

Hold EUR 10.00 (EUR 11.00) Price EUR 6.76 Upside 47.9 %	Value Indicators: EUR DCF: 9.82 SotP 22e: 11.60	Warburg ESG Risk Score: 1.2 ESG Score (MSCI based): 2.0 Balance Sheet Score: 1.5 Market Liquidity Score: 0.0	Description: Supplier of specialist foundation engineering services and construction equipment
	Market Snapshot: EUR m Market cap: 176 No. of shares (m): 26 EV: 763 Freefloat MC: 60 Ø Trad. Vol. (30d): 63.19 th	Shareholders: Freefloat 33.98 % Bauer Family 36.02 % Alfons Doblinger 30.00 %	Key Figures (WRe): 2022e Beta: 1.7 Price / Book: 0.4 x Equity Ratio: 25 % Net Fin. Debt / EBITDA: 2.8 x Net Debt / EBITDA: 3.8 x

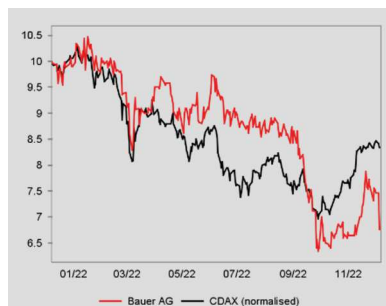
Impairments underline the importance of the restructuring initiated

Bauer has stated that it expects a significant impact on earnings from the necessary impairment of assets and the wind-up of subsidiaries. As a result, the company adjusted its guidance for 2022. While the revenue guidance remains unchanged (significant increase yoy; WRe: +11.6% yoy), EBIT is now expected in a range of EUR -65 to EUR -90m (previously: significantly below previous year; WRe: EUR -83m). We have adjusted our estimates and slightly reduced our target price from EUR 11.00 to EUR 10.00 per share.

- **Impairments:** Bauer expects significant impairment need on non-current assets and current assets at the end of the year. This is predominantly driven by the further rise in interest rates and the resulting significant increase in the weighted average cost of capital (WACC) as well as the changed assessment of country risks resulting from the generally more difficult development of the global economy. The company expects the significant negative non-cash effect on its EBIT to range from EUR 55m to 70m
- **Winding up subsidiaries:** Bauer also decided to sell or wind up further subsidiaries, which have persistently made negative earnings contributions in recent years. This also includes the well-drilling company of the Resources segment in Jordan. This is related to the streamlining of the portfolio initiated several months ago in the course of focusing on the core business and improving profitability. The sale or wind-up of further subsidiaries will have an additional negative impact on the EBIT of EUR 25 to 35m.

Conclusion: Even though write-offs of this size certainly come as a surprise, they underline the importance of the restructuring that has been initiated. We estimate that the majority of the write-downs are attributable to the Construction segment, where Bauer has already started to eliminate inefficiencies and close unprofitable subsidiaries. The winding-up of further subsidiaries, including the well-drilling company in Jordan, is a further step in the right direction, in our view. Here, the company had already been waiting in vain for years for a contract to be put to tender, so that it has been loss-making in recent years. As these are largely non-cash effects, the proceeds from the planned capital increase can continue to be used in full to reduce financial liabilities.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2022e (old)	+ / -	2023e (old)	+ / -	2024e (old)	+ / -	
Sales	1,599	0.0 %	1,625	0.0 %	1,651	0.0 %	▪ EBIT down due to impairments and additional negative effects from the sales or winding-up of further subsidiaries
EBIT	22	n.m.	96	0.0 %	103	0.0 %	
EPS	0.57	n.m.	1.04	0.0 %	1.35	0.0 %	

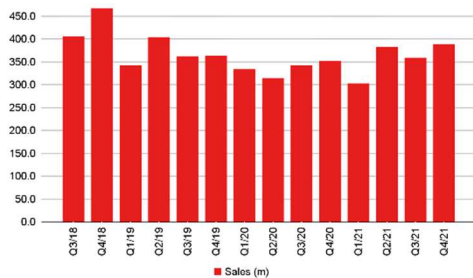


Rel. Performance vs CDAX:	
1 month:	-5.0 %
6 months:	-24.1 %
Year to date:	-14.6 %
Trailing 12 months:	-15.1 %

Company events:

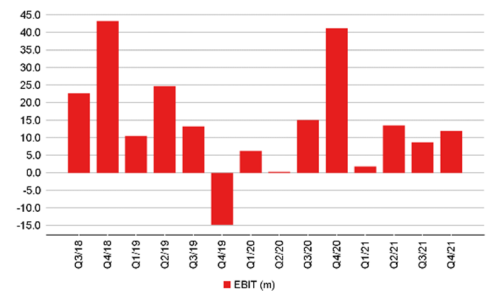
FY End: 31.12. in EUR m	CAGR (21-24e)	2018	2019	2020	2021	2022e	2023e	2024e
Sales	4.8 %	1,589	1,471	1,343	1,433	1,599	1,625	1,651
Change Sales yoy		-4.7 %	-7.4 %	-8.7 %	6.7 %	11.6 %	1.6 %	1.6 %
Gross profit margin		49.0 %	49.6 %	52.7 %	50.5 %	47.3 %	49.4 %	51.2 %
EBITDA	15.6 %	199	134	165	153	152	224	237
Margin		12.5 %	9.1 %	12.3 %	10.7 %	9.5 %	13.8 %	14.4 %
EBIT	42.1 %	100	34	56	36	-83	96	103
Margin		6.3 %	2.3 %	4.1 %	2.5 %	-5.2 %	5.9 %	6.3 %
Net income		23	-37	-8	-1	-93	27	35
EPS		1.32	-2.17	-0.48	-0.02	-3.57	1.04	1.35
DPS		0.10	0.00	0.00	0.00	0.00	0.25	0.35
Dividend Yield		0.5 %	n.a.	n.a.	n.a.	n.a.	3.7 %	5.2 %
FCFPS		1.27	1.91	1.69	-3.37	0.05	0.44	1.17
EV / Sales		0.6 x	0.7 x	0.6 x	0.6 x	0.5 x	0.4 x	0.4 x
EV / EBITDA		5.1 x	7.4 x	5.1 x	5.8 x	5.0 x	3.2 x	2.9 x
EV / EBIT		10.1 x	29.5 x	15.1 x	24.5 x	n.a.	7.6 x	6.6 x
P / E		14.9 x	n.a.	n.a.	n.a.	n.a.	6.5 x	5.0 x
Net Debt		671	688	647	610	583	547	498
ROE		5.4 %	-9.2 %	-2.2 %	-0.1 %	-21.4 %	6.7 %	8.1 %
ROCE (NOPAT)		3.3 %	10.0 %	13.3 %	6.2 %	n.a.	4.4 %	5.3 %
Guidance:		FY 2022: Total sales output with sign. increase yoy & EBIT EUR neg.65-neg.90m						

Sales development
in EUR m



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

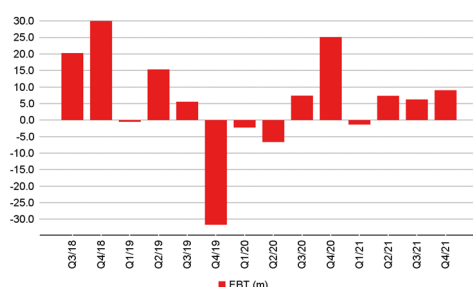
Company Background

- 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

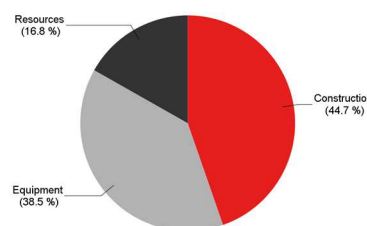
- BAUER is one of the global market leaders for special foundation engineering equipment, specialist foundation engineering services and has a significant footprint across the globe
- BAUER is a best-in-class provider of specialist foundation engineering services with strong reputation in the industry
- 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



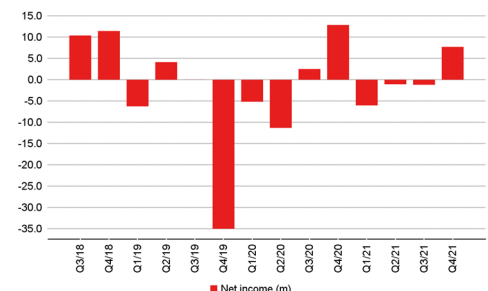
Source: Warburg Research

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	1,599	1,625	1,651	1,676	1,701	1,726	1,752	1,778	1,805	1,832	1,860	1,888	1,906	
Sales change	11.6 %	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	-83	96	103	119	116	113	109	109	110	110	113	114	114	
EBIT-margin	-5.2 %	5.9 %	6.3 %	7.1 %	6.8 %	6.5 %	6.2 %	6.1 %	6.1 %	6.0 %	6.1 %	6.1 %	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	-133	43	52	62	63	63	62	63	65	66	69	70	74	
Depreciation	236	128	134	132	131	129	127	126	124	123	121	120	118	
in % of Sales	14.7 %	7.9 %	8.1 %	7.9 %	7.7 %	7.5 %	7.3 %	7.1 %	6.9 %	6.7 %	6.5 %	6.3 %	6.2 %	
Changes in provisions	0	0	0	0	0	0	0	0	0	0	0	0	0	
Change in Liquidity from														
- Working Capital	31	9	5	9	9	9	9	9	9	9	10	10	6	
- Capex	130	132	133	137	135	133	131	129	127	126	124	122	119	
Capex in % of Sales	8.1 %	8.1 %	8.1 %	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)	-58	30	47	48	49	50	49	50	53	54	57	58	66	71
PV of FCF	-58	28	41	39	37	35	32	30	29	28	27	26	28	449
share of PVs	1.33 %			40.35 %										58.32 %

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
WACC	7.56 %	Beta	1.66

Valuation (m)

Present values 2034e	321		
Terminal Value	449		
Financial liabilities	499		
Pension liabilities	152		
Hybrid capital	0		
Minority interest	76		
Market val. of investments	93		
Liquidity	121	No. of shares (m)	26.1
Equity Value	256	Value per share (EUR)	9.82

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 %	3.97	4.35	4.75	5.18	5.64	6.13	6.65	2.06	8.6 %	-3.90	-0.87	2.15	5.18	8.21	11.23	14.26
1.86	8.1 %	5.88	6.33	6.81	7.33	7.89	8.48	9.13	1.86	8.1 %	-2.33	0.89	4.11	7.33	10.55	13.77	17.00
1.76	7.8 %	6.93	7.43	7.96	8.53	9.14	9.80	10.52	1.76	7.8 %	-1.46	1.87	5.20	8.53	11.86	15.19	18.52
1.66	7.6 %	8.05	8.60	9.19	9.82	10.50	11.24	12.04	1.66	7.6 %	-0.52	2.93	6.37	9.82	13.27	16.71	20.16
1.56	7.3 %	9.26	9.87	10.52	11.22	11.98	12.80	13.70	1.56	7.3 %	0.50	4.07	7.64	11.22	14.79	18.36	21.93
1.46	7.1 %	10.56	11.23	11.95	12.73	13.58	14.50	15.52	1.46	7.1 %	1.61	5.31	9.02	12.73	16.44	20.15	23.86
1.26	6.6 %	13.49	14.31	15.21	16.19	17.26	18.43	19.73	1.26	6.6 %	4.13	8.15	12.17	16.19	20.21	24.23	28.25

- 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

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	0.4 x	0.4 x
Book value per share ex intangibles	23.95	21.30	20.27	20.02	14.46	15.49	16.58
EV / Sales	0.6 x	0.7 x	0.6 x	0.6 x	0.5 x	0.4 x	0.4 x
EV / EBITDA	5.1 x	7.4 x	5.1 x	5.8 x	5.0 x	3.2 x	2.9 x
EV / EBIT	10.1 x	29.5 x	15.1 x	24.5 x	n.a.	7.6 x	6.6 x
EV / EBIT adj.*	10.1 x	13.5 x	15.1 x	24.5 x	n.a.	7.6 x	6.6 x
P / FCF	15.5 x	9.3 x	6.5 x	n.a.	141.5 x	15.5 x	5.8 x
P / E	14.9 x	n.a.	n.a.	n.a.	n.a.	6.5 x	5.0 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.	3.7 %	5.2 %
FCF Potential Yield (on market EV)	6.6 %	1.9 %	6.0 %	5.2 %	3.9 %	13.0 %	15.7 %

*Adjustments made for: -

Consolidated profit & loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Sales	1,589	1,471	1,343	1,433	1,599	1,625	1,651
Change Sales yoy	-4.7 %	-7.4 %	-8.7 %	6.7 %	11.6 %	1.6 %	1.6 %
Increase / decrease in inventory	2	32	-17	5	3	3	3
Own work capitalised	9	10	8	15	17	17	17
Total Sales	1,599	1,513	1,335	1,454	1,619	1,645	1,671
Material expenses	821	783	626	730	864	842	825
Gross profit	778	730	708	724	756	804	846
<i>Gross profit margin</i>	<i>49.0 %</i>	<i>49.6 %</i>	<i>52.7 %</i>	<i>50.5 %</i>	<i>47.3 %</i>	<i>49.4 %</i>	<i>51.2 %</i>
Personnel expenses	392	419	395	430	462	469	476
Other operating income	17	36	77	30	64	93	71
Other operating expenses	204	213	225	170	205	203	204
Unfrequent items	0	0	0	0	0	0	0
EBITDA	199	134	165	153	152	224	237
<i>Margin</i>	<i>12.5 %</i>	<i>9.1 %</i>	<i>12.3 %</i>	<i>10.7 %</i>	<i>9.5 %</i>	<i>13.8 %</i>	<i>14.4 %</i>
Depreciation of fixed assets	91	94	102	107	125	122	128
EBITA	108	40	63	47	28	102	110
Amortisation of intangible assets	8	6	7	11	6	6	6
Goodwill amortisation	0	0	0	0	-105	0	0
EBIT	100	34	56	36	-83	96	103
<i>Margin</i>	<i>6.3 %</i>	<i>2.3 %</i>	<i>4.1 %</i>	<i>2.5 %</i>	<i>-5.2 %</i>	<i>5.9 %</i>	<i>6.3 %</i>
EBIT adj.	100	74	56	36	-83	96	103
Interest income	38	34	33	51	137	30	30
Interest expenses	33	36	27	28	26	24	22
Other financial income (loss)	5	0	0	0	0	0	0
EBT	66	-11	16	21	-55	72	81
<i>Margin</i>	<i>4.1 %</i>	<i>-0.8 %</i>	<i>1.2 %</i>	<i>1.5 %</i>	<i>-3.4 %</i>	<i>4.4 %</i>	<i>4.9 %</i>
Total taxes	-42	-25	-25	-17	-33	-39	-41
Net income from continuing operations	24	-37	-8	4	-88	32	41
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
Net income before minorities	24	-37	-8	4	-88	32	41
Minority interest	2	1	0	5	5	5	5
Net income	23	-37	-8	-1	-93	27	35
<i>Margin</i>	<i>1.4 %</i>	<i>-2.5 %</i>	<i>-0.6 %</i>	<i>0.0 %</i>	<i>-5.8 %</i>	<i>1.7 %</i>	<i>2.1 %</i>
Number of shares, average	17	17	17	23	26	26	26
EPS	1.32	-2.17	-0.48	-0.02	-3.57	1.04	1.35

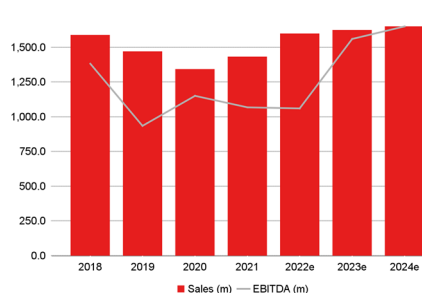
*Adjustments made for:

Guidance: FY 2022: Total sales output with sign. increase yoy & EBIT EUR neg.65-neg.90m

Financial Ratios

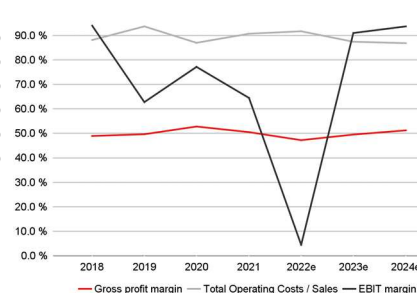
	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	88.2 %	93.7 %	87.0 %	90.7 %	91.7 %	87.5 %	86.9 %
Operating Leverage	-2.5 x	8.9 x	-7.5 x	-5.3 x	n.a.	n.a.	4.7 x
EBITDA / Interest expenses	6.1 x	3.8 x	6.1 x	5.5 x	5.8 x	9.2 x	10.7 x
Tax rate (EBT)	63.4 %	-222.9 %	-150.4 %	-81.2 %	-60.0 %	55.0 %	50.0 %
Dividend Payout Ratio	7.1 %	0.0 %	0.0 %	0.0 %	0.0 %	20.2 %	22.5 %
Sales per Employee	122,890	115,812	121,814	119,762	134,408	135,976	137,574

Sales, EBITDA
in EUR m



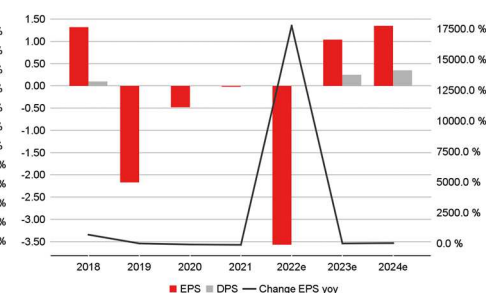
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

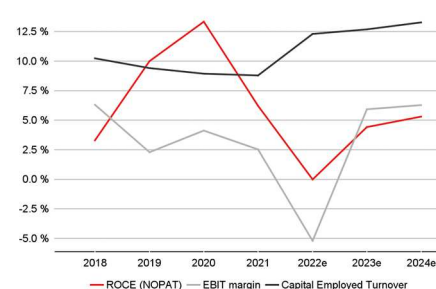
Consolidated balance sheet

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Assets							
Goodwill and other intangible assets	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	403	397	385
Financial assets	0	0	0	0	0	0	0
Other long-term assets	121	127	87	93	86	79	72
Fixed assets	551	604	554	615	506	493	474
Inventories	426	467	435	457	490	493	496
Accounts receivable	335	271	257	252	272	276	280
Liquid assets	63	38	46	41	33	39	38
Other short-term assets	187	160	165	176	186	190	193
Current assets	1,011	936	902	926	980	998	1,008
Total Assets	1,632	1,629	1,544	1,640	1,585	1,589	1,581
Liabilities and shareholders' equity							
Subscribed capital	73	73	80	111	111	111	111
Capital reserve	38	38	47	92	92	92	92
Retained earnings	317	270	237	275	191	218	247
Other equity components	0	0	0	0	0	0	0
Shareholders' equity	428	382	365	478	394	421	450
Minority interest	4	5	1	3	8	13	18
Total equity	432	387	366	481	402	434	468
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	223	223	226
Other liabilities	190	232	247	249	283	285	290
Liabilities	1,200	1,242	1,178	1,158	1,183	1,155	1,113
Total liabilities and shareholders' equity	1,632	1,629	1,544	1,640	1,585	1,589	1,581

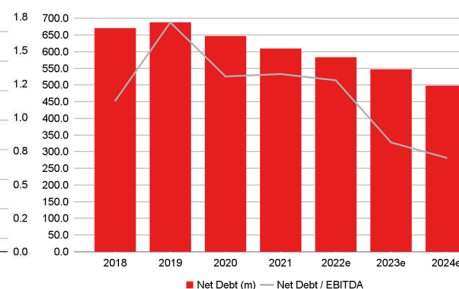
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Efficiency of Capital Employment							
Operating Assets Turnover	1.7 x	1.5 x	1.4 x	1.4 x	1.7 x	1.7 x	1.8 x
Capital Employed Turnover	1.4 x	1.4 x	1.3 x	1.3 x	1.6 x	1.7 x	1.7 x
ROA	4.1 %	-6.1 %	-1.5 %	-0.1 %	-18.4 %	5.5 %	7.4 %
Return on Capital							
ROCE (NOPAT)	3.3 %	10.0 %	13.3 %	6.2 %	n.a.	4.4 %	5.3 %
ROE	5.4 %	-9.2 %	-2.2 %	-0.1 %	-21.4 %	6.7 %	8.1 %
Adj. ROE	5.4 %	-9.2 %	-2.2 %	-0.1 %	-21.4 %	6.7 %	8.1 %
Balance sheet quality							
Net Debt	671	688	647	610	583	547	498
Net Financial Debt	533	526	476	457	431	395	346
Net Gearing	155.3 %	177.8 %	177.0 %	126.7 %	145.1 %	125.9 %	106.3 %
Net Fin. Debt / EBITDA	268.6 %	392.1 %	288.3 %	298.0 %	282.7 %	176.1 %	145.7 %
Book Value / Share	25.0	22.3	21.1	20.7	15.1	16.1	17.2
Book value per share ex intangibles	23.9	21.3	20.3	20.0	14.5	15.5	16.6

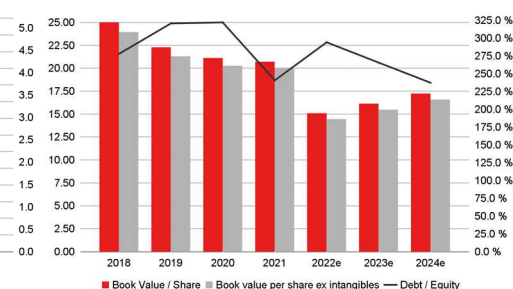
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

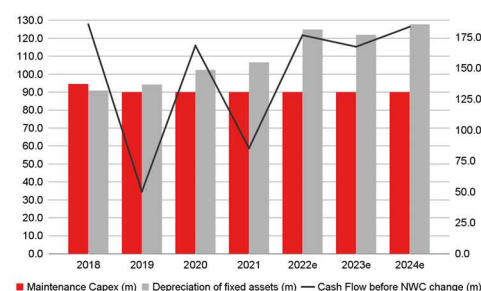
Consolidated cash flow statement

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	24	-37	-8	4	-88	32	41
Depreciation of fixed assets	91	94	102	107	125	122	128
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	134	7	9
Cash Flow before NWC change	185	50	168	85	177	167	183
Increase / decrease in inventory	-36	-57	16	-34	-46	-18	-18
Increase / decrease in accounts receivable	-25	101	35	-26	-30	-7	-7
Increase / decrease in accounts payable	-9	40	-76	35	31	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	-45	-24	-20
Net cash provided by operating activities [1]	116	134	142	61	131	143	163
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
Net cash provided by investing activities [2]	-58	-75	-97	-95	-105	-107	-108
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
Net cash provided by financing activities [3]	-44	-86	-36	27	-35	-30	-57
Change in liquid funds [1]+[2]+[3]	15	-27	10	-7	-9	6	-1
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	33	39	38

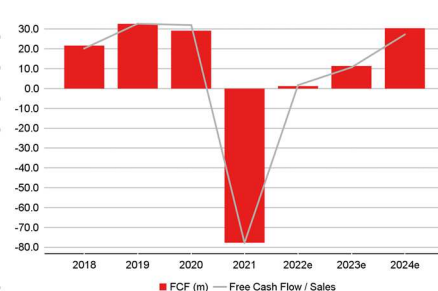
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
Cash Flow							
FCF	22	33	29	-78	1	11	30
Free Cash Flow / Sales	1.4 %	2.2 %	2.2 %	-5.4 %	0.1 %	0.7 %	1.8 %
Free Cash Flow Potential	67	19	51	46	29	95	107
Free Cash Flow / Net Profit	96.0 %	-87.9 %	-347.7 %	13805.9 %	-1.3 %	42.0 %	86.2 %
Interest Received / Avg. Cash	69.6 %	67.4 %	79.1 %	116.3 %	369.4 %	83.4 %	77.7 %
Interest Paid / Avg. Debt	5.4 %	6.2 %	5.0 %	5.4 %	5.4 %	5.4 %	5.4 %
Management of Funds							
Investment ratio	5.9 %	6.9 %	8.4 %	9.7 %	8.1 %	8.1 %	8.1 %
Maint. Capex / Sales	5.9 %	6.1 %	6.7 %	6.3 %	5.6 %	5.5 %	5.5 %
Capex / Dep	95.9 %	101.2 %	103.2 %	118.0 %	507.4 %	103.2 %	99.3 %
Avg. Working Capital / Sales	33.1 %	35.2 %	37.6 %	35.7 %	32.8 %	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	1.8 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	94	97	100
Cash conversion cycle (Days)	167	173	219	194	174	179	181

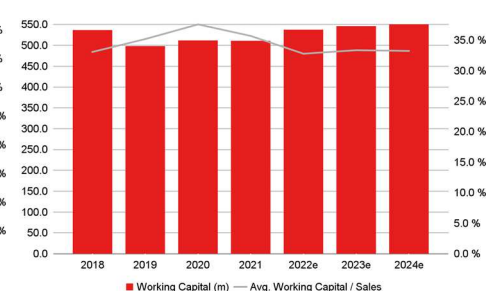
CAPEX and Cash Flow
in EUR m



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.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
BAUER	3, 5	http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005168108.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	162	76
Hold	43	20
Sell	6	3
Rating suspended	3	1
Total	214	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	45	83
Hold	7	13
Sell	1	2
Rating suspended	1	2
Total	54	100

PRICE AND RATING HISTORY BAUER AS OF 07.12.2022



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

EQUITIES

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

RESEARCH

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

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

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

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

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

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

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

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

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

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

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

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

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

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

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

INSTITUTIONAL EQUITY SALES

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

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

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

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

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

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

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

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

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

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

SALES TRADING

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

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

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

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

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

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

MACRO RESEARCH

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

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

Our research can be found under:

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

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

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com