	6.3 x	9.1 x	10.6 x
Tax rate (EBT)	63.4 %	-222.9 %	-150.4 %	-81.2 %	60.0 %	55.0 %	50.0 %
Dividend Payout Ratio	7.1 %	0.0 %	0.0 %	0.0 %	0.0 %	20.6 %	22.6 %
Sales per Employee	122,890	115,812	121,814	119,762	127,331	128,820	130,336

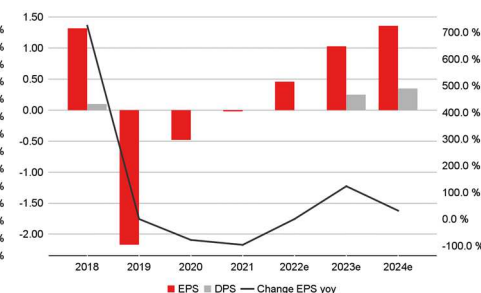
**Sales, EBITDA**  
in EUR m



**Operating Performance**  
in %



**Performance per Share**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

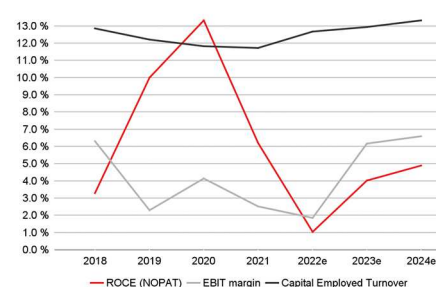
**Consolidated balance sheet**

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
<b>Assets</b>							
Goodwill and other intangible assets	18	17	15	16	17	17	17
thereof other intangible assets	18	15	12	15	17	17	17
thereof Goodwill	0	0	0	0	0	0	0
Property, plant and equipment	412	460	452	506	508	502	490
Financial assets	0	0	0	0	0	0	0
Other long-term assets	121	127	87	93	86	79	72
<b>Fixed assets</b>	<b>551</b>	<b>604</b>	<b>554</b>	<b>615</b>	<b>611</b>	<b>598</b>	<b>579</b>
Inventories	426	467	435	457	464	467	470
Accounts receivable	335	271	257	252	257	261	266
Liquid assets	63	38	46	41	47	54	53
Other short-term assets	187	160	165	176	177	181	184
<b>Current assets</b>	<b>1,011</b>	<b>936</b>	<b>902</b>	<b>926</b>	<b>946</b>	<b>963</b>	<b>972</b>
<b>Total Assets</b>	<b>1,632</b>	<b>1,629</b>	<b>1,544</b>	<b>1,640</b>	<b>1,655</b>	<b>1,659</b>	<b>1,651</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	73	73	80	111	111	111	111
Capital reserve	38	38	47	92	92	92	92
Retained earnings	317	270	237	275	287	314	343
Other equity components	0	0	0	0	0	0	0
Shareholders' equity	428	382	365	478	490	517	546
Minority interest	4	5	1	3	8	13	18
<b>Total equity</b>	<b>432</b>	<b>387</b>	<b>366</b>	<b>481</b>	<b>498</b>	<b>529</b>	<b>563</b>
Provisions	189	205	230	213	213	213	213
thereof provisions for pensions and similar obligations	137	162	171	152	152	152	152
Financial liabilities (total)	596	564	522	499	464	434	384
Short-term financial liabilities	257	432	217	205	170	140	90
Accounts payable	225	240	180	198	212	211	214
Other liabilities	190	232	247	249	269	272	276
<b>Liabilities</b>	<b>1,200</b>	<b>1,242</b>	<b>1,178</b>	<b>1,158</b>	<b>1,157</b>	<b>1,129</b>	<b>1,087</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,632</b>	<b>1,629</b>	<b>1,544</b>	<b>1,640</b>	<b>1,655</b>	<b>1,659</b>	<b>1,651</b>

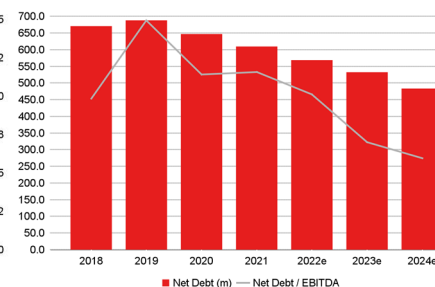
**Financial Ratios**

	2018	2019	2020	2021	2022e	2023e	2024e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	1.7 x	1.5 x	1.4 x	1.4 x	1.5 x	1.5 x	1.5 x
Capital Employed Turnover	1.4 x	1.4 x	1.3 x	1.3 x	1.4 x	1.4 x	1.5 x
ROA	4.1 %	-6.1 %	-1.5 %	-0.1 %	1.9 %	4.5 %	6.1 %
<b>Return on Capital</b>							
ROCE (NOPAT)	3.3 %	10.0 %	13.3 %	6.2 %	1.0 %	4.0 %	4.9 %
ROE	5.4 %	-9.2 %	-2.2 %	-0.1 %	2.5 %	5.3 %	6.7 %
Adj. ROE	5.4 %	-9.2 %	-2.2 %	-0.1 %	2.5 %	5.3 %	6.7 %
<b>Balance sheet quality</b>							
Net Debt	671	688	647	610	569	533	484
Net Financial Debt	533	526	476	457	416	380	331
Net Gearing	155.3 %	177.8 %	177.0 %	126.7 %	114.3 %	100.6 %	85.8 %
Net Fin. Debt / EBITDA	268.6 %	392.1 %	288.3 %	298.0 %	254.2 %	171.3 %	140.2 %
Book Value / Share	25.0	22.3	21.1	20.7	18.8	19.8	20.9
Book value per share ex intangibles	23.9	21.3	20.3	20.0	18.1	19.2	20.3

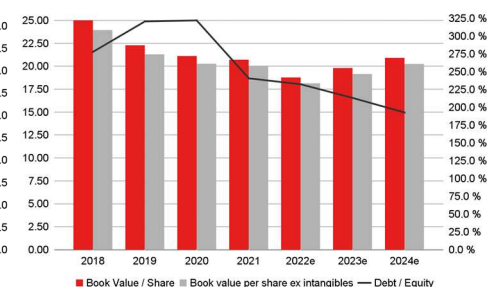
**ROCE Development**



**Net debt in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

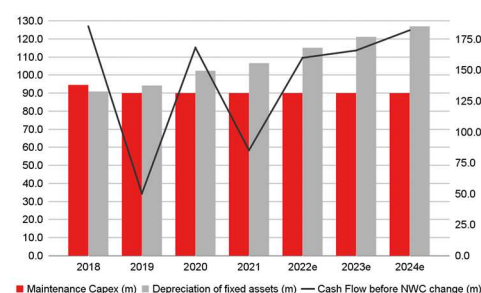
**Consolidated cash flow statement**

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	24	-37	-8	4	17	32	40
Depreciation of fixed assets	91	94	102	107	115	121	127
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	8	6	7	11	6	6	6
Increase/decrease in long-term provisions	8	24	9	-18	0	0	0
Other non-cash income and expenses	54	-38	58	-18	23	7	9
<b>Cash Flow before NWC change</b>	<b>185</b>	<b>50</b>	<b>168</b>	<b>85</b>	<b>160</b>	<b>166</b>	<b>182</b>
Increase / decrease in inventory	-36	-57	16	-34	-20	-17	-17
Increase / decrease in accounts receivable	-25	101	35	-26	-10	-7	-7
Increase / decrease in accounts payable	-9	40	-76	35	15	1	5
Increase / decrease in other working capital positions	0	0	0	0	0	0	0
Increase / decrease in working capital (total)	-69	84	-26	-25	-14	-23	-19
<b>Net cash provided by operating activities [1]</b>	<b>116</b>	<b>134</b>	<b>142</b>	<b>61</b>	<b>146</b>	<b>143</b>	<b>163</b>
Investments in intangible assets	0	0	0	0	0	0	0
Investments in property, plant and equipment	-95	-102	-113	-139	-130	-132	-133
Payments for acquisitions	0	0	-18	0	0	0	0
Financial investments	0	0	0	0	0	0	0
Income from asset disposals	37	27	35	44	25	25	25
<b>Net cash provided by investing activities [2]</b>	<b>-58</b>	<b>-75</b>	<b>-97</b>	<b>-95</b>	<b>-105</b>	<b>-107</b>	<b>-108</b>
Change in financial liabilities	-41	-83	-49	-35	-35	-30	-50
Dividends paid	-3	-3	-2	-1	0	0	-7
Purchase of own shares	0	0	0	0	0	0	0
Capital measures	0	0	16	64	0	0	0
Other	0	0	0	0	0	0	0
<b>Net cash provided by financing activities [3]</b>	<b>-44</b>	<b>-86</b>	<b>-36</b>	<b>27</b>	<b>-35</b>	<b>-30</b>	<b>-57</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>15</b>	<b>-27</b>	<b>10</b>	<b>-7</b>	<b>6</b>	<b>6</b>	<b>-1</b>
Effects of exchange-rate changes on cash	1	2	-2	2	0	0	0
Cash and cash equivalent at end of period	63	38	46	41	47	54	53

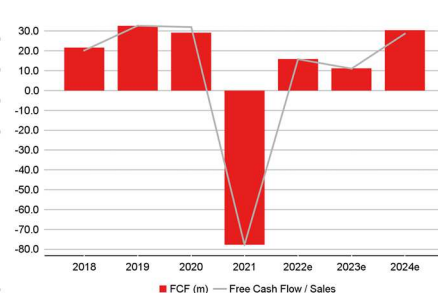
**Financial Ratios**

	2018	2019	2020	2021	2022e	2023e	2024e
<b>Cash Flow</b>							
FCF	22	33	29	-78	16	11	30
Free Cash Flow / Sales	1.4 %	2.2 %	2.2 %	-5.4 %	1.1 %	0.7 %	1.9 %
Free Cash Flow Potential	67	19	51	46	49	93	106
Free Cash Flow / Net Profit	96.0 %	-87.9 %	-347.7 %	13805.9 %	134.0 %	42.0 %	85.9 %
Interest Received / Avg. Cash	69.6 %	67.4 %	79.1 %	116.3 %	202.9 %	59.3 %	56.5 %
Interest Paid / Avg. Debt	5.4 %	6.2 %	5.0 %	5.4 %	5.4 %	5.4 %	5.4 %
<b>Management of Funds</b>							
Investment ratio	5.9 %	6.9 %	8.4 %	9.7 %	8.6 %	8.6 %	8.5 %
Maint. Capex / Sales	5.9 %	6.1 %	6.7 %	6.3 %	5.9 %	5.8 %	5.8 %
Capex / Dep	95.9 %	101.2 %	103.2 %	118.0 %	122.8 %	103.9 %	99.9 %
Avg. Working Capital / Sales	33.1 %	35.2 %	37.6 %	35.7 %	33.7 %	33.4 %	33.2 %
Trade Debtors / Trade Creditors	149.2 %	112.9 %	142.9 %	127.1 %	121.6 %	124.0 %	124.0 %
Inventory Turnover	1.9 x	1.7 x	1.4 x	1.6 x	1.7 x	1.7 x	1.7 x
Receivables collection period (days)	77	67	70	64	62	62	62
Payables payment period (days)	100	112	105	99	98	99	100
Cash conversion cycle (Days)	167	173	219	194	179	183	182

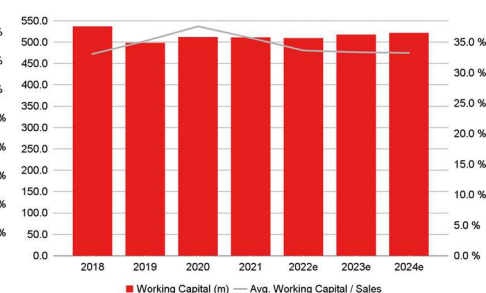
**CAPEX and Cash Flow**  
in EUR m



**Free Cash Flow Generation**



**Working Capital**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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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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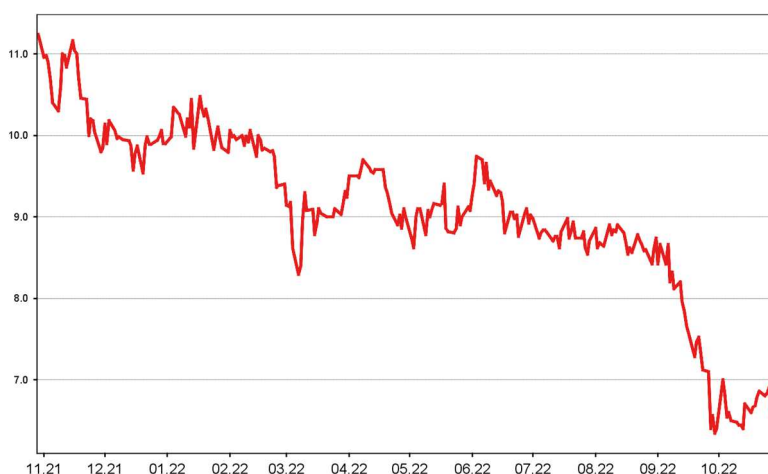
Rating	Number of stocks	% of Universe
Buy	163	75
Hold	45	21
Sell	4	2
Rating suspended	4	2
<b>Total</b>	<b>216</b>	<b>100</b>

**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	45	80
Hold	8	14
Sell	1	2
Rating suspended	2	4
<b>Total</b>	<b>56</b>	<b>100</b>

**PRICE AND RATING HISTORY BAUER AS OF 28.10.2022**



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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