

<b>Hold</b> <b>EUR 27.00</b> (EUR 30.00)  Price <b>EUR 23.65</b> Upside <b>14.2 %</b>	<b>Value Indicators:</b> EUR DCF: 26.98 FCF-Value Potential 23e: 28.14	<b>Warburg ESG Risk Score: 2.3</b> ESG Score (MSCI based): 3.0 Balance Sheet Score: 3.0 Market Liquidity Score: 1.0	<b>Description:</b> Holding
	<b>Market Snapshot:</b> EUR m Market cap: 636 No. of shares (m): 27 EV: 1,194 Freefloat MC: 447 Ø Trad. Vol. (30d): 300.78 th	<b>Shareholders:</b> Freefloat 70.20 % Versicherungskammer Bayern 17.70 % H.J.Selzer et al. 5.70 % Wirtgen Invest 3.70 % Epina GmbH & Co. KG 2.70 %	<b>Key Figures (WRe):</b> 2022e Beta: 1.2 Price / Book: 0.7 x Equity Ratio: 45 % Net Fin. Debt / EBITDA: 2.7 x Net Debt / EBITDA: 2.9 x

## News-flow unlikely to turn positive in the short term

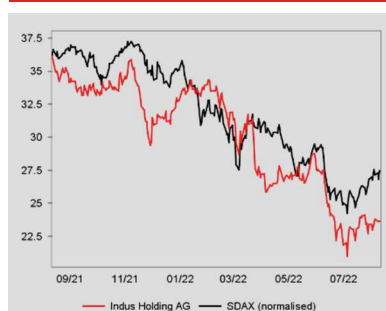
<b>Stated Figures Q2/2022:</b> <b>INDUS Holding - Q2 2022</b>	<b>Comment on Figures:</b> <ul style="list-style-type: none"> <li>Sales increased by 11% yoy to EUR 500m in Q2 (WRe: EUR 490m, cons: EUR 464m) driven by a solid recovery in engineering and construction/infrastructure (30% of sales).</li> <li>EBIT decreased by 2.6% yoy to EUR 30.5m in Q2 (WRe: EUR 27.2m cons: EUR 26.2m) and the margin fell by 0.9pp yoy to 6.1%.</li> <li>FY 22 guidance adjusted to EUR 1.9bn-2.0bn sales and EUR 100-115m EBIT (adjusted for non-cash impairments).</li> </ul>
--	--

INDUS published soft Q2 results, confirming our view that slowing economic growth and high cost inflation are leaving their mark on operating performance at portfolio companies. Sales were up 11% yoy in Q2 supported by construction/infrastructure (14% yoy, 28% of sales), engineering (30% yoy, 24% of sales), and metals technology (8% yoy, 26% of sales) while automotive decreased by 11% yoy (13% of sales). Profitability as slightly better than feared, yet showed a 0.9pp EBIT-margin contraction to 6.1% in Q2 as a result of high cost inflation.

Going forward, the situation is unlikely to ease, in our view, considering slowing economic growth, tougher comps in H2 and sustained inflation. Accordingly, INDUS cut its FY 22 EBIT guidance last week to EUR 100-115m (previously: EUR 115-130m, WRe: EUR 108m, cons: EUR 114m) but raised its group sales guidance to EUR 1.9bn-2.0bn (previously: EUR 1.80bn-1.95bn, WRe: EUR 1,933m, cons: EUR 1,822m).

While we were expecting the lower end of the EBIT guidance, the new outlook falls short of our expectations and hence confirms our cautious view. While many of INDUS' portfolio companies are market leaders in their respective niches, passing on price increases to customers seems to present a challenge. Hence, we now expect the gross margin to contract by 1.3pp yoy to 53.5% in FY 22. Meanwhile, INDUS' diversified portfolio should protect the company somewhat from an economic slowdown, benefitting from non-cyclical exposure such as construction/infrastructure (26% of sales) and medical engineering (9% of sales). Additionally, its PARKOUR programme should be well on track. This comprises portfolio optimization, innovation support as well as operational excellence. Still, news-flow looks set to remain uninspiring considering the macroeconomic downturn. Hold recommendation with a new PT of EUR 27.00.

<b>Changes in Estimates:</b>	<b>Comment on Changes:</b> <ul style="list-style-type: none"> <li>Sales estimates are lifted following recent acquisitions</li> <li>Reduction in EBIT estimates due to ongoing cost inflation and limited ability to pass on price increases to customers</li> <li>We increase our risk-free rate to 2.75% in our coverage</li> </ul>
------------------------------	---

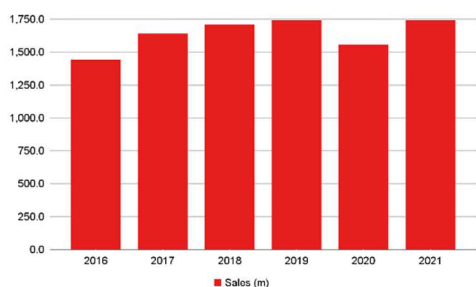


<b>Rel. Performance vs SDAX:</b>	
1 month:	-5.0 %
6 months:	-15.0 %
Year to date:	-6.0 %
Trailing 12 months:	-12.3 %

**Company events:**  
10.11.22 Q3

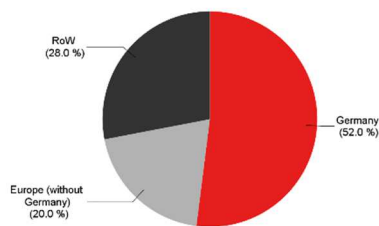
FY End: 31.12. in EUR m	CAGR (21-24e)	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022e</b>	<b>2023e</b>	<b>2024e</b>
<b>Sales</b>	5.6 %	1,711	1,743	1,559	1,742	1,933	1,991	2,051
<b>Change Sales yoy</b>		4.3 %	1.9 %	-10.6 %	11.8 %	11.0 %	3.0 %	3.0 %
<b>Gross profit margin</b>		55.1 %	54.2 %	54.4 %	54.8 %	53.5 %	53.7 %	53.9 %
<b>EBITDA</b>	1.0 %	218	226	192	228	193	218	235
<b>Margin</b>		12.8 %	13.0 %	12.3 %	13.1 %	10.0 %	11.0 %	11.5 %
<b>EBIT</b>	9.6 %	151	118	25	115	109	134	151
<b>Margin</b>		8.8 %	6.8 %	1.6 %	6.6 %	5.6 %	6.8 %	7.4 %
<b>Net income</b>	23.6 %	87	59	-27	46	60	77	88
<b>EPS</b>	23.5 %	3.55	2.43	-1.10	1.73	2.23	2.85	3.26
<b>EPS adj.</b>	23.5 %	4.20	2.26	-1.10	1.73	2.23	2.85	3.26
<b>DPS</b>	12.6 %	1.50	0.80	0.80	1.05	1.40	1.45	1.50
<b>Dividend Yield</b>		2.8 %	2.0 %	2.6 %	3.1 %	5.9 %	6.1 %	6.3 %
<b>FCFPS</b>		-0.66	2.82	4.20	1.52	0.74	2.42	2.97
<b>FCF / Market cap</b>		-1.2 %	7.1 %	13.9 %	4.5 %	3.1 %	10.2 %	12.6 %
<b>EV / Sales</b>		1.1 x	0.9 x	0.8 x	0.8 x	0.6 x	0.6 x	0.6 x
<b>EV / EBITDA</b>		8.5 x	7.0 x	6.8 x	6.4 x	6.2 x	5.3 x	4.8 x
<b>EV / EBIT</b>		12.3 x	13.3 x	52.2 x	12.7 x	11.0 x	8.7 x	7.5 x
<b>P / E</b>		15.2 x	16.3 x	n.a.	19.7 x	10.6 x	8.3 x	7.3 x
<b>P / E adj.</b>		12.8 x	17.6 x	n.a.	19.7 x	10.6 x	8.3 x	7.3 x
<b>FCF Potential Yield</b>		4.2 %	7.4 %	5.7 %	6.9 %	7.5 %	9.1 %	10.3 %
<b>Net Debt</b>		526	599	569	545	556	530	492
<b>ROCE (NOPAT)</b>		8.5 %	5.6 %	n.a.	4.3 %	5.1 %	5.9 %	6.5 %
<b>Guidance:</b>		Sales EUR 1.90 - 2.00bn, EBIT EUR 100- 115m						

**Sales development**  
in EUR m



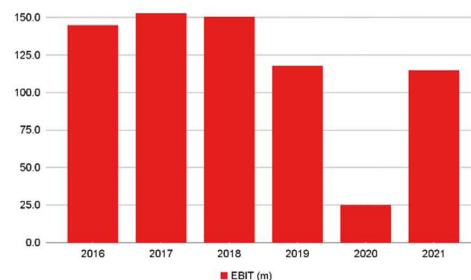
Source: Warburg Research

**Sales by regions**  
2021; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

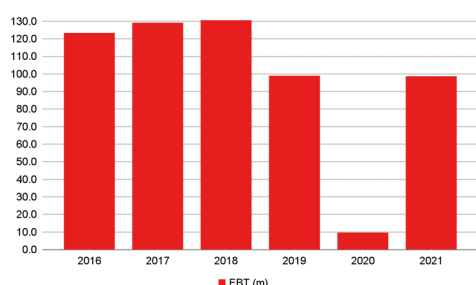
**Company Background**

- Indus Holding is a holding company which has been building a portfolio since 1986. Today, the holding comprises 48 companies, mainly to 100% and without exit intentions.
- Acquisition candidates have to fulfill a special requirement profile: profitable medium-sized companies with revenues of EUR 20-100m, which operate industrially and generate cash
- Targets are preferably in the sectors construction/infrastructure, automotive engineering, machinery and plant engineering, metal technology or medical and health technologies.
- Acquisitions are mostly solutions to succession problems. Indus Holding provides support with financing and administration and also at strategic level. However the holdings still operate independently.
- Indus Holding finances itself by means of distributions and holdings fees. Value growth of the portfolio is not realised via exits but is reflected in the operating result.

**Competitive Quality**

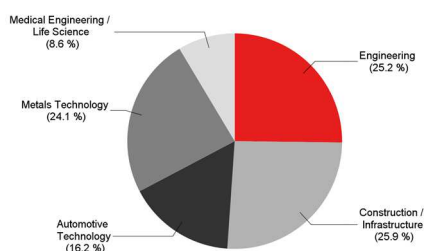
- Indus Holding boasts 30 years of experience in acquiring and controlling medium-sized companies with focus on few, defined industries and good track records.
- For many managing partners, operating independence and long-term commitment are more attractive than the temporary investment of a private equity funds or an industrial partner.
- Small medium-sized companies often need strategic and financial support with the internationalisation of the business or acquisitions. Indus Holding is more capable of providing this than pure financial investors.
- The executive board is not influenced by shareholders in terms of content and is thus more independent than investors belonging to banks, bank authorities or investors in funds.
- Indus Holding is not dependent on successful exits as successful companies remain in the portfolio.

**EBT development**  
in EUR m



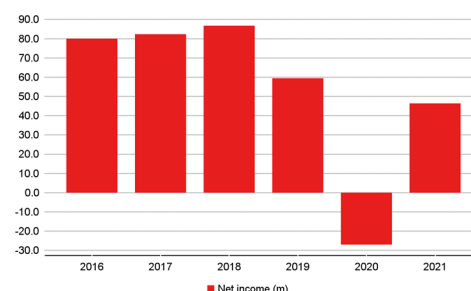
Source: Warburg Research

**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	1,933	1,991	2,051	2,112	2,171	2,228	2,281	2,332	2,378	2,421	2,460	2,497	2,534	1.5 %
Sales change	11.0 %	3.0 %	3.0 %	3.0 %	2.8 %	2.6 %	2.4 %	2.2 %	2.0 %	1.8 %	1.6 %	1.5 %	1.5 %	
EBIT	109	134	151	156	158	160	161	163	164	162	159	157	154	1.5 %
EBIT-margin	5.6 %	6.8 %	7.4 %	7.4 %	7.3 %	7.2 %	7.1 %	7.0 %	6.9 %	6.7 %	6.5 %	6.3 %	6.1 %	
Tax rate (EBT)	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	35.0 %	
NOPAT	71	87	98	101	103	104	105	106	106	105	104	102	100	
Depreciation	84	84	84	86	91	93	93	91	88	85	81	77	76	
in % of Sales	4.3 %	4.2 %	4.1 %	4.1 %	4.2 %	4.2 %	4.1 %	3.9 %	3.7 %	3.5 %	3.3 %	3.1 %	3.0 %	
Changes in provisions	2	2	2	16	2	2	2	2	1	1	1	1	1	
Change in Liquidity from														
- Working Capital	59	21	17	17	16	16	15	14	13	12	11	10	10	
- Capex	75	78	87	87	90	92	94	92	89	86	82	78	74	
Capex in % of Sales	3.9 %	3.9 %	4.2 %	4.1 %	4.1 %	4.1 %	4.1 %	3.9 %	3.7 %	3.5 %	3.3 %	3.1 %	2.9 %	
- Other	0	0	0	0	0	0	0	0	0	0	0	0	0	
Free Cash Flow (WACC Model)	23	75	81	99	90	91	91	92	94	94	93	92	93	117
PV of FCF	22	68	67	76	64	60	55	52	49	45	41	37	35	656
share of PVs	11.84 %			38.74 %										49.42 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	20.00 %	Financial Strength	1.10
Cost of debt (after tax)	3.3 %	Liquidity (share)	1.20
Market return	8.25 %	Cyclicality	1.40
Risk free rate	2.75 %	Transparency	1.20
		Others	1.20
<b>WACC</b>	<b>8.22 %</b>	<b>Beta</b>	<b>1.22</b>

Valuation (m)

Present values 2034e	671		
Terminal Value	656		
Financial liabilities	681		
Pension liabilities	53		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	135	No. of shares (m)	26.9
<b>Equity Value</b>	<b>726</b>	<b>Value per share (EUR)</b>	<b>26.98</b>

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		0.75 %	1.00 %	1.25 %	1.50 %	1.75 %	2.00 %	2.25 %			-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.45	9.2 %	18.57	19.10	19.66	20.25	20.89	21.56	22.29	1.45	9.2 %	9.92	13.37	16.81	20.25	23.69	27.14	30.58
1.33	8.7 %	21.36	21.99	22.66	23.38	24.15	24.97	25.86	1.33	8.7 %	12.36	16.03	19.70	23.38	27.05	30.73	34.40
1.28	8.5 %	22.90	23.59	24.32	25.12	25.97	26.88	27.87	1.28	8.5 %	13.71	17.51	21.31	25.12	28.92	32.72	36.52
1.22	8.2 %	24.54	25.30	26.11	26.98	27.93	28.94	30.05	1.22	8.2 %	15.16	19.10	23.04	26.98	30.92	34.86	38.81
1.16	8.0 %	26.29	27.13	28.03	29.00	30.05	31.18	32.42	1.16	8.0 %	16.74	20.82	24.91	29.00	33.09	37.18	41.27
1.11	7.7 %	28.18	29.11	30.11	31.18	32.35	33.62	35.01	1.11	7.7 %	18.44	22.69	26.93	31.18	35.43	39.68	43.93
0.99	7.2 %	32.41	33.55	34.79	36.13	37.60	39.21	40.98	0.99	7.2 %	22.30	26.91	31.52	36.13	40.75	45.36	49.97

- EBIT margin reaches 7.4% as of 2024 compared to 6.8% in 2019
- Mid-term targets: Sales of at least EUR 2.0bn and EBIT margin of 10% in 2025

### Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2018	2019	2020	2021	2022e	2023e	2024e	
Net Income before minorities	71	60	-27	48	61	77	88	
+ Depreciation + Amortisation	68	108	133	105	84	84	84	
- Net Interest Income	-20	-19	-15	-16	-15	-15	-15	
- Maintenance Capex	82	70	47	68	70	71	71	
+ Other	0	0	0	0	0	0	0	
<b>= Free Cash Flow Potential</b>	<b>77</b>	<b>116</b>	<b>74</b>	<b>101</b>	<b>90</b>	<b>106</b>	<b>117</b>	
FCF Potential Yield (on market EV)	4.2 %	7.4 %	5.7 %	6.9 %	7.5 %	9.1 %	10.3 %	
WACC	8.22 %	8.22 %	8.22 %	8.22 %	8.22 %	8.22 %	8.22 %	
<b>= Enterprise Value (EV)</b>	<b>1,847</b>	<b>1,572</b>	<b>1,309</b>	<b>1,464</b>	<b>1,194</b>	<b>1,168</b>	<b>1,129</b>	
<b>= Fair Enterprise Value</b>	<b>938</b>	<b>1,416</b>	<b>900</b>	<b>1,227</b>	<b>1,097</b>	<b>1,289</b>	<b>1,422</b>	
- Net Debt (Cash)	504	504	504	504	512	485	444	
- Pension Liabilities	41	41	41	41	43	45	47	
- Other	0	0	0	0	0	0	0	
- Market value of minorities	2	2	2	2	2	2	2	
+ Market value of investments	0	0	0	0	0	0	0	
<b>= Fair Market Capitalisation</b>	<b>391</b>	<b>869</b>	<b>352</b>	<b>680</b>	<b>539</b>	<b>757</b>	<b>928</b>	
Number of shares, average	24	24	24	27	27	27	27	
<b>= Fair value per share (EUR)</b>	<b>16.00</b>	<b>35.54</b>	<b>14.41</b>	<b>25.27</b>	<b>20.04</b>	<b>28.14</b>	<b>34.52</b>	
premium (-) / discount (+) in %					-15.3 %	19.0 %	46.0 %	
<b>Sensitivity Fair value per Share (EUR)</b>								
	11.22 %	5.21	18.22	4.16	13.07	9.14	15.32	20.38
	10.22 %	7.72	22.00	6.56	16.34	12.06	18.76	24.17
	9.22 %	10.76	26.59	9.47	20.32	15.62	22.94	28.79
WACC	<b>8.22 %</b>	<b>16.00</b>	<b>35.54</b>	<b>14.41</b>	<b>25.27</b>	<b>20.04</b>	<b>28.14</b>	<b>34.52</b>
	7.22 %	19.38	39.60	17.74	31.59	25.69	34.78	41.85
	6.22 %	25.77	49.24	23.86	39.95	33.15	43.55	51.53
	5.22 %	34.61	62.58	32.33	51.50	43.48	55.69	64.91

- EBIT margin reaches 8.2 as of 2022 compared to 9.3% in 2017
- WACC stands at 7.62% (beta of 1.22 at an expected market yield of 7.5% and debt costs of 3.3%)
- D&A in 2019 and 2020 inflated by extraordinary one-off charges due to economic recession

Valuation	2018	2019	2020	2021	2022e	2023e	2024e
Price / Book	1.9 x	1.3 x	1.1 x	1.2 x	0.7 x	0.7 x	0.6 x
Book value per share ex intangibles	8.09	5.46	4.73	5.19	9.24	12.00	15.11
EV / Sales	1.1 x	0.9 x	0.8 x	0.8 x	0.6 x	0.6 x	0.6 x
EV / EBITDA	8.5 x	7.0 x	6.8 x	6.4 x	6.2 x	5.3 x	4.8 x
EV / EBIT	12.3 x	13.3 x	52.2 x	12.7 x	11.0 x	8.7 x	7.5 x
EV / EBIT adj.*	11.1 x	13.8 x	19.6 x	12.7 x	11.0 x	8.7 x	7.5 x
P / FCF	n.a.	14.1 x	7.2 x	22.4 x	31.8 x	9.8 x	8.0 x
P / E	15.2 x	16.3 x	n.a.	19.7 x	10.6 x	8.3 x	7.3 x
P / E adj.*	12.8 x	17.6 x	n.a.	19.7 x	10.6 x	8.3 x	7.3 x
Dividend Yield	2.8 %	2.0 %	2.6 %	3.1 %	5.9 %	6.1 %	6.3 %
FCF Potential Yield (on market EV)	4.2 %	7.4 %	5.7 %	6.9 %	7.5 %	9.1 %	10.3 %

\*Adjustments made for: -

## Consolidated profit & loss

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
<b>Sales</b>	<b>1,711</b>	<b>1,743</b>	<b>1,559</b>	<b>1,742</b>	<b>1,933</b>	<b>1,991</b>	<b>2,051</b>
Change Sales yoy	4.3 %	1.9 %	-10.6 %	11.8 %	11.0 %	3.0 %	3.0 %
Increase / decrease in inventory	35	-23	-28	24	35	3	3
Own work capitalised	8	8	6	6	6	6	6
<b>Total Sales</b>	<b>1,754</b>	<b>1,727</b>	<b>1,537</b>	<b>1,772</b>	<b>1,974</b>	<b>2,000</b>	<b>2,060</b>
Material expenses	812	782	690	818	940	931	955
<b>Gross profit</b>	<b>942</b>	<b>945</b>	<b>847</b>	<b>954</b>	<b>1,034</b>	<b>1,069</b>	<b>1,105</b>
<i>Gross profit margin</i>	<i>55.1 %</i>	<i>54.2 %</i>	<i>54.4 %</i>	<i>54.8 %</i>	<i>53.5 %</i>	<i>53.7 %</i>	<i>53.9 %</i>
Personnel expenses	507	527	501	529	597	611	625
Other operating income	21	34	22	28	23	24	25
Other operating expenses	238	226	211	232	268	264	270
Unfrequent items	0	0	0	0	0	0	0
<b>EBITDA</b>	<b>218</b>	<b>226</b>	<b>192</b>	<b>228</b>	<b>193</b>	<b>218</b>	<b>235</b>
<i>Margin</i>	<i>12.8 %</i>	<i>13.0 %</i>	<i>12.3 %</i>	<i>13.1 %</i>	<i>10.0 %</i>	<i>11.0 %</i>	<i>11.5 %</i>
Depreciation of fixed assets	53	92	116	84	68	68	68
<b>EBITA</b>	<b>165</b>	<b>134</b>	<b>76</b>	<b>144</b>	<b>125</b>	<b>151</b>	<b>168</b>
Amortisation of intangible assets	15	16	17	21	16	16	16
Goodwill amortisation	0	0	34	8	0	0	0
<b>EBIT</b>	<b>151</b>	<b>118</b>	<b>25</b>	<b>115</b>	<b>109</b>	<b>134</b>	<b>151</b>
<i>Margin</i>	<i>8.8 %</i>	<i>6.8 %</i>	<i>1.6 %</i>	<i>6.6 %</i>	<i>5.6 %</i>	<i>6.8 %</i>	<i>7.4 %</i>
<b>EBIT adj.</b>	<b>166</b>	<b>114</b>	<b>67</b>	<b>115</b>	<b>109</b>	<b>134</b>	<b>151</b>
Interest income	0	0	0	0	0	0	0
Interest expenses	20	20	17	18	17	17	17
Other financial income (loss)	0	1	1	1	1	1	1
<b>EBT</b>	<b>131</b>	<b>99</b>	<b>10</b>	<b>99</b>	<b>93</b>	<b>119</b>	<b>136</b>
<i>Margin</i>	<i>7.6 %</i>	<i>5.7 %</i>	<i>0.6 %</i>	<i>5.7 %</i>	<i>4.8 %</i>	<i>6.0 %</i>	<i>6.6 %</i>
Total taxes	44	39	37	52	33	42	48
<b>Net income from continuing operations</b>	<b>87</b>	<b>60</b>	<b>-27</b>	<b>47</b>	<b>61</b>	<b>77</b>	<b>88</b>
Income from discontinued operations (net of tax)	0	0	0	0	0	0	0
<b>Net income before minorities</b>	<b>87</b>	<b>60</b>	<b>-27</b>	<b>47</b>	<b>61</b>	<b>77</b>	<b>88</b>
Minority interest	0	1	0	1	1	1	1
<b>Net income</b>	<b>87</b>	<b>59</b>	<b>-27</b>	<b>46</b>	<b>60</b>	<b>77</b>	<b>88</b>
<i>Margin</i>	<i>5.1 %</i>	<i>3.4 %</i>	<i>-1.7 %</i>	<i>2.7 %</i>	<i>3.1 %</i>	<i>3.9 %</i>	<i>4.3 %</i>
Number of shares, average	24	24	24	27	27	27	27
<b>EPS</b>	<b>3.55</b>	<b>2.43</b>	<b>-1.10</b>	<b>1.73</b>	<b>2.23</b>	<b>2.85</b>	<b>3.26</b>
EPS adj.	4.20	2.26	-1.10	1.73	2.23	2.85	3.26

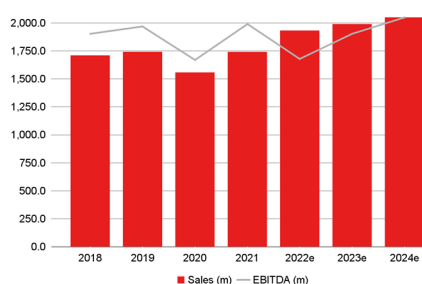
\*Adjustments made for:

**Guidance: Sales EUR 1.90 - 2.00bn, EBIT EUR 100- 115m**

## Financial Ratios

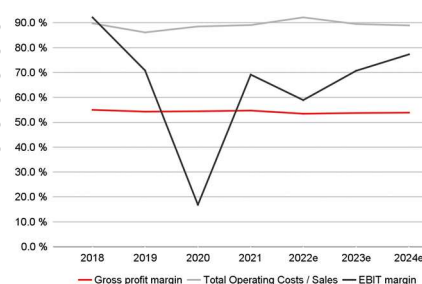
	2018	2019	2020	2021	2022e	2023e	2024e
Total Operating Costs / Sales	89.7 %	86.2 %	88.5 %	89.0 %	92.2 %	89.5 %	89.0 %
Operating Leverage	-0.3 x	-11.6 x	7.4 x	30.5 x	-0.5 x	7.9 x	4.2 x
EBITDA / Interest expenses	10.8 x	11.3 x	11.6 x	13.0 x	11.7 x	13.2 x	14.3 x
Tax rate (EBT)	33.3 %	39.3 %	379.2 %	52.2 %	35.0 %	35.0 %	35.0 %
Dividend Payout Ratio	42.1 %	32.6 %	n.m.	59.9 %	62.1 %	50.4 %	45.7 %
Sales per Employee	162,932	159,890	137,925	154,159	171,068	176,200	181,486

**Sales, EBITDA**  
in EUR m



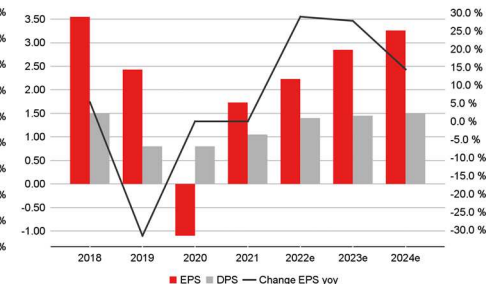
Source: Warburg Research

**Operating Performance**  
in %



Source: Warburg Research

**Performance per Share**



Source: Warburg Research

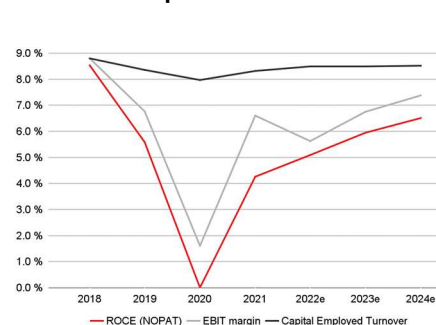
**Consolidated balance sheet**

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
<b>Assets</b>							
Goodwill and other intangible assets	509	592	560	646	641	636	632
thereof other intangible assets	91	177	179	236	231	227	222
thereof Goodwill	419	415	381	410	410	410	410
Property, plant and equipment	418	431	405	405	481	512	542
Financial assets	28	16	21	21	21	21	21
Other long-term assets	13	19	16	17	17	17	17
<b>Fixed assets</b>	<b>969</b>	<b>1,058</b>	<b>1,002</b>	<b>1,089</b>	<b>1,160</b>	<b>1,186</b>	<b>1,212</b>
Inventories	409	381	332	404	439	443	446
Accounts receivable	203	203	162	162	196	218	236
Liquid assets	110	135	195	136	128	155	196
Other short-term assets	31	31	38	49	40	40	40
<b>Current assets</b>	<b>752</b>	<b>750</b>	<b>727</b>	<b>751</b>	<b>803</b>	<b>856</b>	<b>918</b>
<b>Total Assets</b>	<b>1,720</b>	<b>1,808</b>	<b>1,729</b>	<b>1,841</b>	<b>1,963</b>	<b>2,042</b>	<b>2,130</b>
<b>Liabilities and shareholders' equity</b>							
Subscribed capital	64	64	64	70	70	70	70
Capital reserve	240	240	240	318	318	318	318
Retained earnings	404	423	372	398	429	469	517
Other equity components	0	0	0	0	72	103	133
Shareholders' equity	707	726	675	786	889	959	1,039
Minority interest	3	2	1	2	2	2	2
<b>Total equity</b>	<b>710</b>	<b>728</b>	<b>676</b>	<b>787</b>	<b>891</b>	<b>961</b>	<b>1,040</b>
Provisions	119	129	128	131	134	137	140
thereof provisions for pensions and similar obligations	44	53	50	41	43	45	47
Financial liabilities (total)	592	681	714	640	640	640	640
Short-term financial liabilities	127	135	160	163	163	163	163
Accounts payable	66	56	49	62	72	75	79
Other liabilities	233	214	162	220	222	224	227
<b>Liabilities</b>	<b>1,010</b>	<b>1,080</b>	<b>1,052</b>	<b>1,053</b>	<b>1,068</b>	<b>1,077</b>	<b>1,086</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,720</b>	<b>1,808</b>	<b>1,729</b>	<b>1,841</b>	<b>1,963</b>	<b>2,042</b>	<b>2,130</b>

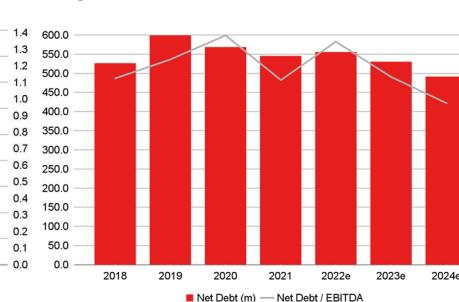
**Financial Ratios**

	2018	2019	2020	2021	2022e	2023e	2024e
<b>Efficiency of Capital Employment</b>							
Operating Assets Turnover	1.8 x	1.9 x	1.9 x	2.0 x	1.9 x	1.9 x	1.8 x
Capital Employed Turnover	1.4 x	1.3 x	1.3 x	1.3 x	1.3 x	1.3 x	1.3 x
ROA	9.0 %	5.6 %	-2.7 %	4.3 %	5.2 %	6.5 %	7.2 %
<b>Return on Capital</b>							
ROCE (NOPAT)	8.5 %	5.6 %	n.a.	4.3 %	5.1 %	5.9 %	6.5 %
ROE	12.6 %	8.3 %	-3.9 %	6.4 %	7.2 %	8.3 %	8.8 %
Adj. ROE	14.9 %	7.7 %	-3.9 %	6.4 %	7.2 %	8.3 %	8.8 %
<b>Balance sheet quality</b>							
Net Debt	526	599	569	545	556	530	492
Net Financial Debt	483	546	519	504	512	485	444
Net Gearing	74.2 %	82.3 %	84.1 %	69.3 %	62.4 %	55.2 %	47.2 %
Net Fin. Debt / EBITDA	221.1 %	242.0 %	270.8 %	220.9 %	265.9 %	222.1 %	188.8 %
Book Value / Share	28.9	29.7	27.6	29.2	33.1	35.7	38.6
Book value per share ex intangibles	8.1	5.5	4.7	5.2	9.2	12.0	15.1

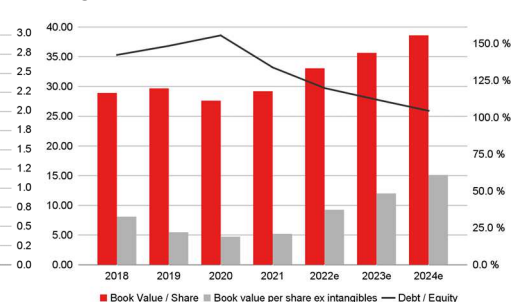
**ROCE Development**



**Net debt in EUR m**



**Book Value per Share in EUR**



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

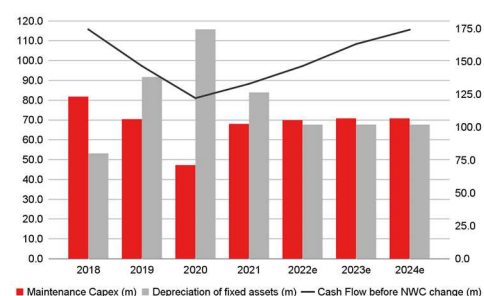
Consolidated cash flow statement

In EUR m	2018	2019	2020	2021	2022e	2023e	2024e
Net income	71	60	-27	48	61	77	88
Depreciation of fixed assets	53	92	116	84	68	68	68
Amortisation of goodwill	16	0	0	0	0	0	0
Amortisation of intangible assets	15	16	17	21	16	16	16
Increase/decrease in long-term provisions	0	9	-3	-8	2	2	2
Other non-cash income and expenses	20	-30	20	-11	0	0	0
<b>Cash Flow before NWC change</b>	<b>175</b>	<b>147</b>	<b>122</b>	<b>133</b>	<b>147</b>	<b>163</b>	<b>174</b>
Increase / decrease in inventory	-70	27	49	-71	-35	-3	-3
Increase / decrease in accounts receivable	-5	0	41	0	-34	-22	-18
Increase / decrease in accounts payable	18	-10	-14	14	10	5	4
Increase / decrease in other working capital positions	-44	-17	-42	41	10	1	1
Increase / decrease in working capital (total)	-100	1	33	-16	-49	-20	-16
<b>Net cash provided by operating activities [1]</b>	<b>75</b>	<b>147</b>	<b>155</b>	<b>117</b>	<b>98</b>	<b>144</b>	<b>159</b>
Investments in intangible assets	-12	-10	-8	-9	-11	-12	-12
Investments in property, plant and equipment	-53	-79	-44	-67	-67	-67	-67
Payments for acquisitions	-12	-29	-1	-67	0	0	0
Financial investments	1	1	1	2	0	0	0
Income from asset disposals	5	32	2	15	0	0	0
<b>Net cash provided by investing activities [2]</b>	<b>-98</b>	<b>-76</b>	<b>-51</b>	<b>-128</b>	<b>-78</b>	<b>-79</b>	<b>-79</b>
Change in financial liabilities	58	-6	1	-107	0	0	0
Dividends paid	-37	-37	-21	-22	-28	-38	-39
Purchase of own shares	0	0	0	0	0	0	0
Capital measures	0	0	0	0	0	0	0
Other	-24	-4	-23	84	0	0	0
<b>Net cash provided by financing activities [3]</b>	<b>-3</b>	<b>-46</b>	<b>-43</b>	<b>-44</b>	<b>-28</b>	<b>-38</b>	<b>-39</b>
<b>Change in liquid funds [1]+[2]+[3]</b>	<b>-26</b>	<b>25</b>	<b>60</b>	<b>-58</b>	<b>-8</b>	<b>27</b>	<b>41</b>
Effects of exchange-rate changes on cash	0	0	-1	0	0	0	0
<b>Cash and cash equivalent at end of period</b>	<b>110</b>	<b>135</b>	<b>194</b>	<b>136</b>	<b>128</b>	<b>155</b>	<b>196</b>

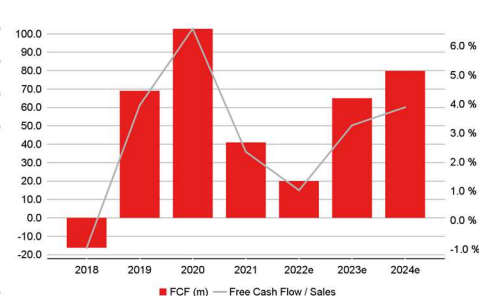
Financial Ratios

	2018	2019	2020	2021	2022e	2023e	2024e
<b>Cash Flow</b>							
FCF	-16	69	103	41	20	65	80
Free Cash Flow / Sales	-0.9 %	4.0 %	6.6 %	2.4 %	1.0 %	3.3 %	3.9 %
Free Cash Flow Potential	77	116	74	101	90	106	117
Free Cash Flow / Net Profit	-18.7 %	116.1 %	-380.6 %	88.4 %	33.3 %	84.7 %	91.0 %
Interest Received / Avg. Cash	0.2 %	0.2 %	0.2 %	0.1 %	0.2 %	0.2 %	0.2 %
Interest Paid / Avg. Debt	3.6 %	3.1 %	2.4 %	2.6 %	2.6 %	2.6 %	2.6 %
<b>Management of Funds</b>							
Investment ratio	3.8 %	5.1 %	3.4 %	4.3 %	4.0 %	4.0 %	3.8 %
Maint. Capex / Sales	4.8 %	4.0 %	3.0 %	3.9 %	3.6 %	3.6 %	3.5 %
Capex / Dep	96.2 %	82.6 %	31.5 %	66.8 %	92.6 %	93.7 %	93.7 %
Avg. Working Capital / Sales	28.1 %	28.7 %	29.1 %	25.5 %	26.0 %	27.2 %	27.3 %
Trade Debtors / Trade Creditors	308.4 %	362.1 %	331.0 %	260.5 %	274.1 %	289.8 %	299.9 %
Inventory Turnover	2.0 x	2.1 x	2.1 x	2.0 x	2.1 x	2.1 x	2.1 x
Receivables collection period (days)	43	42	38	34	37	40	42
Payables payment period (days)	30	26	26	28	28	30	30
Cash conversion cycle (Days)	181	177	172	173	167	171	169

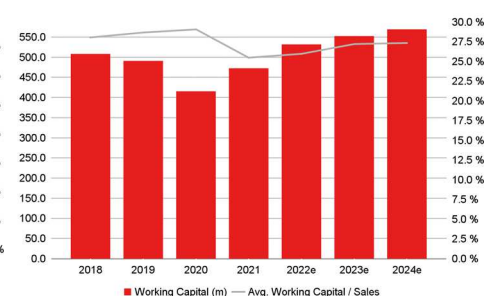
CAPEX and Cash Flow  
in EUR m



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. 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)
INDUS Holding	5	<a href="http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0006200108.htm">http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0006200108.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

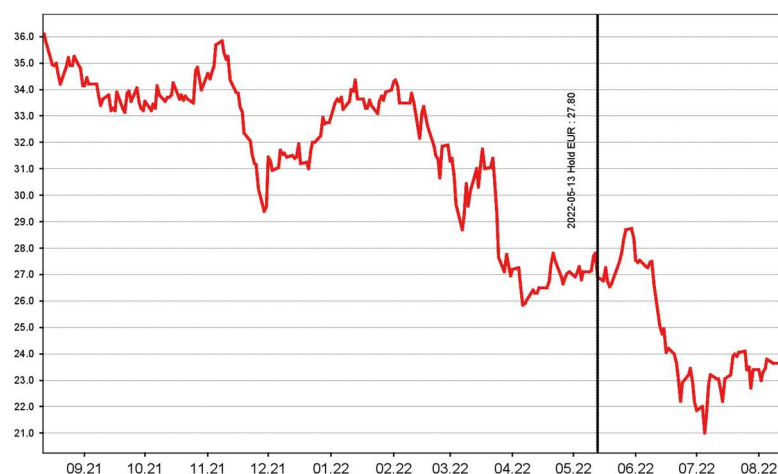
Rating	Number of stocks	% of Universe
Buy	162	75
Hold	44	20
Sell	6	3
Rating suspended	3	1
<b>Total</b>	<b>215</b>	<b>100</b>

## 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	49	83
Hold	7	12
Sell	1	2
Rating suspended	2	3
<b>Total</b>	<b>59</b>	<b>100</b>

## PRICE AND RATING HISTORY INDUS HOLDING AS OF 11.08.2022



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 Rüschemier** +49 40 309537-270  
Head of Research hrueschmeier@warburg-research.com

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

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

**Jonas Blum** +49 40 309537-240  
Telco, Media, Construction jblum@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

**Thor Höfs** +49 40 309537-255  
Software, IT thoefs@warburg-research.com

**Philipp Kaiser** +49 40 309537-260  
Real Estate 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 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

**Alexander Eschweiler** +49 40 3282-2669  
Germany, Luxembourg aeschweiler@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](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