

MLP SE

Financial Services - Germany



Buy (old: Buy)

15.08.2024

EUR 11.50 (old: EUR 11.50)

Solid Q2 driven by wealth management and banking

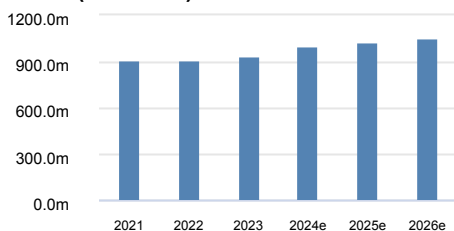
Topic: Following preliminary EBIT results from 29th July (see update from 30th July), MLP provided more details with final Q2 results yesterday. Here's what's new:

- **Solid sales figures:** Total revenues grew by 8.5% yoy to € 230m (H1: € 514m, +8% yoy), especially driven by market tailwinds in **Wealth Management** (+18% yoy; 39% of sales), **Interest Income** (+48% yoy; 10% of sales) and **Real Estate Brokerage** (+128% yoy; 4% of sales), which have offset the decline in **Non-Life Insurance** (-7% yoy; 15% of sales), while **Old-Age Provision** (+1% yoy; 22% of sales) and **Health Insurance** (+5% yoy; 6% of sales) have remained stable. - see p. 2 for details
- **Non-life Insurance and Old-Age Provision temporarily muted:** Albeit demand for occupational pension schemes at MLP's institutional clients has temporarily decreased due to investment restraints at SMEs, management expects a rebound in the next quarters. The current weakness in Non-Life Insurance stemmed from a discontinuation of low-margin contracts, which temporarily burdens the top-line but should ultimately benefit the bottom-line going forward.
- **EBIT mix driven by banking, brokerage and wealth management:** H1's EBIT showed a substantial improvement over H1'23 (+30% yoy to € 48.7m). Here, the main expansion drivers were similar to sales with **banking** (+30% yoy), **brokerage** (+229% yoy) and **wealth management** (+47% yoy). Especially the **net interest income of € 28m** (+26% yoy) in banking as well as **performance fees of € 9.2m** (+362% yoy) in wealth management contributed significantly to profitability and made up **c. 76% of H1 EBIT**. On the other hand, in RE development (i.e. Deutschland.Immobilien) H1 EBIT worsened to € -9m (vs. € -3m in H1'23) due to the near full-stop of projects. - see p. 2 for details
- **Real estate rebound ahead:** While RE brokerage already saw a strong jump from low levels (Q2 sales +128% yoy and 176% qoq), RE development should have reached its low now and follow brokerage going forward. Here management expects a steady rise in sales in the next quarters, which should lead to a less negative EBIT in H2'24e and even a positive EBIT in FY'25e.
- **Improved KPIs on all fronts:** Next to record sales and EBIT figures, MLP posted **record AuMs of € 60.5bn** (+7% yoy), a record **non-life insurance volume of € 729m** (+7% yoy) and a strong **net liquidity of € 220m** (vs. € 191m per Y/E'23), the latter explaining 35% of its market cap. - continued -

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	907.3	913.8	941.1	1,000.0	1,027.9	1,058.7
Sales growth	21.7%	0.7%	3.0%	6.3%	2.8%	3.0%
EBITDA	124.0	110.6	106.5	121.4	134.2	143.4
Net debt (if net cash=0)	-133.0	-113.5	-131.0	-153.1	-183.4	-220.2
FCF	536.3	-323.5	101.3	60.4	71.4	75.9
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	0.57	0.47	0.44	0.59	0.62	0.67
EBITDA margin	13.7%	12.1%	11.3%	12.1%	13.1%	13.5%
ROCE	13.4%	9.9%	9.2%	11.5%	11.9%	12.5%
EV/sales	0.8	0.6	0.5	0.5	0.4	0.4
EV/EBITDA	5.5	5.1	4.0	3.9	3.3	2.9
PER	12.6	12.3	13.0	9.8	9.3	8.6
Adjusted FCF yield	11.6%	13.5%	17.1%	17.5%	21.3%	24.9%

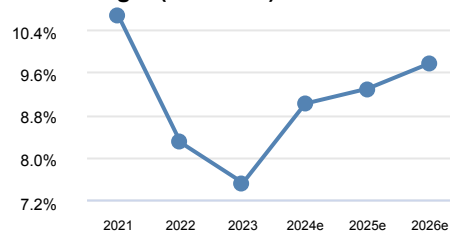
Source: Company data, NuWays, Close price as of 12.08.2024

Sales (2021-26e)



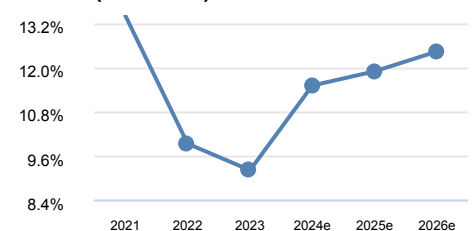
Source: NuWays Research

EBIT margin (2021-26e)

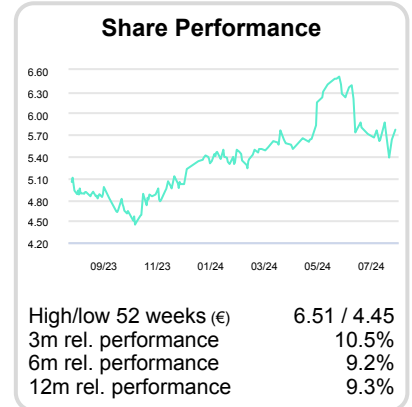


Source: NuWays Research

ROCE (2021-26e)



Source: NuWays Research



Market data

Share price (in €)	5.77
Market cap (in € m)	630.1
Number of shares (in m pcs)	109.2
Enterprise value (in € m)	477.0
Ø trading volume (6 months)	47,158

Identifier

Bloomberg	MLP GR
Reuters	MLPG
WKN	656990
ISIN	DE0006569908

Key shareholders

Lautenschläger Family	29.2%
HanseMerkur	10.0%
Barmenia	9.4%
LAIQON	9.2%
Allianz SE	6.2%
Free Float	36.0%

Estimates changes

	2024e	2025e	2026e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	0%

Comment on changes

Company description

MLP is a leading financial services provider in Europe with a strong focus on Germany. MLP offers financial services in the fields of old-age provision, wealth management, non-life insurance, banking and real estate. The target group are students, wealthy private and institutional clients.

Guidance

- FY'24e EBIT: €80-85m
- FY'25e: € 100-110m EBIT
- FY'25e: € 62-68bn AuM

MLP SE

Preview / Review - 15.08.2024

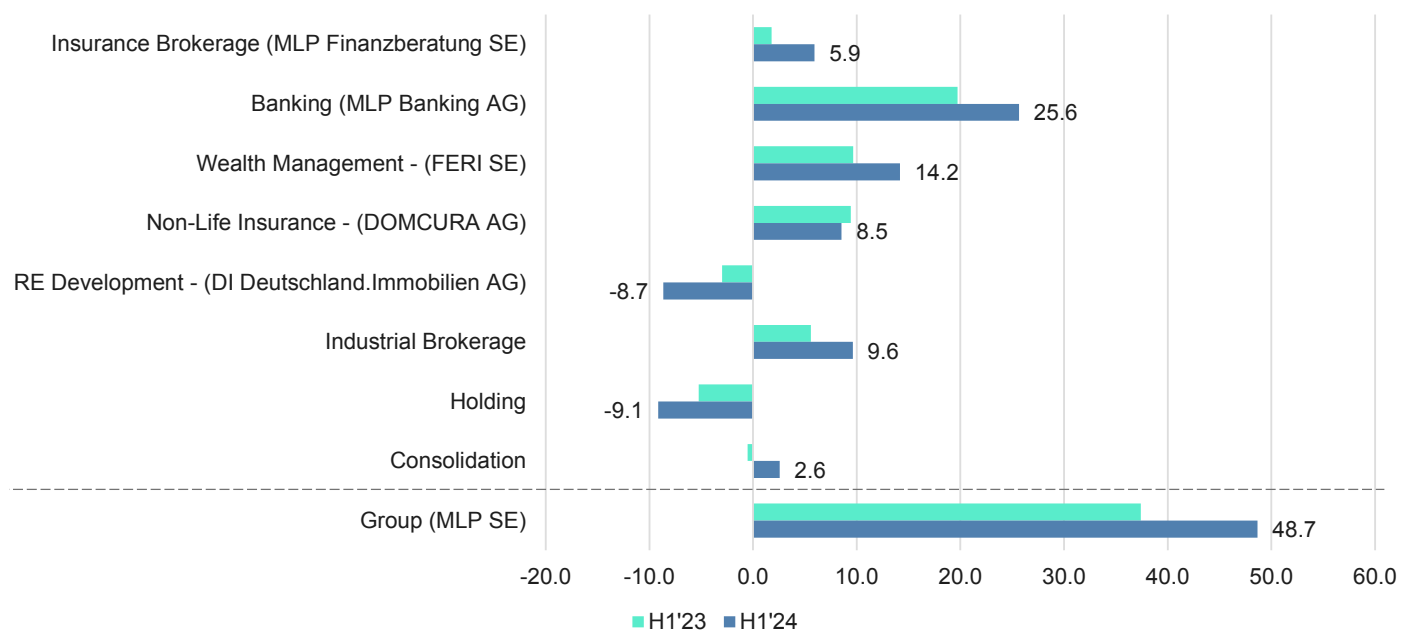
All in all a solid release, showing that **MLP is on track to outperform its guidance**. By simply assuming last year's H2 EBIT (€ 37.2m excl. one-offs) for H2'24e, FY'24e EBIT would stand at € 86m, already above the specified guidance of € 80-85m. Furthermore, we expect EBIT to come in at € 90m, based on (1) a still strong net interest income, (2) higher AuMs and (3) less negative impacts from RE development expected for H2.

In our view, **MLP shares remain highly attractive**, trading at **16% adj. FCF yield**, a **5.6% dividend yield** and only on **5.3x EV/EBIT** for FY'24e, while also being a well diversified and stable quality business. Therefore, we reiterate our **BUY recommendation** and **MLP's position in our NuWays' AlphaList** with an **unchanged PT of € 11.50**, based on FCFY'24e and SOTP.

MLP SE	(in € m)	Q2 2024	Q2 2024 eNuW	Q2 2023	yoy	H1 2024	H1 2024 eNuW	H1 2023	yoy
Wealth Management		90	81	77	17%	176	167	150	17%
Interest Income		23	21	16	48%	46	43	28	66%
Real Estate Brokerage		8	4	4	128%	12	7	6	109%
Loans and Mortgages		3	4	3	-15%	7	8	7	-7%
Wealth		124	109	99	25%	240	225	190	26%
Old-Age Provision		50	52	50	1%	93	95	93	0%
Health Insurance		15	15	14	5%	31	31	30	3%
Life & Health		65	67	64	2%	123	125	123	0%
Non-life Insurance		34	37	36	-7%	131	134	128	3%
Property & Casualty		34	37	36	-7%	131	134	128	3%
Real Estate Development		-1	4	5	-113%	3	7	15	-81%
Other Commission and Fees		1	2	2	-6%	4	5	4	8%
Other Income		7	6	7	-4%	13	13	15	-15%
Others		8	12	13	-44%	20	24	34	-41%
Total Sales		230	224	212	8%	514	508	475	8%
EBIT		11.7	11.7	5.1	129%	48.7	48.7	37.5	29.7%
<i>EBIT margin</i>		<i>5.1%</i>	<i>5.1%</i>	<i>2.4%</i>	<i>+ 2.7 pp</i>	<i>9.5%</i>	<i>9.5%</i>	<i>7.9%</i>	<i>+ 1.6 pp</i>
- thereof performance fees		5.4	4.3	2.0	176.9%	9.2	8.1	2.0	362.3%
- thereof net interest income		14.2	15.1	11.7	21.3%	27.8	28.7	22.0	26.3%
Group AuM (in € bn)		60.5	60.5	56.7	7%	60.5	60.5	56.7	7%
Non-life Insurance Volume		729	721	682	7%	729	721	682	7%

Source: Company data, NuWays

EBIT development by segments



Source: Company data, NuWays

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	907.3	913.8	941.1	1,000.0	1,027.9	1,058.7
<i>Sales growth</i>	21.7%	0.7%	3.0%	6.3%	2.8%	3.0%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	907.3	913.8	941.1	1,000.0	1,027.9	1,058.7
Other operating income	44.1	35.4	32.4	33.0	30.0	30.0
Material expenses	482.5	477.9	473.0	493.8	504.0	518.6
Personnel expenses	180.5	187.9	209.1	228.3	221.7	226.7
Other operating expenses	164.4	172.7	184.9	189.5	198.0	200.0
Total operating expenses	783.3	803.2	834.6	878.6	893.7	915.3
EBITDA	124.0	110.6	106.5	121.4	134.2	143.4
Depreciation	27.2	35.0	35.8	31.3	38.7	40.0
EBITA	96.8	75.6	70.7	90.1	95.5	103.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	96.8	75.6	70.7	90.1	95.5	103.4
Interest income	0.7	2.8	8.4	8.4	8.4	8.4
Interest expenses	4.9	5.4	10.2	10.2	10.4	10.7
Investment income	0.6	0.1	0.0	0.0	0.0	0.0
Financial result	-3.6	-2.5	-1.7	-1.7	-2.0	-2.2
Recurring pretax income from continuing operations	93.2	73.1	69.0	88.3	93.5	101.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	93.2	73.1	69.0	88.3	93.5	101.2
Income tax expense	30.4	24.4	24.9	28.3	29.9	32.4
Net income from continuing operations	62.8	48.6	44.1	60.1	63.6	68.8
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	62.8	48.6	44.1	60.1	63.6	68.8
Minority interest	0.2	-2.8	-4.5	-4.5	-4.5	-4.5
Net profit (reported)	62.6	51.5	48.6	64.5	68.0	73.3
Average number of shares	109.3	109.2	109.2	109.2	109.2	109.2
EPS reported	0.57	0.47	0.44	0.59	0.62	0.67

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	21.7%	0.7%	3.0%	6.3%	2.8%	3.0%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	4.9%	3.9%	3.4%	3.3%	2.9%	2.8%
Material expenses	53.2%	52.3%	50.3%	49.4%	49.0%	49.0%
Personnel expenses	19.9%	20.6%	22.2%	22.8%	21.6%	21.4%
Other operating expenses	18.1%	18.9%	19.6%	19.0%	19.3%	18.9%
Total operating expenses	86.3%	87.9%	88.7%	87.9%	86.9%	86.5%
EBITDA	13.7%	12.1%	11.3%	12.1%	13.1%	13.5%
Depreciation	3.0%	3.8%	3.8%	3.1%	3.8%	3.8%
EBITA	10.7%	8.3%	7.5%	9.0%	9.3%	9.8%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	10.7%	8.3%	7.5%	9.0%	9.3%	9.8%
Interest income	0.1%	0.3%	0.9%	0.8%	0.8%	0.8%
Interest expenses	0.5%	0.6%	1.1%	1.0%	1.0%	1.0%
Investment income	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	10.3%	8.0%	7.3%	8.8%	9.1%	9.6%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	10.3%	8.0%	7.3%	8.8%	9.1%	9.6%
Tax rate	32.6%	33.4%	36.0%	32.0%	32.0%	32.0%
Net income from continuing operations	6.9%	5.3%	4.7%	6.0%	6.2%	6.5%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	6.9%	5.3%	4.7%	6.0%	6.2%	6.5%
Minority interest	0.0%	-0.3%	-0.5%	-0.4%	-0.4%	-0.4%
Net profit (reported)	6.9%	5.6%	5.2%	6.5%	6.6%	6.9%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	226.8	234.5	225.5	228.5	231.5	234.5
Property, plant and equipment	128.1	136.6	142.3	142.0	146.4	146.4
Financial assets	206.4	247.1	186.3	188.3	190.3	192.3
FIXED ASSETS	561.2	618.2	554.1	558.8	568.2	573.2
Inventories	34.6	51.9	39.6	39.6	39.6	39.6
Accounts receivable	1,439.7	1,902.5	2,010.1	2,010.1	2,010.1	2,010.1
Other assets and short-term financial assets	268.0	242.4	248.7	248.7	248.7	248.7
Liquid assets	1,377.8	961.2	1,053.9	1,059.0	1,079.3	1,102.1
Deferred taxes	12.1	8.4	11.1	11.1	11.1	11.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	3,132.1	3,166.4	3,363.3	3,368.4	3,388.8	3,411.5
TOTAL ASSETS	3,693.4	3,784.6	3,917.5	3,927.2	3,957.0	3,984.7
SHAREHOLDERS EQUITY	495.2	527.4	538.3	561.7	597.5	633.7
MINORITY INTEREST	1.0	-1.9	-6.3	-5.0	-5.0	-3.5
Long-term liabilities to banks	129.3	137.0	140.6	125.6	110.6	95.6
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	2,516.1	2,633.5	2,764.6	2,764.6	2,764.6	2,764.6
Provisions for pensions and similar obligations	27.0	0.0	0.0	0.0	2.0	4.0
Other provisions and accrued liabilities	110.0	97.6	104.2	104.2	107.2	110.2
NON-CURRENT LIABILITIES	2,782.4	2,868.1	3,009.4	2,994.4	2,984.4	2,974.4
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.0	0.0	0.0	0.0	0.0	0.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	0.0	0.0	0.0	0.0	4.0	4.0
Other liabilities (incl. from lease and rental contracts)	403.4	371.7	358.5	358.5	358.5	358.5
Deferred taxes	11.3	19.3	17.3	17.3	17.3	17.3
Deferred income	0.0	0.0	0.2	0.2	0.2	0.2
CURRENT LIABILITIES	414.7	391.0	376.0	376.0	380.0	380.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	3,693.4	3,784.6	3,917.5	3,927.2	3,957.0	3,984.7
Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	6.1%	6.2%	5.8%	5.8%	5.8%	5.9%
Property, plant and equipment	3.5%	3.6%	3.6%	3.6%	3.7%	3.7%
Financial assets	5.6%	6.5%	4.8%	4.8%	4.8%	4.8%
FIXED ASSETS	15.2%	16.3%	14.1%	14.2%	14.4%	14.4%
Inventories	0.9%	1.4%	1.0%	1.0%	1.0%	1.0%
Accounts receivable	39.0%	50.3%	51.3%	51.2%	50.8%	50.4%
Other assets and short-term financial assets	7.3%	6.4%	6.3%	6.3%	6.3%	6.2%
Liquid assets	37.3%	25.4%	26.9%	27.0%	27.3%	27.7%
Deferred taxes	0.3%	0.2%	0.3%	0.3%	0.3%	0.3%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	84.8%	83.7%	85.9%	85.8%	85.6%	85.6%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SHAREHOLDERS EQUITY	13.4%	13.9%	13.7%	14.3%	15.1%	15.9%
MINORITY INTEREST	0.0%	-0.0%	-0.2%	-0.1%	-0.1%	-0.1%
Long-term liabilities to banks	3.5%	3.6%	3.6%	3.2%	2.8%	2.4%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	68.1%	69.6%	70.6%	70.4%	69.9%	69.4%
Provisions for pensions and similar obligations	0.7%	0.0%	0.0%	0.0%	0.1%	0.1%
Other provisions and accrued liabilities	3.0%	2.6%	2.7%	2.7%	2.7%	2.8%
NON-CURRENT LIABILITIES	75.3%	75.8%	76.8%	76.2%	75.4%	74.6%
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Other liabilities (incl. from lease and rental contracts)	10.9%	9.8%	9.2%	9.1%	9.1%	9.0%
Deferred taxes	0.3%	0.5%	0.4%	0.4%	0.4%	0.4%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	11.2%	10.3%	9.6%	9.6%	9.6%	9.5%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	62.8	48.6	44.1	60.1	63.6	68.8
Depreciation of fixed assets (incl. leases)	27.2	35.0	35.8	31.3	38.7	40.0
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	-400.1	4.9	2.0	0.0	0.0	0.0
Cash flow from operating activities	529.4	-319.3	98.9	71.4	83.3	88.8
Increase/decrease in inventory	-16.8	-17.3	12.3	0.0	0.0	0.0
Increase/decrease in accounts receivable	192.4	-462.9	-107.5	0.0	0.0	0.0
Increase/decrease in accounts payable	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in other working capital positions	244.2	117.4	131.1	0.0	0.0	0.0
Increase/decrease in working capital	419.8	-362.8	35.9	0.0	0.0	0.0
Cash flow from operating activities	546.4	-301.3	117.9	91.4	104.3	110.8
CAPEX	10.1	22.3	16.6	31.0	32.9	34.9
Payments for acquisitions	39.9	13.9	0.0	0.0	0.0	0.0
Financial investments	4.6	48.3	63.2	0.0	0.0	0.0
Income from asset disposals	0.0	0.1	-18.0	0.0	0.0	0.0
Cash flow from investing activities	-45.4	-84.4	28.6	-31.0	-32.9	-34.9
Cash flow before financing	466.7	-418.5	-12.7	27.6	35.4	37.8
Increase/decrease in debt position	54.6	-5.0	-20.4	-15.0	-15.0	-15.0
Purchase of own shares	0.0	0.4	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	25.1	32.8	32.8	32.8	36.0	38.1
Others	-15.5	-1.3	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	4.3	0.0	0.0	0.0
Cash flow from financing activities	14.0	-39.5	-53.2	-47.8	-51.0	-53.1
Increase/decrease in liquid assets	505.8	-425.2	-28.8	12.6	20.4	22.8
Liquid assets at end of period	1,374.1	948.8	1,046.4	1,059.0	1,079.3	1,102.1
Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	21.7%	0.7%	3.0%	6.3%	2.8%	3.0%
EBITDA growth	42.5%	-10.8%	-3.7%	13.9%	10.5%	6.9%
EBIT growth	63.1%	-21.9%	-6.5%	27.4%	6.0%	8.3%
EPS growth	44.8%	-17.7%	-5.6%	32.8%	5.4%	7.7%
Efficiency						
Sales per employee	507.0	500.6	505.5	526.6	530.6	535.8
EBITDA per employee	69.3	60.6	57.2	63.9	69.3	72.6
No. employees (average)	1,790	1,825	1,862	1,899	1,937	1,976
Balance sheet analysis						
Avg. working capital / sales	-48.8%	-46.5%	-65.9%	-45.1%	-45.4%	-44.0%
Inventory turnover (sales/inventory)	26.2	17.6	23.8	25.3	26.0	26.0
Accounts receivable turnover	579.2	759.9	779.6	733.7	713.8	693.0
Accounts payable turnover	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow analysis						
Free cash flow	536.3	-323.5	101.3	60.4	71.4	75.9
Free cash flow/sales	59.1%	-35.4%	10.8%	6.0%	6.9%	7.2%
FCF / net profit	853.8%	neg.	229.5%	100.6%	112.3%	110.3%
Capex / sales	1.6%	7.7%	8.5%	3.1%	3.2%	3.3%
Solvency						
Net debt	-133.0	-113.5	-131.0	-153.1	-183.4	-220.2
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	52.2%	67.4%	74.3%	60.0%	60.0%	55.0%
Interest paid / avg. debt	4.1%	4.1%	7.3%	7.6%	8.8%	10.4%
Returns						
ROCE	13.4%	9.9%	9.2%	11.5%	11.9%	12.5%
ROE	12.6%	9.8%	9.0%	11.5%	11.4%	11.6%
Adjusted FCF yield	11.6%	13.5%	17.1%	17.5%	21.3%	24.9%
Dividend yield	4.1%	5.2%	5.2%	5.7%	6.0%	6.0%
DPS	0.3	0.3	0.3	0.3	0.3	0.3
EPS reported	0.57	0.47	0.44	0.59	0.62	0.67
Average number of shares	109.3	109.2	109.2	109.2	109.2	109.2
Valuation ratios						
P/BV	1.6	1.2	1.2	1.1	1.1	1.0
EV/sales	0.8	0.6	0.5	0.5	0.4	0.4
EV/EBITDA	5.5	5.1	4.0	3.9	3.3	2.9
EV/EBIT	7.1	7.4	6.0	5.3	4.7	4.0

Source: Company data, NuWays

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

Indication of conflict of interest

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. A conflict of interest is presumed to exist in particular if NuWays AG

- (1) or any other person belonging to the same group with it was part of a consortium within the past twelve months that issued the financial instruments of the analysed company by way of a public offer.
- (2) or any other person belonging to the same group with it has entered into an agreement on the production of the research report with the analysed company.
- (3) or any other person belonging to the same group with it has been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement within the past twelve month.
- (4) The analysed company holds 5% or more of the share capital of NuWays AG.
- (5) holds (a) a net short position or (b) a net long position of 0.5% of the outstanding share capital of the analysed company.
- (6) or any other person belonging to the same group with it is a market maker or liquidity provider in the financial instruments of the issuer.
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company.
- (8) The research report has been made available to the analysed company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosures
MLP SE	2

Historical target price and rating changes for MLP SE

Company	Date	Analyst	Rating	Target Price	Close
MLP SE	16.05.2024	Wendisch, Henry	Buy	EUR 11.50	EUR 5.83
	04.04.2024	Wendisch, Henry	Buy	EUR 12.00	EUR 5.56
	23.08.2023	Wendisch, Henry	Buy	EUR 11.00	EUR 4.92
	15.08.2023	Wendisch, Henry	Buy	EUR 11.00	EUR 5.14

1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by NuWays AG exclusively to selected recipients in the European Union (EU) or, in individual cases, also in other countries. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of NuWays AG. Reproduction of this document, in whole or in part, is not permitted without prior permission NuWays AG. All rights reserved.

Under no circumstances shall NuWays AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organisational Requirements

NuWays AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of NuWays AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the relevant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjust-

ment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

NuWays AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 20% within 12 months

Sell: Sustainable downside potential of more than 20% within 12 months.

Hold: Upside/downside potential is limited. No immediate catalyst visible.

The decision on the choice of the financial instruments analysed in this document was solely made by NuWays AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of NuWays AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. NuWays AG has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

NuWays AG is an affiliated company of Hauck Aufhäuser Lampe Privatbank AG which is under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany and the European Union (EU). The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state. If this communication is distributed in the United Kingdom it is solely directed at (i) investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO") or (ii) high net-worth entities as defined in article 49 of the FPO. This document should not be distributed or forwarded, either directly or indirectly, to any other individuals.

8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

Date of publication creation: 15/08/2024 07:32 AM

Date of publication dissemination: 15/08/2024 07:32 AM

Contacts

NuWays AG

Mittelweg 16-17
20148 Hamburg
Germany

+49 170 119 8648
info@nuways-ag.com
www.nuways-ag.com



Christian Sandherr

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



Frederik Jarchow

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



Philipp Sennewald

Analyst

philipp.sennewald@nuways-ag.com



Henry Wendisch

Analyst

henry.wendisch@nuways-ag.com



Mark Schüssler

Analyst

mark-hendrik.schuessler@nuways-ag.com



Konstantin Völk

Analyst

konstantin.voelk@nuways-ag.com

Find us on Social Media

[Instagram](#)



[Twitter/X](#)



[LinkedIn](#)

