

INDUS Holding AG

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INDUS 2024: Tackling Economic Challenges with Strategy

Strong Financial Performance and Resilience in FY 2023: In FY 2023, INDUS Holding AG maintained a strong financial position despite a challenging market environment, showcasing the resilience and effectiveness of its diversified portfolio. The company reported stable sales of EUR 1.8b, mirroring its prior year's achievement. The EBIT for the year rose to EUR 149.6m, resulting in an improved EBIT margin of 8.3%. Notably, the company achieved a substantial free cash flow of EUR 198.9m, significantly exceeding expectations. This financial robustness has enabled INDUS to propose a dividend of EUR 1.20 per share, underlining its commitment to delivering shareholder value.

FMR: Upon detailed reassessment of INDUS Holding AG's strategic journey and pivotal accomplishments heading into 2024, **our stance solidifies a "BUY" recommendation, with a target price firmly set at EUR 44.30.** This endorsement is deeply influenced by INDUS's tactical financial initiatives, notably the share buyback program, and the strategic acquisitions of Gestalt Robotics, HAUFF-TECHNIK GRIDCOM, and COLSON. These acquisitions do not only signify a deliberate bolstering of INDUS's ENGINEERING and INFRASTRUCTURE segments but also reflect a clear alignment with the company's forward-looking 'Local for Local' production philosophy and commitment to innovation. The integration of these acquisitions underlines INDUS's capability to navigate sector-specific challenges, leveraging technological advancements and market opportunities. Moreover, these strategic moves are poised to enhance operational efficiencies, drive future revenue streams, and fortify market position, reinforcing our optimistic evaluation and the EUR 44.30 target price, highlighting the positive outlook on INDUS's growth trajectory and strategic orientation.

FY end:31.12.; in EUR m	CAGR (22-25e)	2021	2022	2023	2024e	2025e	2026e
Sales	4,1%	1.633,5	1.804,1	1.802,4	1.919,0	2.034,0	2.149,5
EBITDA	-2,8%	251,1	262,5	258,1	230,0	240,9	265,3
Margin		15,4%	14,5%	14,3%	12,0%	11,8%	12,3%
EBIT	7,0%	165,6	133,7	149,6	154,0	163,9	186,8
Margin		10,1%	7,4%	8,3%	8,0%	8,1%	8,7%
Net result	8,5%	97,8	72,9	73,1	87,6	93,2	107,2
EPS, EUR	9,1%	3,68	2,68	3,10	3,27	3,48	4,00
Dividend per share, EUR		1,05	0,80	1,10	1,15	1,20	1,30
EV/Sales		0,9	0,7	0,6	0,5	0,5	0,4
EV/EBITDA		5,8	5,0	3,9	4,4	4,0	3,4
P/E		9,1	9,7	5,8	6,3	5,9	5,2
Net debt/EBITDA		2,2	2,3	1,9	2,0	1,7	1,3

Source: INDUS, FMR

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BUY

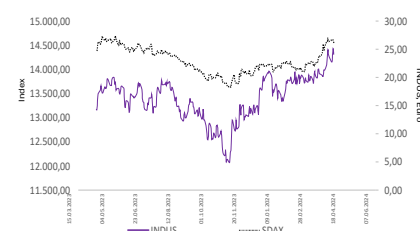
Before: BUY

Target price **EUR 44.30 (43.30)**

Share price* EUR 26.40 (+68%)

*last closing price XETRA

Change	2023	2024e	2025e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS, EUR	0.0	0.0	0.0



Source: XETRA, FMR

Basic data Share

Number of shares (millions)	26.90
Free Float (in %)	63.7%
Market Cap (in EURm)	710,16
Trading volume (Ø)	31,479
High (EUR, 52 weeks)	27.40
Low (EUR, 52 weeks)	18.30

Shareholder Structure

Versicherungskammer Bayern	14.7%
Free Float, Other	85.3%

Corporate Calendar

Interim report Q1/3M 2024	14.05.2024
Annual Shareholders' Meeting 2024	22.05.2024

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Navigating smartly through the economic turbulence of 2024 with strategic vision and cautious optimism:

Heading into 2024, INDUS Holding AG finds itself navigating an economic environment marked by numerous challenges, yet the outlook remains cautiously optimistic. The broader German economy, expected to grow only barely above zero, faces headwinds from ongoing geopolitical tensions and a high inflationary backdrop, without anticipated further hikes in interest rates. Despite these adversities, INDUS's segment forecasts signal a strategic resilience and adaptability that may well buffer against these macroeconomic pressures.

The ENGINEERING segment, with a slight anticipated increase in turnover, faces a decrease in EBIT and a forecasted EBIT margin contraction to 8-10%. This suggests a strategic recalibration towards more efficient operations or potential shifts in market focus to maintain profitability amidst economic uncertainties. Conversely, the INFRASTRUCTURE segment projects a robust outlook with both turnover and EBIT expected to rise, notably with a strong increase in EBIT margin to 10-12%. This optimism positive development may stem from strategic investments in 2023 and operational measurements that are set to bear fruit, or possibly and also a favorable shift possible stabilisation in market demand dynamics, despite downwards tendencies. The MATERIALS segment, however, anticipates a slight downturn in sales and a decrease in EBIT, with EBIT margins expected to narrow to 7-9%. This could reflect sector-specific challenges or the impacts of global economic pressures on commodity prices and demand.

While INDUS confronts varied sectoral prospects for 2024, its strategic alignment and the multifaceted prowess of its portfolio sectors hint at a steadfast journey ahead. Mastering the intricate dynamics of market demands, cost pressures, and geopolitical uncertainties will be crucial in preserving its financial strength and ensuring value creation in a challenging economic landscape.

INDUS Amplifies ENGINEERING Prowess with Strategic COLSON Acquisition: The acquisition of COLSON by INDUS Holding AG is a strategic manoeuvre that significantly strengthens its ENGINEERING segment, particularly spotlighting its advance into the essential field of measurement and control technology for fluids and gases. This integration not only augments INDUS's ENGINEERING portfolio under the auspices of the HORNGROUP but also aligns with the company's adept internationalization strategy, emphasizing the 'Local for Local' production principle. COLSON's established market presence in the UK, alongside its expanding footprint in North America and the Middle East, dovetails with INDUS's vision to pursue global growth avenues. By bringing COLSON's specialized industrial valve and measurement device capabilities into its fold, INDUS is set to spur innovation, boost operational efficiencies, and sharpen its competitive edge across vital industrial sectors. This strategic addition highlights INDUS's financial strength and strategic acumen in selecting complementary assets poised for synergy creation and long-term growth. The COLSON acquisition not only bolsters INDUS's immediate market position but also elevates its future revenue and profitability trajectory, reinforcing our bullish stance on the company's potential to navigate market intricacies and seize emerging opportunities for sustained investor value creation.

Valuation: Update

- Valuation basis: Continuing operations.
- "BUY" recommendation confirmed.
- Attractive share with high upside potential.

INDUS (continuing operations): Fair value per share rounded to EUR 44.30

EUR m	PHASE 1					PHASE 2					PHASE 3
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	
Sales	1.831,0	1.919,0	2.034,0	2.149,5	2.204,5	2.258,9	2.312,4	2.365,2	2.416,9	2.467,5	
Y-o-Y growth	1,5%	4,8%	6,0%	5,7%	2,6%	2,5%	2,4%	2,3%	2,2%	2,1%	
EBIT	146,0	154,0	163,9	186,8	193,1	194,4	198,5	202,1	205,1	206,4	
EBIT-margin	8,0%	8,0%	8,1%	8,7%	8,8%	8,6%	8,6%	8,5%	8,5%	8,4%	
Income tax on EBIT	-54,0	-57,0	-60,6	-69,1	-71,5	-71,9	-73,4	-74,8	-75,9	-76,4	
Depreciation/Amortisation	75,0	76,0	77,0	78,5	79,0	83,0	84,1	85,9	88,1	98,7	
Change other non-cash items	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,0	0,0	0,0	
Change in net working capital	-34,8	14,6	5,2	-8,0	-8,0	-11,0	-10,3	-10,2	-10,2	-10,4	
Net capital expenditure	-69,5	-91,0	-90,5	-93,0	-96,5	-99,0	-100,9	-103,5	-105,7	-98,7	
Free cash flow	62,7	96,6	94,9	95,2	96,2	95,5	98,0	99,6	101,5	119,7	
Present values	62,4	89,4	81,7	76,2	71,6	66,7	64,1	61,1	58,5	64,6	1.088,1
Present value Phase 1	381,2										
Present value Phase 2	315,0										
Present value Phase 3	1.088,1										
Total present value	1.784,3										
+ Non-operating assets/Other	-27,1										
- Net financial debt	-564,8										
Fair value of equity	1.192,5										
- Number of shares (m)	26,896										
Fair value per share (in EUR)	44,34										

Risk free rate	2,0%	Target equity ratio	60,0%
Equity risk premium	6,5%	Beta factor	1,2
Debt risk premium	2,6%	WACC	7,5%
EBIT-margin (PHASE 3)	8,0%	Terminal growth rate	2,0%

	Sensitivity analysis					
	WACC					
	6,5%	7,0%	7,5%	8,0%	8,5%	
Terminal growth rate	3,0%	74,11	62,40	53,30	46,02	40,07
2,5%	65,45	55,95	48,35	42,14	36,96	
2,0%	58,72	50,79	44,34	38,91	34,34	
1,5%	53,34	46,57	40,93	36,17	32,09	
1,0%	48,93	43,05	38,08	33,83	30,14	

Source: FMR

We have slightly reduced our EBIT estimates for the years 2023e to 2025e and have positioned ourselves at the lower end of the range forecast by INDUS. In addition, we have updated the forecasts for financial debt and working capital, and in some cases the effects have neutralized each other. Overall, this results in only a slight increase in the fair value.

The valuation remains attractive in our view. The P/E ratio 2024e currently stands at 6.3, which is still very low compared to historical values. This also applies to the current price-to-book ratio of 0.88.

FY/23: Highlights

- Substantial Free Cash Flow Achievement: INDUS Holding AG's reported free cash flow of EUR 198.9m significantly surpasses the ambitious annual target for 2023, showcasing robust financial health and operational efficiency.

- **Steady Revenue Growth:** The company witnessed a stable sales performance, maintaining revenue at EUR 1.8 billion, mirroring its prior year's achievement and demonstrating resilience in a challenging market environment.
- **Enhanced EBIT Margin:** A notable improvement in the EBIT margin to 8.3% from the previous year highlights operational enhancements and strategic portfolio optimizations contributing to profitability growth.
- **Optimized Working Capital Management:** The effective management strategies led to a substantial free cash flow, reflecting a focused effort on optimizing working capital amidst financial discipline.
- **Strategic Divestiture, Portfolio Optimization and new Segment Structure:** The successful divestiture of underperforming portfolio companies (SMA, Schäfer and Selzer) underlines INDUS's commitment to a streamlined, efficient, and growth-oriented portfolio. INDUS consists of three segments: INFRASTRUCTURE, ENGINEERING and MATERIALS.
- **Robust Dividend Proposition:** The proposal of a dividend of EUR 1.20 per share for FY 2023 underpins INDUS's strong cash generation capability and its commitment to rewarding shareholders, reinforcing the investment appeal.
- **Future Growth Levers through Strategic Acquisitions** on the basis of predefined megatrends relevant to INDUS' footprint in industrial technology: sector: The company's strategic acquisitions, notably the full acquisition of TECALEMIT Inc., not only strengthen its market position but also signal potential future revenue and profitability streams.
- **Sustainability Achievements:** INDUS's significant strides in reducing greenhouse gas emissions align with its sustainability objectives, marking progress in ESG commitments that are increasingly important to investors.
- **Cautiously Optimistic Outlook for 2024:** Despite a mixed sectoral forecast, INDUS's strategic positioning and diverse portfolio strengths indicate a resilient pathway ahead, with an emphasis on leveraging expected economic recovery phases.

Strategic Capital Allocation enhances INDUS's Competitive Edge and Sector Leadership

Strategic Share Buyback Elevates INDUS's Market Position: INDUS Holding AG's completion of its share buyback program on 13 March 2024 underscores a strategic financial manoeuvre, underscoring confidence in its intrinsic value. By securing 4.09% of its share capital as treasury shares, INDUS not only affirms the attractiveness of its shares as an investment but also enhances shareholder value. This move, indicative of INDUS's robust cash position, facilitates additional flexibility in pursuing future acquisitions and developing its portfolio without compromising operational goals. This buyback program reflects a strategic allocation of capital that strengthens INDUS's balance sheet and bolsters its long-term strategic initiatives, potentially enhancing the attractiveness of INDUS's stock in the broader market.

Gestalt Robotics Acquisition Signals INDUS's Commitment to AI and Automation: The acquisition of Gestalt Robotics on 14 March 2024 significantly bolsters INDUS Holding AG's footprint in AI-based industrial automation, marking a pivotal expansion of its ENGINEERING segment. Gestalt Robotics, known for its AI-driven automation solutions, aligns with INDUS's strategic initiative 'Driving Innovation'. This move taps into the burgeoning demand for AI applications across industrial settings, promising to infuse new dynamism into INDUS's portfolio. With Gestalt Robotics under its wing, INDUS is poised to lead in the future of automation, enhancing its competitive edge in the ENGINEERING sector. This acquisition not only diversifies INDUS's technological capabilities but also reinforces its growth trajectory in the AI and automation domains, offering substantial potential for value creation.

HAUFF-TECHNIK GRIDCOM Acquisition Strengthens INDUS's INFRASTRUCTURE Network Offerings: INDUS Holding AG's strategic acquisition of the remaining shares in HAUFF-TECHNIK GRIDCOM on 12 March 2024 significantly enhances its INFRASTRUCTURE segment. This move consolidates INDUS's offerings in the critical area of fiber-optic INFRASTRUCTURE, catering to the escalating demand for higher bandwidths and faster internet connectivity. HAUFF-TECHNIK GRIDCOM's specialization in developing passive components for fiber-optic networks complements INDUS's existing capabilities, positioning it advantageously in a high-growth market. This acquisition does not only demonstrate INDUS's proactive approach to capitalizing on digital INFRASTRUCTURE needs but also signals its intention to continue expanding its presence in this vital sector. With HAUFF-TECHNIK GRIDCOM fully integrated, INDUS is better positioned to leverage synergies, drive innovation, and capture a larger market share in the expanding world of fiber-optic networks.

INDUS FY/23: Solid EBIT Performance and Impressive Free Cash Flow Growth

INDUS (EUR m)	FY/ 22 reported	FY/23 reported	FY/23 FMR	23 Deviation FMR	FMR FY/24e
INFRASTRUCTURE (IN)	586,0	582,2	582,0	-0,03%	615,0
MATERIALS (MA)	636,9	619,9	640,0	3,24%	670,0
ENGINEERING (EN)	583,2	599,6	610,0	1,73%	635,0
Consolidation/Other (CO)	-2,0	0,7	-1,0		-1,0
Group Sales *	1.804,1	1.802,4	1.831,0	1,59%	1.919,0
EBITDA	262,5	258,1	221,0	-14,37%	230,0
INFRASTRUCTURE (IN)	51,3	49,3	49,5	0,41%	52,5
MATERIALS (MA)	49,9	57,3	54,5	-4,89%	55,0
ENGINEERING (EN)	47,4	57,0	56,5	-0,88%	58,5
Consolidation/Other (CO)	-14,9	-14,5	-14,5	0,00%	-12,0
EBIT reported	133,7	149,6	146,0	-2,41%	154,0
Impairments	42,8	17,6	17,6		0,0
EBIT before impairments	176,5	167,2	163,6		154,0
EAT after minorities	55,9	95,8	82,7	-13,66%	95,8
EPS, EUR	2,68	3,10	3,10	-0,12%	3,27
Free Cashflow	101,5	198,9	128,2	-35,55%	113,0
Analysis					
EBIT-margin					
INFRASTRUCTURE (IN)	8,8%	8,5%	8,5%		8,5%
MATERIALS (MA)	7,8%	9,2%	8,5%		8,2%
ENGINEERING (EN)	8,1%	9,5%	9,3%		9,2%
Group: EBIT-margin	7,4%	8,3%	8,0%		8,0%
Group: Net margin	3,1%	5,3%	4,5%		5,0%

Source: INDUS, FMR; revenues with external third parties (continuing operations); consensus (median) provided by INDUS

INDUS Holding AG's FY 2023 performance saw an almost flat sales trajectory at EUR 1.802,4m, marginally trailing the FMR estimate by 1.59%. This slight deviation can be attributed to broader macroeconomic conditions, particularly the underwhelming economic momentum in Germany, which INDUS could not fully insulate against. The ENGINEERING segment did outperform with sales rising to EUR 599,6m, an uptick of 1.73% against the forecast. This suggests robust segment-specific drivers, possibly from the successful integration of acquisitions such as HEIBER & SCHRÖDER and HELD. The INFRASTRUCTURE and MATERIALS segments, however, reported sales at EUR 582,2m and EUR 619,9m respectively, not meeting the more optimistic forecasts, reflecting a challenging environment where passing on price increases may have been less feasible given the inflationary backdrop.

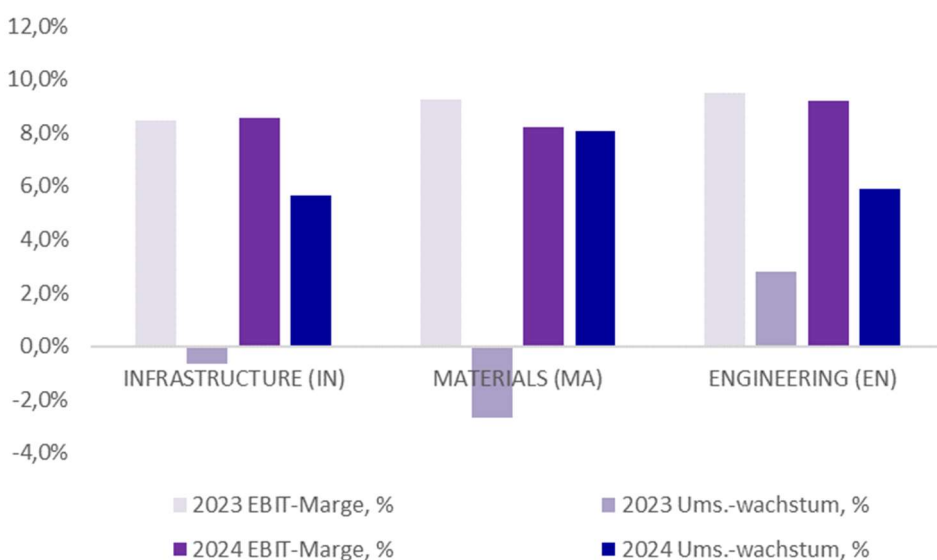
On the earnings front, the reported EBIT of EUR 149,6m fell short by 2.41% against the forecast, potentially impacted by EUR 17,6m in impairment losses. Despite this, the EBIT margin improved to 8.3%, indicating that operational efficiencies might have offset some market and cost pressures. The Free Cash Flow was a highlight, standing at EUR 198,9m, a substantial leap from the previous year but still showing a -35,55% variance from the anticipated figure, suggesting a prudent capital allocation strategy in place. For FY 2024e, the company is projected to scale back on EBIT and Free Cash Flow, potentially realigning its financial strategy to navigate anticipated economic pressures while continuing to pursue operational excellence and strategic growth initiatives.

Outlook 2024e and prospects

Entering the fiscal period of 2024, INDUS Holding AG stands on a solid foundation built in the previous year. While the IMF forecasts a global economic growth of +3.1%, the European Commission's latest update indicates a more subdued recovery for Germany, with a modest increase of around 0.3% in GDP for 2024. Despite these macroeconomic headwinds, INDUS's strategic foresight enabled the company to maintain a robust sales performance, with 2023 closing at EUR 1.802,4m, and setting a confident path towards surpassing EUR 2.0b in the forthcoming years.

The company's EBIT margin in 2023 demonstrated operational resilience amidst market volatility, ending at a solid 8.3%. With an impressive FCF of EUR 198.9m, significantly exceeding projections, INDUS's strategic financial management places it in an advantageous position to navigate the lingering high inflation and stabilize interest rates with assuredness. For 2024 and beyond, the persistence of geopolitical tensions and economic discontent within Germany are acknowledged variables in our assessment, yet INDUS's segment-specific strategies—particularly in ENGINEERING with its promising 5.9% growth forecast—indicate a robust capacity for growth.

INDUS 2024e: sales growth & solid EBIT margin



Source: INDUS, FMR; INDUS EBIT margin - calculated without "Consolidation/Other" at EUR -15m

Looking towards the future, the strong FCF not only underlines INDUS's liquidity but also supports an optimistic dividend forecast, signalling the company's intent to sustain rewarding returns. With an eye on potential acquisitions and organic

development, INDUS is poised to leverage both the predicted economic recovery and internal efficiencies. The company's prudence in financial planning and strategic segment investments propels it towards a promising 2024, where we anticipate a continued alignment with or outperformance of industry benchmarks.

With these reflections, it's clear that INDUS Holding AG is positioned to capitalize on the anticipated economic rebound, bolstered by a strong balance sheet and an agile, growth-centric strategy.

Sharper profile through new segment structure

INDUS presented the key points of the "**PARKOUR perform**" strategy update in December 2022. INDUS intends to remain the preferred partner for succession planning in the industrial SME sector in German-speaking countries. One of the most important elements within the strategy update is the introduction of a new segment structure with the three segments INFRASTRUCTURE, MATERIALS and ENGINEERING.

INDUS Holding Group: Sales by segment

Euro Mio.	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024e	2025e	2026e
INFRASTRUCTURE (IN)	289,3	281,7	286,9	329,5	390,1	430,4	461,1	438,5	515,3	586,0	582,2	615,0	660,0	695,0
MATERIALS (MA)	473,0	467,9	496,2	486,2	537,4	578,9	571,4	532,7	576,2	636,9	619,9	670,0	720,0	765,0
ENGINEERING (EN)	249,9	298,6	346,8	385,6	418,8	440,9	484,8	418,1	484,5	583,2	599,6	635,0	655,0	690,0
NON-CORE ACTIVITY (NCA)	246,4	215,8	231,9	237,0	259,1	229,4	193,9	149,3	155,4	0,0	0,0	0,0	0,0	0,0
Consolidation/Other (CO)	0,0	0,0	0,0	0,0	0,8	-0,2	0,1	-0,3	0,0	-2,0	0,7	-1,0	-1,0	-0,5
Bacher AG									10,1					
Group sales	1.258,6	1.264,0	1.361,8	1.438,3	1.606,2	1.679,4	1.711,3	1.538,3	1.741,5	1.804,1	1.802,4	1.919,0	2.034,0	2.149,5

Source: INDUS, FMR, sales with external third parties; history until 2020 only comparable to a limited extent; from 2021 sales of continuing operations

INDUS Holding Group: EBIT by segment

EUR m	2021	2022	2023	2024e	2025e	2026e	2027e
INFRASTRUCTURE (IN)	66,5	51,3	49,3	52,5	57,0	73,0	75,0
MATERIALS (MA)	58,2	49,9	57,3	55,0	56,0	53,5	55,0
ENGINEERING (EN)	53,5	47,4	57,0	58,5	60,0	67,0	70,0
NON-CORE ACTIVITY (NCA)	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Konsolidierung/Sonstige (KS)	-12,6	-14,9	-14,5	-12,0	-9,1	-6,7	-6,9
Group EBIT	165,6	133,7	149,1	154,0	163,9	186,8	193,1

Source: INDUS, FMR, from 2021 EBIT of continuing operations - Historical data not available

Appendix

INDUS Holding: Overview portfolio companies according to new segment structure

Portfolio company	Products/Services	Sales (EUR m) *					
		2018	2019	2020	2021	2022	2023
INFRASTRUCTURE (IN)							
ANCOTECH AG	Special reinforcements; tanker transport systems	40,4	44,1	46,6	47,3	59,0	55,0
AURORA Konrad G. Schulz GmbH & Co. KG	Heating and air-conditioning systems f. commercial vehicles	59,8	59,0	44,2	54,3	60,2	82,0
BETOMAX Systems GmbH & Co. KG	Concrete construction solutions	18,4	18,6	19,0	21,1	24,8	24,0
FS-BF GmbH & Co. KG	Sealants made from silicone acrylic	40,4	40,9	38,3	45,9	49,6	42,0
H. HEITZ Furnierkantenwerk GmbH & Co. KG	Edge and wrapping veneer for furniture and construction industries	27,8	28,8	27,8	30,8	38,6	33,0
HAUFF-TECHNIK GmbH & Co. KG	Innovative sealing systems for cables and pipes	75,8	80,5	87,4	97,9	98,9	93,0
MIGUA Fugensysteme GmbH	Section construction for for expansion joints	14,5	15,4	15,7	13,9	13,9	13,0
OBUK Haustürrüllungen GmbH & Co. KG	Individual front door panels	26,4	26,6	28,5	30,3	28,9	26,0
REMKO GmbH & Co. KG	Efficient heating technology	50,5	68,2	75,1	74,3	81,4	90,0
SCHUSTER Klima Lüftung GmbH & Co. KG	Energy-efficient ventilation and air conditioning technology	13,5	15,5	13,9	15,7	17,1	18,0
TSN TURMBAU STEFFENS & NÖLLE GmbH	International construction of towers	11,9	13,2	10,3	9,4	10,5	9,0
WEIGAND BAU GmbH	Modern pipeline and cable duct construction	45,3	43,9	25,6	22,6	21,1	27,0
WEINISCH GmbH & Co. KG	High-quality powder coating of metals	5,7	6,4	6,1	6,0	6,2	6,0
WIRUS Fenster GmbH & Co. KG	Window- and door manufacturing	-	-	-	45,8	75,6	65,0
INFRASTRUCTURE (IN) Segment total		430,4	461,1	438,5	515,3	585,8	583,0
MATERIALS (MA)							
BETEK GmbH & Co. KG	Carbide-tipped waer parts	222,0	217,4	225,5	252,2	288,7	302,0
SITEK-SPIKES GmbH & Co. KG***	Tire studs and carbide tools	23,2	22,1	15,5	18,1	23,2	-
BILSTEIN & SIEKERMANN GmbH & Co. KG	Cold extrusion parts, turned parts and locking screws	18,4	18,7	14,0	17,5	17,9	18,0
DESSAUER SCHALTSCHRANK & GEHÄUSETECHNIK GmbH	High-quality metal and leads parts, components, switch cabins	-	2,2	9,5	9,7	10,9	-
HAKAMA AG	High-performance sheet metals	21,4	21,1	21,9	22,1	21,4	17,0
IMECO GmbH & Co. KG	Nonwoven products	26,1	24,2	24,4	22,0	20,0	17,0
MEWESTA HYDRAULIK GmbH & Co. KG	Hydraulic control blocks and systems	7,3	6,5	4,8	6,9	7,9	7,0
MIKROP AG	Miniaturized precision optics	15,0	15,7	12,4	12,6	15,2	20,0
OFA BAMBERG GmbH	Compression hoisery and bandages	74,6	79,2	70,5	74,1	75,5	79,0
PLANETROLL GmbH & Co. KG	Stirring and power transmission technology	5,8	6,0	4,8	4,7	5,6	5,0
RAGUSE GESELLSCHAFT FÜR MEDIZINISCHE PRODUKTE mbH	Indication specific production for surgical drapes	13,1	13,9	11,8	13,4	13,3	15,0
ROLKO KOHLGRÜBER GmbH	Rehabilitation equipment	25,5	26,7	23,0	26,6	29,5	31,0
HELMUT RÜBSAMEN GmbH & Co. KG	Metal processing and forming technology	57,5	51,5	45,0	55,1	61,5	54,0
KARL SIMON GmbH & Co. KG	Components and assemblies made from metal and plastics	41,7	39,1	26,5	14,7	13,9	13,0
VULKAN INOX GmbH	Granules for surface treatment	27,3	27,1	23,1	26,5	32,2	30,7
MATERIALS (MA) Segment total		578,9	571,4	532,7	576,2	636,7	608,7
ENGINEERING (EN)							
ASS MASCHINENBAU GmbH	Robotic hands and automation systems for manufacturers	22,8	21,9	15,6	16,3	18,3	17,0
BUDDE FÖRDERTECHNIK GmbH	Specialist in logistics and materials flow	71,0	83,2	77,2	109,1	94,3	76,0
ELTHERM GmbH	Specialist in electrical heat tracing systems	44,0	42,1	32,5	34,6	42,1	41,0
GSR VENTILTECHNIK GmbH & Co. KG	Innovative valve technology for demanding industrial applications	23,7	23,5	21,2	25,0	29,5	26,0
HEIBER UND SCHRÖDER Maschinenbau GmbH	Special machinery for packaging solutions	-	-	-	-	24,1	21,0
HELD SYSTEMS GmbH	Laser technology systems	-	-	-	-	12,4	17,1
HORNGROUP HOLDING GmbH & Co. KG	Refueling technology and workshop solutions, worldwide	31,9	32,3	29,2	40,6	68,5	66,0
IEF WERNER GmbH	Automation components and systems	26,7	26,6	18,5	18,4	20,7	22,0
IPETRONIK GmbH & Co. KG	Measurement systems and Services for automotive industry	49,6	47,4	42,3	36,6	41,5	63,0
JUNGMANN SYSTEMTECHNIK	Integrated control room solutions	-	-	-	11,9	16,0	16,0
MBN MASCHINENBAUBETRIEBE GmbH	Sophisticated solutions for special machinery and plant solutions	47,3	58,2	52,9	42,8	42,7	51,0
M.BRAUN INERTGASSYSTEME GmbH & Co. KG	Inert gas glove box systems for industry and research	66,7	78,0	60,4	73,1	90,5	100,0
M+P INTERNATIONAL MESS- UND RECHNERTECHNIK GmbH	Measurement and test systems for vibration control and analysis	12,8	12,2	11,8	11,7	13,8	17,1
MESUTRONIC GERÄTEBAU GmbH	Measuring technology and control engineering	-	14,0	24,7	27,0	26,7	30,0
PEISELER GmbH & Co. KG	High-precision indexing devices and rotary-tilt tables for machine tools	28,2	29,4	15,7	19,0	21,7	40,0
KÖSTER & Co. GmbH	Cold working parts and stud welding technology	16,2	16,0	16,1	18,4	18,2	-
ENGINEERING (EN) Segment total		440,9	484,8	418,1	484,5	581,0	603,2
NON-CORE ACTIVITY (NCA)							
SCHÄFER GmbH & Co. KG	Model and mold construction for the automotive and aviation industry	20,6	18,2	13,6	11,8	-	16,0
S.M.A. METALLTECHNIK GmbH & Co. KG 2)	Products for automotive air-conditioning and servo technology	66,0	45,4	36,3	48,6	-	41,3
SELZER GRUPPE	Precision metal technology for the series production of automobiles	87,3	77,5	55,5	47,7	-	54,3
WIESAULAST GmbH & Co. KG	Precision plastics	55,5	52,8	43,9	47,3	-	-
NON-CORE ACTIVITY (NCA) Segment total		229,4	193,9	149,3	155,4		
Core segments: IN, MA, EN total		1.450,2	1.517,3	1.389,3	1.576,0	1.803,5	1.794,9
Valuable portfolio companies: total		229,4	193,9	149,3	155,4		
Total amount all portfolio companies		1.679,6	1.711,2	1.538,6	1.731,4	1.803,5	1.794,9
Konsolidierung/Sonstige/Rundungsdifferenzen		-0,2	0,1	-0,3	0,0	0,6	0,4
Group sales		1.679,4	1.711,3	1.538,3	1.731,4	1.804,1	1.794,9
History of portfolio companies							
NIESTERHAMMER MASCHINENBAU GmbH & Co. KG	Special machinery for belt cleaning	-	-	-	-	-	-
SEMET MASCHINENBAU GmbH & Co. KG	Automation and conveyor techn. For construction materials a. steel indus	-	-	-	-	-	-
FICHTHORN GmbH & Co. KG **	Metal forming and assembly for serial production	-	-	-	-	-	-
BACHER AG 1)	Components made from steel and aluminium	20,8	22,3	16,4	10,1	-	-

Source: INDUS, FMR; * Sales continuing operations with external third parties; comparative value 2021: EUR 1,633.5m 1) Bacher: shutdown completed in Q3/21; 2) S.M.A. self-administration proceedings were initiated in October, ***Merged with BETEK, Effective January 1, 2023

INDUS: P & L

in EUR m (IFRS)	2020	2021	2022	2023	2024e	2025e	2026e
Revenues	1.558,6	1.633,5	1.804,1	1.802,4	1.919,0	2.034,0	2.149,5
YoY growth	-10,6%	4,8%	10,4%	-0,1%	6,5%	6,0%	5,7%
Increase/Decrease in inventories of finished goods and work in progress	-21,2	25,6	33,5	-11,7	6,9	7,3	7,8
as % of revenues	-1,4%	1,6%	1,9%	-0,6%	0,4%	0,4%	0,4%
Total Operating Output	1.537,5	1.659,1	1.837,6	1.790,7	1.925,9	2.041,3	2.157,3
YoY growth	-11,0%	7,9%	10,8%	-2,6%	7,6%	6,0%	5,7%
Cost of Materials	-690,1	-757,0	-872,2	-801,4	-925,2	-979,8	-1.031,2
as % of revenues	-44,3%	-46,3%	-48,3%	-44,5%	-48,2%	-48,2%	-48,0%
Gross Profit	847,4	902,1	965,4	989,3	1.000,7	1.061,5	1.126,1
as % of revenues	54,4%	55,2%	53,5%	54,9%	52,1%	52,2%	52,4%
Personnel expenses	-501,0	-467,6	-494,6	-498,5	-529,6	-559,3	-588,9
as % of revenues	-32,1%	-28,6%	-27,4%	-27,7%	-27,6%	-27,5%	-27,4%
Other operating expenses	-210,6	-207,2	-233,4	-230,3	-262,3	-281,7	-295,5
as % of revenues	-13,5%	-12,7%	-12,9%	-12,8%	-13,7%	-13,8%	-13,7%
Other operating income	22,1	23,8	25,1	20,6	21,2	20,4	23,7
as % of revenues	1,4%	1,5%	1,4%	1,1%	1,1%	1,0%	1,1%
EBITDA reported	157,7	251,1	262,5	258,1	230,0	240,9	265,3
as % of revenues	10,1%	15,4%	14,5%	14,3%	12,0%	11,8%	12,3%
Depreciation of property, plant and equipment, and amortisation of intangible assets	-132,6	-85,5	-128,8	-108,5	-76,0	-77,0	-78,5
as % of revenues	-8,5%	-5,2%	-7,1%	-6,0%	-4,0%	-3,8%	-3,7%
EBIT reported	25,1	165,6	133,7	149,6	154,0	163,9	186,8
as % of revenues	1,6%	10,1%	7,4%	8,3%	8,0%	8,1%	8,7%
Financial result (net)	-15,4	-15,9	-17,8	-9,9	-14,8	-15,9	-16,6
EBT (Earnings before taxes): Continuing operations	9,7	149,7	115,9	139,7	139,1	148,0	170,2
as % of revenues	0,6%	9,2%	6,4%	7,8%	7,2%	7,3%	7,9%
Income taxes	-36,5	-51,9	-43,0	-56,4	-51,5	-54,7	-63,0
as % of EBT	-377,9%	-34,7%	-37,1%	-40,4%	-37,0%	-37,0%	-37,0%
Net income: Continuing operations	-26,9	97,8	72,9	83,3	87,6	93,2	107,2
as % of revenues	-1,7%	6,0%	4,0%	4,6%	4,6%	4,6%	5,0%
Net income: Discontinued operations	0,0	-50,2	-123,9	-27,8	0,0	0,0	0,0
Net income	-26,9	47,6	-51,0	55,5	87,6	93,2	107,2
Minority interests	-0,1	-0,8	-0,8	-0,3	-0,4	-0,4	-0,4
Shares outstanding (in m), weighted	24,45	26,33	26,90	26,90	26,90	26,90	26,90
Earnings per share, EUR: Continuing operations	-1,10	3,68	2,68	3,10	3,27	3,48	4,00
Earnings per share, EUR: Discontinued operations	0,00	-1,90	-4,61	-1,03	0,00	0,00	0,00
Net income per share, EUR	-1,10	1,79	-1,94	2,55	3,27	3,48	4,00

Source: INDUS, FMR

INDUS: Balance sheet total

in EUR m (IFRS)	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Non-current assets	1.001,7	1.099,0	1.023,6	1.029,4	1.042,2	1.057,8	1.074,5
as % of total assets	57,9%	59,2%	54,2%	53,4%	52,5%	51,5%	50,3%
Intangible assets	93,1	142,8	172,4	164,2	175,3	174,3	173,3
Goodwill	380,9	409,8	403,7	395,4	395,4	395,4	395,4
Property, plant and equipment	405,5	416,6	344,3	344,4	349,8	364,3	379,8
Non-current financial assets	7,1	8,8	5,6	11,3	5,6	5,6	5,6
Real Estate held as financial investment	5,9	5,8	2,2	11,7	11,7	11,7	11,7
Leasing and rental assets	85,8	93,4	68,9	78,4	80,0	81,6	83,2
Other non-current assets	11,4	8,1	6,3	2,7	2,7	2,8	2,9
Deferred tax assets, long-term	12,0	13,7	20,2	21,3	21,7	22,1	22,6
Other non-current financial assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Current assets	727,1	758,4	800,0	899,5	943,5	997,7	1.063,6
as % of total assets	42,1%	40,8%	42,3%	46,6%	47,5%	48,5%	49,7%
Inventories	332,5	403,9	449,4	429,2	416,3	408,0	412,1
Trade accounts receivable	161,9	168,9	195,5	181,3	177,7	179,5	181,2
Current prepayments made	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other current non-financial assets	20,4	35,5	22,0	17,3	18,2	19,1	19,7
Deferred tax assets, short-term	17,6	13,7	5,3	5,8	6,0	6,3	6,5
Current financial assets	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Cash and cash equivalents	194,7	136,3	127,8	265,8	325,3	384,8	444,1
Assets held for sale	0,0	0,0	66,3	0,0	0,0	0,0	0,0
as % of total assets	0,0%	0,0%	3,5%	0,0%	0,0%	0,0%	0,0%
Total assets	1.728,8	1.857,4	1.889,9	1.928,8	1.985,7	2.055,5	2.138,1
Shareholders' equity and liabilities							
Shareholders' equity	676,4	787,5	685,2	742,8	800,5	862,4	936,9
as % of total equity and liabilities	39,1%	42,4%	36,3%	38,5%	40,3%	42,0%	43,8%
Subscribed capital	63,6	69,9	69,9	69,9	69,9	69,9	69,9
Capital reserves	239,8	318,1	318,1	318,1	318,1	318,1	318,1
Retained earnings	371,9	397,6	295,1	295,1	295,1	295,1	295,1
Treasury stocks	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other equity items	0,0	0,0	0,0	57,6	115,2	177,1	251,7
Minority interest on equity	1,0	1,8	2,1	2,1	2,1	2,1	2,1
Non-current provisions/liabilities	657,1	615,6	728,7	754,9	734,4	742,8	751,3
as % of total equity and liabilities	38,0%	33,1%	38,6%	39,1%	37,0%	36,1%	35,1%
Non-current pension provisions	49,7	41,3	23,6	27,0	27,3	27,5	27,8
Other non-current provisions	1,4	1,4	1,1	0,6	0,6	0,6	0,6
Non-current financial liabilities	553,8	477,3	580,6	618,2	599,6	605,6	611,7
Non-current prepayments received	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Non-current deferred tax liabilities	32,1	48,6	63,6	61,1	59,9	61,1	62,3
Other non-current liabilities	20,1	47,0	59,7	48,0	47,1	48,0	49,0
Current liabilities and provisions	395,4	454,4	440,3	458,1	450,8	450,3	449,9
as % of total equity and liabilities	22,9%	24,5%	23,3%	23,8%	22,7%	21,9%	21,0%
Current provisions	77,3	45,7	42,3	41,6	39,9	40,7	41,5
Current financial liabilities	159,8	163,2	140,7	153,8	149,2	149,6	150,1
Trade accounts payable	48,9	75,8	74,3	63,6	63,9	64,2	64,6
Current prepayments received	34,8	53,1	73,9	80,1	80,6	78,2	75,8
Current tax liabilities	15,1	14,8	17,2	26,2	26,2	26,2	26,2
Current deferred tax liabilities	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other current liabilities	59,4	101,8	91,9	92,8	91,0	91,3	91,7
Liabilities held for sale	0,0	0,0	35,7	0,0	0,0	0,0	0,0
as % of total equity and liabilities							
Total equity and liabilities	1.728,8	1.857,4	1.889,9	1.928,8	1.985,7	2.055,5	2.138,1

Source: INDUS, FMR

INDUS: Cashflow statement

in EUR m (IFRS)	2020	2021	2022	2023	2024e	2025e	2026e
Net income: Continuing operations	-26,9	97,8	72,9	96,1	87,6	93,2	107,2
Depreciation/impairments	131,5	85,5	128,8	108,5	76,0	77,0	78,5
Change in pension and similar provisions	5,8	5,7	11,4	-3,6	0,3	0,3	0,2
Other non-cash expenses/income	-0,1	-1,0	-3,8	-0,8	-1,6	0,3	0,3
Change in Working Capital	58,5	-34,9	-84,4	32,0	12,9	4,7	-7,3
Cash effects from divestment of fixed assets							
Cash effect from interests	-3,8	-3,4	-3,2	9,8	0,0	0,0	0,0
Cash effect from other participation result	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Cash tax adjustments	-9,8	8,6	-5,4	-24,4	-1,2	1,2	1,2
Cash effects from extraordinary items							
Cashflow from Operations: Continuing operations	155,2	158,3	116,3	217,7	174,0	176,7	180,2
Investments in Fixed assets	-54,5	-53,3	-54,9	-72,0	-91,0	-90,5	-93,0
Payments received: Disposal of non-current assets	6,4	6,8	9,5	0,0	0,0	0,0	0,0
Change in consolidation: Disposals/Acquisitions	-4,3	-59,5	-49,0	0,0	0,0	0,0	0,0
Interest and other financial income	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Cash changes from extraordinary items	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Other changes from investing activities	0,0	0,0	0,0	-6,9	-2,1	-2,1	-2,2
Cashflow investing activities: Continuing operations	-52,3	-106,0	-94,4	-78,9	-93,1	-92,6	-95,2
Cash changes in financial debt	0,7	-103,1	87,2	50,7	-23,2	6,4	6,5
Changes in shareholders equity	0,0	84,7	0,0	0,0	0,0	0,0	0,0
Dividend payments	-19,6	-21,5	-28,2	-21,5	-29,6	-30,9	-32,3
Cash changes from own shares	0,0	0,0	0,0	0,0	0,0	0,0	0,0
Interest and other financial expenses	0,0	-0,9	-0,5	-0,5	0,0	0,0	0,0
Other changes from financing activities	-23,2	0,0	-2,6	0,0	0,0	0,0	0,0
Cashflow financing activities: Continuing operations	-42,0	-40,8	55,9	28,6	-52,7	-24,5	-25,8
Total change in cash and cash equivalents: Continuing operations	60,9	11,5	77,8	167,4	28,2	59,6	59,3
Total change in cash and cash equivalents: Discontinued operations	0,0	-69,8	-80,9	-27,8	31,3	0,0	0,0
Effect of exchange rate changes on cash / Other	-1,2	-0,2	-5,3	-0,1	0,0	0,0	0,0
Cash and cash equivalents: Beginning of period	135,1	194,7	136,2	127,8	265,8	325,3	384,9
Cash and cash equivalents: End of period	194,7	136,2	127,8	265,8	325,3	384,9	444,1

Source: INDUS, FMR

Declaration of liability (disclaimer) and mandatory details pursuant to Section 85 Securities Trading Act (WpHG), EU Market Abuse Regulation (EU Regulation No. 596/2014), Delegated Regulation 2016/958 and Delegated Regulation 2017/565 including details of possible conflicts of interest (disclosures), the author and the responsible supervisory authority

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2. Mandatory details

a) First publication: 11.04.2024

b) Time conditions of expected updates: quarterly

c) Supervisory authority: Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Marie-Curie-Straße 24-28, 60439 Frankfurt am Main

d) Previous analyses: No analysis was published in the 12 months before publication of this analysis that contains a recommendation for a specific investment decision which contradicts this analysis.

e) The analysis was made available to the issuer, to the extent that is legally permissible, before publication and was not amended thereafter.

f) All prices and price developments listed in the analysis are based on closing prices insofar as no contradictory details were provided about prices and price developments.

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(iii.) managed financial instruments of the issuer on a market by means of concluding purchase or sale agreements:

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(vii.) has other significant interests with regard to the company being analysed, for example clients with the company being analysed.

Company	Disclosure(s)
INDUS Holding AG	vi

Recommendation history over last 12 months:

Date	Recommendation	Share price at publication date, EUR	Price target, EUR
04.08.2022	BUY	23.20	34.00
17.08.2022	BUY	23.20	32.10
04.11.2022	BUY	20,30	30.30
14.11.2022	BUY	22.90	30.00
16.12.2022	BUY	20.75	30.00
03.03.2023	BUY	23.20	30.00
18.04.2023	BUY	26,50	41.70
19.05.2023	BUY	26,20	42.50
21.08.2023	BUY	23,05	43.60
07.12.2023	BUY	20.70	44.30
11.04.2024	BUY	26.40	44.30

4. Creation and distribution

a) Responsibility for creation and distribution

FMR Frankfurt Main Research AG

Registered office: Frankfurt am Main; Commercial Register No. HRB 113537, Frankfurt am Main district court; Chairman: Marcus Silbe

b) Issuer

Dr. Mohamad Vaseghi, Equity Analyst

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5. Investment recommendation details

Investment recommendation details - stocks:

BUY: In our opinion, the stock will demonstrate an absolute price gain of at least 10 % in a 12-month period.

HOLD: In our opinion, the stock will not exceed or fall below an absolute price gain or loss of 10% in a 12-month period.

Sell: In our opinion, the stock will demonstrate an absolute price loss of at least 10 % in a 12-month period.

6. Sensitivity of the evaluation parameters

The figures from profit and loss calculations, cash flow statements and balance sheets which form the basis of the company evaluation are date-related estimates and therefore subject to risks. These may change at any time without prior notice. Regardless of the evaluation methods used, there are significant risks that the price goal/trend will not be achieved within the expected time frame. The risks include unforeseeable changes with regard to competition pressure, demand for the products of an issuer and the offer situation with respect to materials required for production as well as non-occurrence of the assumed development. Such deviations may be the result of changes

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8. Summary of the basis for evaluation

Individual issuers: Current and recognised evaluation methods (e.g. DCF method and Peer Group Analysis) are used for company analysis purposes. The DCF method calculates the value of the issuer based on the sum of the discounted cash flows, i.e. the cash value of the future cash flows of the issuer. The value is therefore determined on the basis of expected future cash flows and the applied discount rate. In Peer Group Analysis, issuers listed on the stock exchange are evaluated by comparing ratios (e.g. price/profit ratio, Enterprise Value/turnover, Enterprise Value/EBITDA, Enterprise Value/EBIT). The comparability of the ratios is primarily determined with reference to the business activity and economic prospects.

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