

<b>Hold</b> <b>EUR 7.00</b>  Price <b>EUR 6.32</b> Upside <b>10.8 %</b>	<b>Value Indicators:</b> EUR DCF: 6.55 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: 272 No. of shares (m): 43 EV: 781 Freefloat MC: 69 Ø Trad. Vol. (30d): 125.07 th	<b>Shareholders:</b> Freefloat 25.40 % Bauer Family 21.80 % Sabine Doblinger 27.90 % Alfons Doblinger 24.90 %	<b>Key Figures (WRe):</b> 2023e Beta: 1.7 Price / Book: 0.7 x Equity Ratio: 27 % Net Fin. Debt / EBITDA: 2.1 x Net Debt / EBITDA: 2.7 x

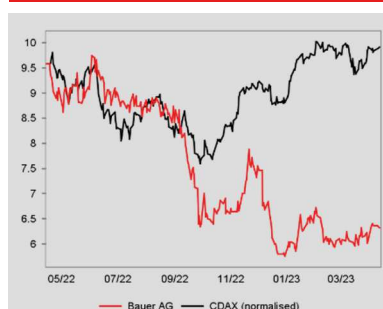
## Transformation in full swing, but waiting for mandatory offer; Hold confirmed

With the release of the final figures for 2022, Bauer also issued a guidance for 2023. The company expects total sales to be slightly lower than the previous year (WRe: -2.7%) and EBIT in the range of EUR 35-60m (WRe: EUR 51.3m; Factset cons.: EUR 63.0m). We have included all new information, slightly adjusted our estimates and rolled forward our model.

- Construction:** The Construction segment reported a mixed 2022. While revenues grew by 15.4% y-o-y, earnings remained significantly behind expectations. The increase in revenues reflects the overall growing market environment with a significant recovery in the Middle East and the return of markets in Asia. Nevertheless, EBIT declined sharply from EUR -8.6m in 2021 to EUR -65.5m in 2022, mainly driven by the deconsolidation of the Russian companies (EUR 9.7m) and the devaluation of fixed and current assets (EUR 35.6m). Despite the restart of several markets, we remain cautious with regard to the Construction segment in 2023. We assume a flattish revenue development but with increased profitability and positive EBIT contribution.
- Equipment:** The Equipment segment remains the backbone of Bauer's business model. The +13.4% revenue growth was fuelled by positive and growing markets worldwide. Germany, Europe and the Americas, in particular the US, as well as the Middle East posted slight to significant gains. That said, China continued to be virtually absent as a market. EBIT increased by 8.2% and could not keep pace with the dynamic development of the top line. This is mainly due to negative one-off effects from unscheduled depreciations (EUR 7.6m) and the sale of Olbersdorfer Guß GmbH (EUR 10.1m). For 2023, we also expect a somewhat flattish top-line development, while profitability should increase as we do not expect any major one-offs this year. A restart of the Chinese market could become the major swing in 2023, in particular for the Equipment segment, but for now visibility remains very limited as to whether this will happen in the course of the year.
- Resources:** While revenues increased by almost 10% y-o-y, EBIT decreased significantly from EUR 9.5m to EUR -37.3m in 2022, mainly due to the wind-up of the well-drilling company in Jordan (c. EUR 14.5m) and a devaluation of BAUER's participation in Oman (EUR 25.7m). The devaluation is related to increased weighted average cost of capital (WACC) and modified market assessments for the future sale of CO2 certificates.

**Conclusion:** Despite the current operating performance, BAUER has already started to eliminate inefficiencies and close unprofitable subsidiaries. With the cash inflow from the capital increase, BAUER should succeed in taking an important step in its transformation. However, visibility on when the macro environment will take a turn for the better remains low, especially with regard to China. In the short term, the focus will remain on the mandatory offer by SD Thesaurus GmbH, which is expected in the next couple of days. As SD Thesaurus GmbH and Doblinger Beteiligung GmbH act in concert and thereby gain control over Bauer (a total of 52.81% of the voting rights), an offer is compulsory. Bauer has also been informed that SD Thesaurus GmbH would seek a delisting of the shares. We stick to our Hold recommendation for the time being.

Changes in Estimates:				Comment on Changes:			
FY End: 31.12. in EUR m	2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -	
Sales	1,576	1.9 %	1,601	1.9 %	n.a.	n.m.	<ul style="list-style-type: none"> <li>Only minor adjustments to sales and EBIT, as we have already made major adjustments to our estimates in our comment of 24.03.2023</li> <li>EPS down as we increased our assumptions for interest expenses for 2023 and subsequent years</li> </ul>
EBIT	51	0.9 %	60	1.3 %	n.a.	n.m.	
EPS	0.16	-31.3 %	0.32	-9.4 %	n.a.	n.m.	

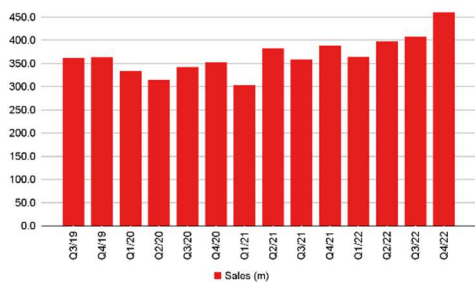


Rel. Performance vs CDAX:	
1 month:	0.5 %
6 months:	-28.5 %
Year to date:	-2.8 %
Trailing 12 months:	-37.7 %

Company events:	
11.05.23	Q1
22.06.23	AGM

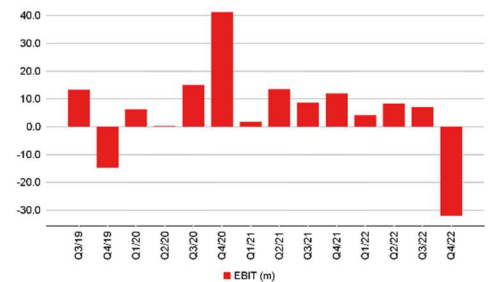
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	0.6 %	1,471	1,343	1,433	1,630	1,606	1,632	1,658
Change Sales yoy		-7.4 %	-8.7 %	6.7 %	13.8 %	-1.5 %	1.6 %	1.6 %
Gross profit margin		49.6 %	52.7 %	50.5 %	47.8 %	47.8 %	49.4 %	50.3 %
EBITDA	53.5 %	134	165	153	61	179	195	219
Margin		9.1 %	12.3 %	10.7 %	3.7 %	11.2 %	11.9 %	13.2 %
EBIT		34	56	36	-68	51	61	79
Margin		2.3 %	4.1 %	2.5 %	-4.2 %	3.2 %	3.7 %	4.8 %
Net income		-37	-8	-1	-99	5	12	21
EPS		-2.17	-0.48	-0.02	-3.80	0.11	0.29	0.50
DPS		0.00	0.00	0.00	0.00	0.25	0.35	0.35
Dividend Yield		n.a.	n.a.	n.a.	n.a.	4.0 %	5.5 %	5.5 %
FCFPS		1.91	1.69	-3.37	-0.80	-0.55	0.17	0.39
EV / Sales		n.a.	n.a.	0.6 x	0.5 x	0.5 x	0.5 x	0.4 x
EV / EBITDA		n.a.	n.a.	5.9 x	13.8 x	4.4 x	3.9 x	3.4 x
EV / EBIT		n.a.	n.a.	25.0 x	n.a.	15.2 x	12.5 x	9.3 x
P / E		n.a.	n.a.	n.a.	n.a.	57.5 x	21.8 x	12.7 x
Net Debt		688	647	610	593	491	469	443
ROE		-9.2 %	-2.2 %	-0.1 %	-23.0 %	1.2 %	3.1 %	4.9 %
ROCE (NOPAT)		10.0 %	13.3 %	6.2 %	n.a.	2.4 %	3.4 %	4.3 %
Guidance:		FY 2023: Slight decrease of total group revenues & EBIT EUR 35-60m						

**Sales development**  
in EUR m



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

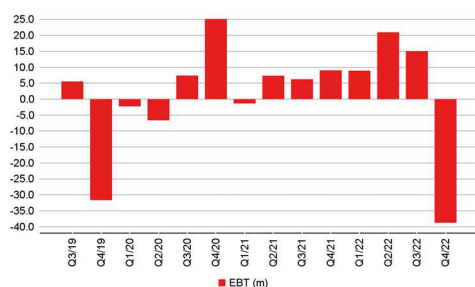
**Company Background**

- 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**

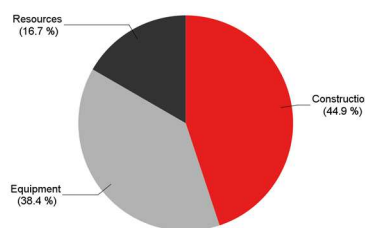
- BAUER is one of the global market leaders for special foundation engineering equipment, specialist foundation engineering services and has a significant footprint across the globe
- BAUER is a best-in-class provider of specialist foundation engineering services with strong reputation in the industry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



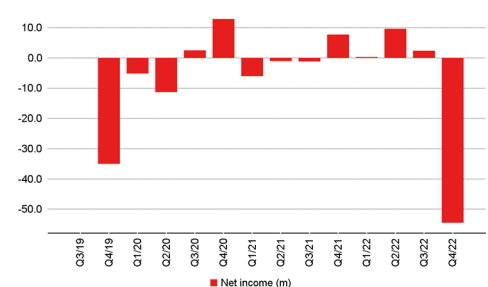
Source: Warburg Research

**Sales by segments**  
2022; 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	
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e		
Sales	1,606	1,632	1,658	1,683	1,708	1,734	1,760	1,786	1,813	1,840	1,868	1,896	1,915		
Sales change	-1.5 %	1.6 %	1.6 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.0 %	1.0 %
EBIT	51	61	79	98	112	110	106	107	109	110	112	114	115		
EBIT-margin	3.2 %	3.7 %	4.8 %	5.8 %	6.6 %	6.3 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %	6.0 %		
Tax rate (EBT)	55.0 %	50.0 %	50.0 %	48.0 %	46.0 %	44.0 %	43.0 %	42.0 %	41.0 %	40.0 %	39.0 %	39.0 %	35.0 %		
NOPAT	23	30	40	51	61	61	61	62	64	66	69	70	75		
Depreciation	128	134	140	138	135	133	131	129	127	125	123	121	118		
in % of Sales	8.0 %	8.2 %	8.4 %	8.2 %	7.9 %	7.7 %	7.5 %	7.2 %	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	58	5	10	8	9	9	9	9	9	9	9	9	6		
- Capex	132	133	134	138	136	134	132	130	128	126	124	122	120		
Capex in % of Sales	8.2 %	8.2 %	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)	-40	26	36	42	51	52	51	52	54	56	58	59	67	71	
PV of FCF	-41	25	32	35	40	37	34	32	31	30	29	27	29	469	
share of PVs	2.00 %			40.15 %										57.85 %	

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 2035e	342		
Terminal Value	469		
Financial liabilities	532		
Pension liabilities	106		
Hybrid capital	0		
Minority interest	77		
Market val. of investments	61		
Liquidity	125	No. of shares (m)	43.0
<b>Equity Value</b>	<b>282</b>	<b>Value per share (EUR)</b>	<b>6.55</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 %	2.92	3.16	3.41	3.68	3.97	4.29	4.62	2.06	8.6 %	-1.43	0.27	1.98	3.68	5.39	7.10	8.80
1.86	8.1 %	4.09	4.38	4.68	5.01	5.37	5.74	6.15	1.86	8.1 %	-0.46	1.36	3.19	5.01	6.84	8.66	10.49
1.76	7.8 %	4.74	5.05	5.39	5.75	6.14	6.56	7.02	1.76	7.8 %	0.08	1.97	3.86	5.75	7.64	9.54	11.43
1.66	7.6 %	5.43	5.78	6.15	6.55	6.98	7.45	7.96	1.66	7.6 %	0.66	2.62	4.59	6.55	8.51	10.48	12.44
1.56	7.3 %	6.18	6.56	6.97	7.41	7.89	8.42	8.98	1.56	7.3 %	1.29	3.33	5.37	7.41	9.45	11.49	13.53
1.46	7.1 %	6.98	7.40	7.86	8.35	8.88	9.47	10.11	1.46	7.1 %	1.98	4.10	6.23	8.35	10.47	12.60	14.72
1.26	6.6 %	8.78	9.30	9.86	10.48	11.15	11.90	12.71	1.26	6.6 %	3.54	5.85	8.17	10.48	12.79	15.11	17.42

- 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	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	n.a.	n.a.	0.6 x	0.6 x	0.7 x	0.7 x	0.6 x
Book value per share ex intangibles	21.30	20.27	20.02	14.07	8.66	8.69	10.57
EV / Sales	n.a.	n.a.	0.6 x	0.5 x	0.5 x	0.5 x	0.4 x
EV / EBITDA	n.a.	n.a.	5.9 x	13.8 x	4.4 x	3.9 x	3.4 x
EV / EBIT	n.a.	n.a.	25.0 x	n.a.	15.2 x	12.5 x	9.3 x
EV / EBIT adj.*	n.a.	n.a.	25.0 x	n.a.	15.2 x	12.5 x	9.3 x
P / FCF	9.3 x	6.5 x	n.a.	n.a.	n.a.	36.6 x	16.3 x
P / E	n.a.	n.a.	n.a.	n.a.	57.5 x	21.8 x	12.7 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Dividend Yield	n.a.	n.a.	n.a.	n.a.	4.0 %	5.5 %	5.5 %
FCF Potential Yield (on market EV)	n.a.	n.a.	5.1 %	-8.9 %	9.9 %	11.5 %	14.0 %

\*Adjustments made for: -

**Consolidated profit & loss**

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
<b>Sales</b>	<b>1,471</b>	<b>1,343</b>	<b>1,433</b>	<b>1,630</b>	<b>1,606</b>	<b>1,632</b>	<b>1,658</b>
Change Sales yoy	-7.4 %	-8.7 %	6.7 %	13.8 %	-1.5 %	1.6 %	1.6 %
Increase / decrease in inventory	32	-17	5	16	3	3	3
Own work capitalised	10	8	15	9	9	9	10
<b>Total Sales</b>	<b>1,513</b>	<b>1,335</b>	<b>1,454</b>	<b>1,656</b>	<b>1,618</b>	<b>1,644</b>	<b>1,671</b>
Material expenses	783	626	730	877	851	839	837
<b>Gross profit</b>	<b>730</b>	<b>708</b>	<b>724</b>	<b>779</b>	<b>767</b>	<b>806</b>	<b>833</b>
<i>Gross profit margin</i>	<i>49.6 %</i>	<i>52.7 %</i>	<i>50.5 %</i>	<i>47.8 %</i>	<i>47.8 %</i>	<i>49.4 %</i>	<i>50.3 %</i>
Personnel expenses	419	395	430	463	470	477	481
Other operating income	36	77	30	34	85	70	71
Other operating expenses	213	225	170	233	203	204	204
Unfrequent items	0	0	0	-55	0	0	0
<b>EBITDA</b>	<b>134</b>	<b>165</b>	<b>153</b>	<b>61</b>	<b>179</b>	<b>195</b>	<b>219</b>
<i>Margin</i>	<i>9.1 %</i>	<i>12.3 %</i>	<i>10.7 %</i>	<i>3.7 %</i>	<i>11.2 %</i>	<i>11.9 %</i>	<i>13.2 %</i>
Depreciation of fixed assets	94	102	107	129	122	128	133
<b>EBITA</b>	<b>40</b>	<b>63</b>	<b>47</b>	<b>-68</b>	<b>57</b>	<b>67</b>	<b>86</b>
Amortisation of intangible assets	6	7	11	0	6	6	6
Goodwill amortisation	0	0	0	0	0	0	0
<b>EBIT</b>	<b>34</b>	<b>56</b>	<b>36</b>	<b>-68</b>	<b>51</b>	<b>61</b>	<b>79</b>
<i>Margin</i>	<i>2.3 %</i>	<i>4.1 %</i>	<i>2.5 %</i>	<i>-4.2 %</i>	<i>3.2 %</i>	<i>3.7 %</i>	<i>4.8 %</i>
<b>EBIT adj.</b>	<b>74</b>	<b>56</b>	<b>36</b>	<b>-68</b>	<b>51</b>	<b>61</b>	<b>79</b>
Interest income	34	33	51	118	30	30	30
Interest expenses	36	27	28	31	29	26	26
Other financial income (loss)	0	0	0	0	0	0	0
<b>EBT</b>	<b>-11</b>	<b>16</b>	<b>21</b>	<b>-49</b>	<b>22</b>	<b>35</b>	<b>53</b>
<i>Margin</i>	<i>-0.8 %</i>	<i>1.2 %</i>	<i>1.5 %</i>	<i>-3.0 %</i>	<i>1.4 %</i>	<i>2.1 %</i>	<i>3.2 %</i>
Total taxes	-25	-25	-17	-45	-12	-17	-27
<b>Net income from continuing operations</b>	<b>-37</b>	<b>-8</b>	<b>4</b>	<b>-94</b>	<b>10</b>	<b>17</b>	<b>27</b>
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
<b>Net income before minorities</b>	<b>-37</b>	<b>-8</b>	<b>4</b>	<b>-94</b>	<b>10</b>	<b>17</b>	<b>27</b>
Minority interest	1	0	5	5	5	5	5
<b>Net income</b>	<b>-37</b>	<b>-8</b>	<b>-1</b>	<b>-99</b>	<b>5</b>	<b>12</b>	<b>21</b>
<i>Margin</i>	<i>-2.5 %</i>	<i>-0.6 %</i>	<i>0.0 %</i>	<i>-6.1 %</i>	<i>0.3 %</i>	<i>0.8 %</i>	<i>1.3 %</i>
Number of shares, average	17	17	23	26	43	43	43
<b>EPS</b>	<b>-2.17</b>	<b>-0.48</b>	<b>-0.02</b>	<b>-3.80</b>	<b>0.11</b>	<b>0.29</b>	<b>0.50</b>

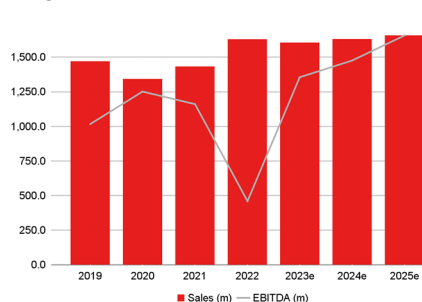
\*Adjustments made for:

**Guidance: FY 2023: Slight decrease of total group revenues & EBIT EUR 35-60m**

**Financial Ratios**

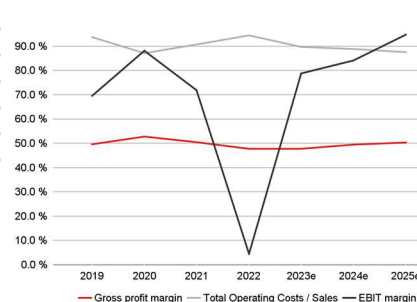
	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	93.7 %	87.0 %	90.7 %	94.4 %	89.6 %	88.8 %	87.6 %
Operating Leverage	8.9 x	-7.5 x	-5.3 x	n.a.	n.a.	11.7 x	18.6 x
EBITDA / Interest expenses	3.8 x	6.1 x	5.5 x	1.9 x	6.1 x	7.5 x	8.4 x
Tax rate (EBT)	-222.9 %	-150.4 %	-81.2 %	-90.7 %	55.0 %	50.0 %	50.0 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	108.5 %	86.2 %	56.6 %
Sales per Employee	115,812	121,814	119,762	136,986	134,382	135,977	138,167

**Sales, EBITDA**  
in EUR m



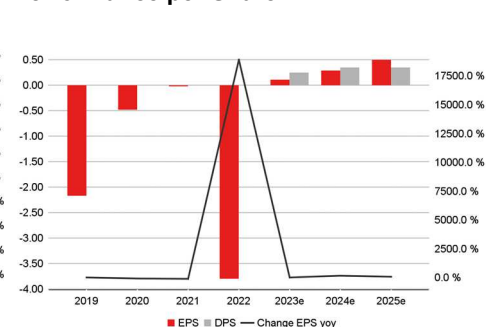
Source: Warburg Research

**Operating Performance**  
in %



Source: Warburg Research

**Performance per Share**



Source: Warburg Research

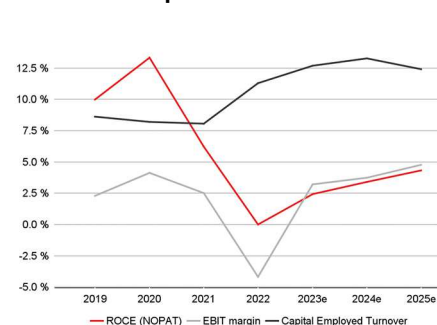
**Consolidated balance sheet**

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
<b>Assets</b>							
Goodwill and other intangible assets	17	15	16	17	17	17	17
thereof other intangible assets	15	12	15	16	17	17	17
thereof Goodwill	0	0	0	0	0	0	0
Property, plant and equipment	460	452	506	482	380	369	428
Financial assets	0	0	0	0	0	0	0
Other long-term assets	127	87	93	61	54	47	40
<b>Fixed assets</b>	<b>604</b>	<b>554</b>	<b>615</b>	<b>559</b>	<b>451</b>	<b>433</b>	<b>485</b>
Inventories	467	435	457	490	487	490	498
Accounts receivable	271	257	252	263	273	277	282
Liquid assets	38	46	41	45	41	63	90
Other short-term assets	160	165	176	186	194	198	201
<b>Current assets</b>	<b>936</b>	<b>902</b>	<b>926</b>	<b>983</b>	<b>995</b>	<b>1,028</b>	<b>1,071</b>
<b>Total Assets</b>	<b>1,629</b>	<b>1,544</b>	<b>1,640</b>	<b>1,620</b>	<b>1,523</b>	<b>1,538</b>	<b>1,633</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	73	80	111	111	111	111	111
Capital reserve	38	47	92	16	16	16	16
Retained earnings	270	237	275	256	262	264	345
Other equity components	0	0	0	0	0	0	0
Shareholders' equity	382	365	478	384	390	391	472
Minority interest	5	1	3	18	23	29	34
<b>Total equity</b>	<b>387</b>	<b>366</b>	<b>481</b>	<b>402</b>	<b>413</b>	<b>420</b>	<b>506</b>
Provisions	205	230	213	185	185	185	185
thereof provisions for pensions and similar obligations	162	171	152	106	106	106	106
Financial liabilities (total)	564	522	499	532	426	426	426
Short-term financial liabilities	432	217	205	402	296	296	296
Accounts payable	240	180	198	231	220	224	227
Other liabilities	232	247	249	270	279	283	288
<b>Liabilities</b>	<b>1,242</b>	<b>1,178</b>	<b>1,158</b>	<b>1,218</b>	<b>1,110</b>	<b>1,118</b>	<b>1,127</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,629</b>	<b>1,544</b>	<b>1,640</b>	<b>1,620</b>	<b>1,523</b>	<b>1,538</b>	<b>1,633</b>

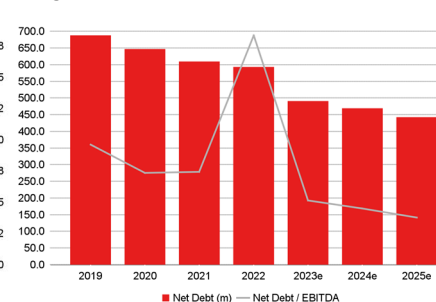
**Financial Ratios**

	2019	2020	2021	2022	2023e	2024e	2025e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	1.5 x	1.4 x	1.4 x	1.6 x	1.7 x	1.8 x	1.7 x
Capital Employed Turnover	1.4 x	1.3 x	1.3 x	1.6 x	1.8 x	1.8 x	1.7 x
ROA	-6.1 %	-1.5 %	-0.1 %	-17.7 %	1.1 %	2.8 %	4.4 %
<b>Return on Capital</b>							
ROCE (NOPAT)	10.0 %	13.3 %	6.2 %	n.a.	2.4 %	3.4 %	4.3 %
ROE	-9.2 %	-2.2 %	-0.1 %	-23.0 %	1.2 %	3.1 %	4.9 %
Adj. ROE	-9.2 %	-2.2 %	-0.1 %	-23.0 %	1.2 %	3.1 %	4.9 %
<b>Balance sheet quality</b>							
Net Debt	688	647	610	593	491	469	443
Net Financial Debt	526	476	457	487	385	363	337
Net Gearing	177.8 %	177.0 %	126.7 %	147.5 %	118.8 %	111.8 %	87.4 %
Net Fin. Debt / EBITDA	392.1 %	288.3 %	298.0 %	805.2 %	215.0 %	186.4 %	153.7 %
Book Value / Share	22.3	21.1	20.7	14.7	9.1	9.1	11.0
Book value per share ex intangibles	21.3	20.3	20.0	14.1	8.7	8.7	10.6

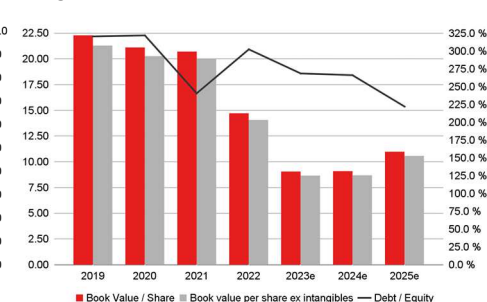
**ROCE Development**



**Net debt in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

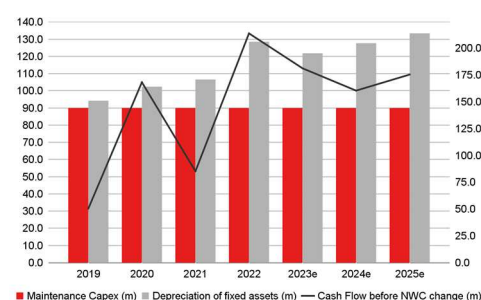
**Consolidated cash flow statement**

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	-37	-8	4	-94	10	17	27
Depreciation of fixed assets	94	102	107	129	122	128	133
Amortisation of goodwill	0	0	0	0	0	0	0
Amortisation of intangible assets	6	7	11	0	6	6	6
Increase/decrease in long-term provisions	24	9	-18	14	0	0	0
Other non-cash income and expenses	-38	58	-18	166	44	9	9
<b>Cash Flow before NWC change</b>	<b>50</b>	<b>168</b>	<b>85</b>	<b>214</b>	<b>181</b>	<b>160</b>	<b>175</b>
Increase / decrease in inventory	-57	16	-34	-95	-12	-18	-23
Increase / decrease in accounts receivable	101	35	-26	-66	-50	-7	-7
Increase / decrease in accounts payable	40	-76	35	48	-12	5	5
Increase / decrease in other working capital positions	0	0	0	0	0	0	0
Increase / decrease in working capital (total)	84	-26	-25	-113	-73	-20	-25
<b>Net cash provided by operating activities [1]</b>	<b>134</b>	<b>142</b>	<b>61</b>	<b>101</b>	<b>108</b>	<b>140</b>	<b>151</b>
Investments in intangible assets	0	0	0	0	0	0	0
Investments in property, plant and equipment	-102	-113	-139	-122	-132	-133	-134
Payments for acquisitions	0	-18	0	0	0	0	0
Financial investments	0	0	0	-3	0	0	0
Income from asset disposals	27	35	44	41	25	25	25
<b>Net cash provided by investing activities [2]</b>	<b>-75</b>	<b>-97</b>	<b>-95</b>	<b>-84</b>	<b>-107</b>	<b>-108</b>	<b>-109</b>
Change in financial liabilities	-83	-49	-35	11	-106	0	0
Dividends paid	-3	-2	-1	-2	0	-11	-15
Purchase of own shares	0	0	0	0	0	0	0
Capital measures	0	16	64	0	101	0	0
Other	0	0	0	-17	0	0	0
<b>Net cash provided by financing activities [3]</b>	<b>-86</b>	<b>-36</b>	<b>27</b>	<b>-7</b>	<b>-5</b>	<b>-11</b>	<b>-15</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-27</b>	<b>10</b>	<b>-7</b>	<b>10</b>	<b>-3</b>	<b>22</b>	<b>27</b>
Effects of exchange-rate changes on cash	2	-2	2	-7	0	0	0
Cash and cash equivalent at end of period	38	46	41	45	41	63	90

**Financial Ratios**

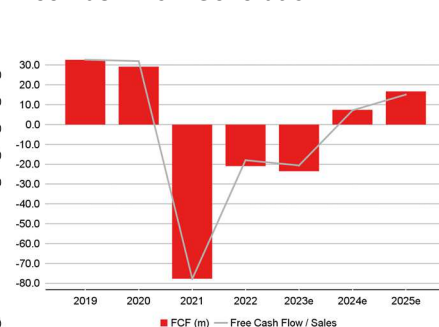
	2019	2020	2021	2022	2023e	2024e	2025e
<b>Cash Flow</b>							
FCF	33	29	-78	-21	-24	7	17
Free Cash Flow / Sales	2.2 %	2.2 %	-5.4 %	-1.3 %	-1.5 %	0.5 %	1.0 %
Free Cash Flow Potential	19	51	46	-74	77	87	102
Free Cash Flow / Net Profit	-87.9 %	-347.7 %	13805.9 %	21.1 %	-488.4 %	60.5 %	78.3 %
Interest Received / Avg. Cash	67.4 %	79.1 %	116.3 %	274.0 %	69.9 %	57.7 %	39.4 %
Interest Paid / Avg. Debt	6.2 %	5.0 %	5.4 %	6.1 %	6.1 %	6.1 %	6.1 %
<b>Management of Funds</b>							
Investment ratio	6.9 %	8.4 %	9.7 %	7.5 %	8.2 %	8.2 %	8.1 %
Maint. Capex / Sales	6.1 %	6.7 %	6.3 %	5.5 %	5.6 %	5.5 %	5.4 %
Capex / Dep	101.2 %	103.2 %	118.0 %	94.9 %	103.3 %	99.3 %	95.9 %
Avg. Working Capital / Sales	35.2 %	37.6 %	35.7 %	31.7 %	33.1 %	33.2 %	33.1 %
Trade Debtors / Trade Creditors	112.9 %	142.9 %	127.1 %	114.0 %	124.0 %	124.0 %	124.0 %
Inventory Turnover	1.7 x	1.4 x	1.6 x	1.8 x	1.7 x	1.7 x	1.7 x
Receivables collection period (days)	67	70	64	59	62	62	62
Payables payment period (days)	112	105	99	96	94	97	99
Cash conversion cycle (Days)	173	219	194	167	177	178	180

**CAPEX and Cash Flow**  
in EUR m



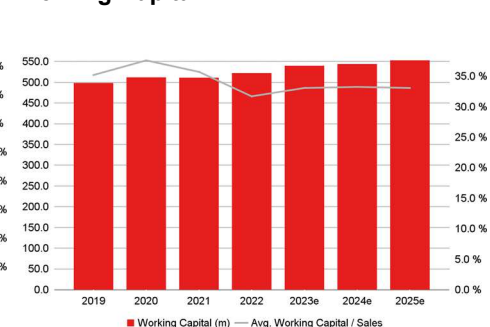
Source: Warburg Research

**Free Cash Flow Generation**



Source: Warburg Research

**Working Capital**



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)
BAUER	3, 5	<a href="http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005168108.htm">http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005168108.htm</a>

**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-	<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.

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING**

Rating	Number of stocks	% of Universe
Buy	159	74
Hold	46	21
Sell	7	3
Rating suspended	3	1
<b>Total</b>	<b>215</b>	<b>100</b>

**WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...**

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	43	83
Hold	8	15
Sell	0	0
Rating suspended	1	2
<b>Total</b>	<b>52</b>	<b>100</b>

**PRICE AND RATING HISTORY BAUER AS OF 13.04.2023**



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

**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

**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

**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

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

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

**Jan-Philip Schmidt** +49 40 3282-2682  
Sales Trading jschmidt@mmwarburg.com

**Sebastian Schulz** +49 40 3282-2631  
Sales Trading sschulz@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](https://research.mmwarburg.com/en/index.html)  
Bloomberg RESP MMWA GO  
FactSet [www.factset.com](https://www.factset.com)

Refinitiv [www.refinitiv.com](https://www.refinitiv.com)  
Capital IQ [www.capitaliq.com](https://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