

INDUS Holding AG

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Clearer segment structure; more focus on FCF

“PARKOUR perform” strategy update (Analyst Day): INDUS presented the key elements of the strategy. As of Jan. 1, 2023, a new, focused segment structure with the INFRASTRUCTURE, MATERIALS and ENGINEERING segments will apply. Apart from SELZER and SCHÄFER, which are no longer part of the core business, the remaining companies in the Automotive Technology and Medical Engineering/Life Science segments will be assigned to the new segments. One Executive Board member will be responsible for each segment and will provide more intensive support than before.

Free cashflow will become an additional key performance indicator: In addition to sales growth and EBIT margin, FCF before acquisitions will be included as a further key performance indicator. This will increase transparency with regard to acquisitions to be financed and dividend potential. Initially, there will be a guidance for the INDUS Group, followed in a second step by a guidance for the individual segments.

Medium-term targets for 2025e confirmed: The sales target for 2025e of >EUR 2.0bn is being maintained; an EBIT margin of 10% has also been confirmed. This includes both organic and external growth.

Acquisition targets clearly defined: Future acquisitions of shareholdings at holding level and in associated companies will be based on clearly defined future areas. In our opinion, the acquisitions could be somewhat larger than in the past, which would also increase the purchase prices.

Dividend policy confirmed: A continuous dividend policy has been included in the six-point medium-term target for 2025e. For 22e, we continue to expect a dividend of EUR 0.30 per share despite high impairment charges.

The new segment structure provides a sharper profile and better transparency. The topic of value-based management is given even greater weight. A higher significance of the FCF is to be welcomed in our view. INDUS remains an interesting investment in our view, especially for long-term investors.

FY end:31.12.; in EUR m	CAGR (21-24e)	2019	2020	2021	2022e	2023e	2024e
Sales	3.5%	1,742.8	1,558.6	1,741.5	1,930.8	1,854.1	1,928.1
EBITDA	-1.2%	225.7	157.7	220.4	193.9	164.7	212.9
Margin	13.0%	10.1%	12.7%	10.0%	8.9%	11.0%	
EBIT	6.1%	117.9	25.1	115.4	20.0	90.4	137.9
Margin	6.8%	1.6%	6.6%	1.0%	4.9%	7.1%	
Net result	12.1%	60.1	-26.9	47.6	-19.9	40.9	67.0
EPS, EUR	11.7%	2.43	-1.10	1.78	-0.75	1.51	2.48
Dividend per share, EUR		0.80	0.80	0.85	0.30	0.70	1.05
EV/Sales		0.9	0.9	0.8	0.6	0.6	0.5
EV/EBITDA		7.0	8.5	6.6	5.7	6.5	4.8
P/E		16.2	-28.1	18.8	-27.6	13.7	8.4
Net debt/EBITDA		2.7	3.6	2.5	2.8	3.1	2.1

Source: INDUS, FMR

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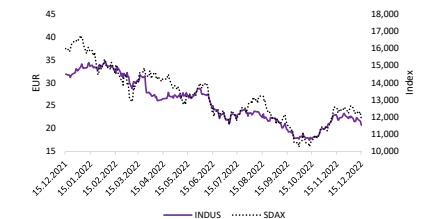
BUY

Before: BUY

Target price **EUR 30.00 (30.00)**
Share price* EUR 20.75 (+44.5%)

*last closing price XETRA

Change	2022e	2023e	2024e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS, EUR	0.00	0.00	0.00



Source: XETRA, FMR

Basic data Share

Number of shares (millions)	26.90
Free Float (in %)	70.2%
Market Cap (in EURm)	558.1
Trading volume (Ø)	12,077
High (EUR, 52 weeks)	34.70
Low (EUR, 52 weeks)	17.44

Shareholder Structure

Versicherungskammer Bayern	17.7%
Free Float, Other	82.3%

Corporate Calendar

Prelim. results FY '22	23.02.2023
Annual Report '22 publication	23.03.2023

Analyst

Winfried Becker
Senior Equity Analyst

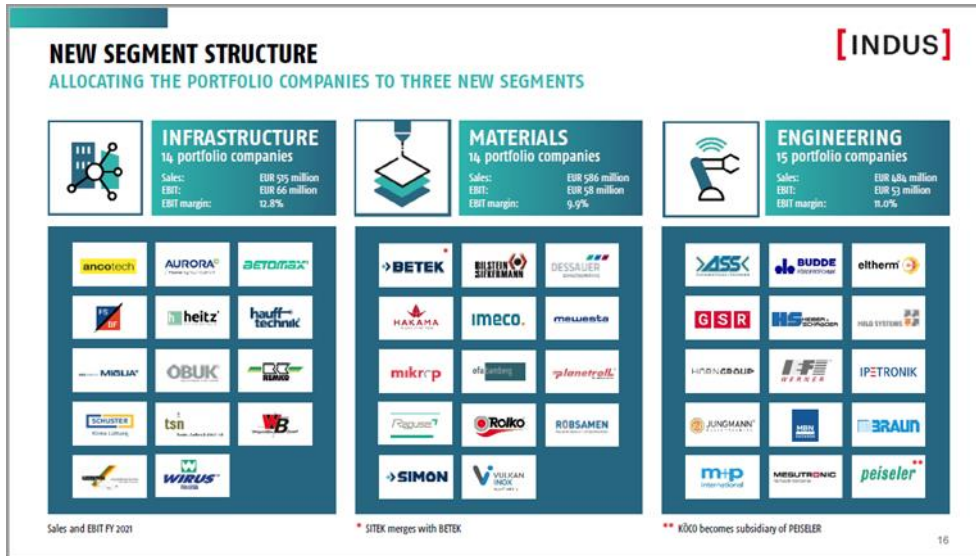
winfried.becker@fmr-research.de
+49 (0) 69 – 247 42 72 76

Contact

FMR Frankfurt Main Research AG
Hausener Weg 29
60489 Frankfurt am Main
Germany

+49 (0) 69 – 247 42 72 70
www.fmr-research.de

INDUS: New segmentaion



Source: INDUS

- The three new segments are currently of roughly comparable size (sales shares): MATERIALS: 37%; INFRASTRUCTURE: 32%; ENGINEERING: 31%
- The future fields were derived from overriding megatrends. Examples include energy efficiency, sensor technology, measurement and control technology, infrastructure and agricultural technology. Recent acquisitions such as JUNGMANN Systemtechnik, WIRUS, HEIBER + SCHRÖDER and HELD are indicative of this approach
- Only in Automotive Technology are two companies currently classified as no longer belonging to the core business: SELZER Group and SCHÄFER GmbH & CO. KG. The remaining companies are allocated to the new segments
- The Medical Engineering/Life Science companies also no longer form a strategic segment. However, we assume that the companies will continue to be profitable. They will also be allocated to the new segments. From today's perspective, we do not anticipate any further acquisitions
- EUR 50-60m per year is available for acquisitions. The investment criteria in accordance with the INDUS DNA will continue to apply

INDUS Holding: Overview Portfolio companies “old” segment structure

Portfolio company	Products/Services	2018	2019	2020	2021
Construction/Infrastructure [C/I]					
ANCOTECH AG	Special reinforcements; tanker transport systems	40.4	44.1	46.6	47.3
HAUFF-TECHNIK GmbH & Co. KG	Innovative sealing systems for cables and pipes	75.8	80.5	87.4	97.9
SCHUSTER Klima Lüftung GmbH & Co. KG	Energy-efficient ventilation and air conditioning technology	13.5	15.5	13.9	15.7
BETOMAX Systems GmbH & Co. KG	Concrete construction solutions	18.4	18.6	19.0	21.1
MIGUA Fugensysteme GmbH	Section construction for expansion joints	14.5	15.4	15.7	13.9
WEIGAND BAU GmbH	Modern pipeline and cable duct construction	45.3	43.9	25.6	22.6
FS-BF GmbH & Co. KG	Sealants made from silicone acrylic	40.4	40.9	38.3	45.9
OBUK Haustürfüllungen GmbH & Co. KG	Individual front door panels	26.4	26.6	28.5	30.3
WEINISCH GmbH & Co. KG	High-quality powder coating of metals	5.7	6.4	6.1	6.0
H. HEITZ Furnierkantenwerk GmbH & Co. KG	Edge and wrapping veneer for furniture and construction industries	27.8	28.8	27.8	30.8
REMKO GmbH & Co. KG	Efficient heating technology	50.5	68.2	75.1	74.3
WIRUS Fenster GmbH & Co. KG	Window- and door manufacturing				45.8
Segment total		358.7	388.9	384.0	451.6
Automotive Technology [AT]					
AURORA Konrad G. Schulz GmbH & Co. KG	Heating and air-conditioning systems f. commercial vehicles	59.8	59.0	44.2	54.3
SITEK-SPIKES GmbH & Co. KG	Tire studs and carbide tools	23.2	22.1	15.5	18.1
BILSTEIN & SIEKERMANN GmbH & Co. KG	Cold extrusion parts, turned parts and locking screws	18.4	18.7	14.0	17.5
SCHÄFER GmbH & Co. KG	Model and mold construction for the automotive and aviation industry	20.6	18.2	13.6	11.8
S.M.A. METALTECHNIK GmbH & Co. KG 2)	Products for automotive air-conditioning and servo technology	66.0	45.4	36.3	48.6
IPETRONIK GmbH & Co. KG	Measurement systems and Services for automotive industry	49.6	47.4	42.3	36.6
SELZER GRUPPE	Precision metal technology for the series production of automobiles	87.3	77.5	55.5	47.7
WIESAUPLAST GmbH & Co. KG	Precision plastics	55.5	52.8	43.9	47.3
Segment total		391.0	350.3	269.2	281.9
Engineering [E]					
ASS MASCHINENBAU GmbH	Robotic hands and automation systems for manufacturers	22.8	21.9	15.6	16.3
HORNGROUP HOLDING GmbH & Co. KG	Refueling technology and workshop solutions, worldwide	31.9	32.3	29.2	40.6
M+P INTERNATIONAL MESS- UND RECHNERTECHNIK GmbH	Measurement and test systems for vibration control and analysis	12.8	12.2	11.8	11.7
BUDDÉ FÖRDERTECHNIK GmbH	Specialist in logistics and materials flow	71.0	83.2	77.2	109.1
IEF WERNER GmbH	Automation components and systems	26.7	26.6	18.5	18.4
PEISELER GmbH & Co. KG	High-precision indexing devices and rotary-tilt tables for machine tools	28.2	29.4	15.7	19.0
ELTHERM GmbH	Specialist in electrical heat tracing systems	44.0	42.1	32.5	34.6
MBN MASCHINENBAUBETRIEBE GmbH	Sophisticated solutions for special machinery and plant solutions	47.3	58.2	52.9	42.8
TSN TURMBAU STEFFENS & NÖLLE GmbH	International construction of towers	11.9	13.2	10.3	9.4
GSR VENTILTECHNIK GmbH & Co. KG	Innovative valve technology for demanding industrial applications	23.7	23.5	21.2	25.0
M.BRAUN INERTGASSYSTEME GmbH & Co. KG	Inert gas glove box systems for industry and research	66.7	78.0	60.4	73.1
MESUTRONIC GERÄTEBAU GmbH	Measuring technology and control engineering	-	14.0	24.7	27.0
JUNGMANN SYSTEMTECHNIK	Integrated control room solutions	-	-	-	11.9
HEIBER UND SCHRÖDER Maschinenbau GmbH	Special machinery for packaging solutions	-	-	-	-
HELD SYSTEMS GmbH	Laser technology systems	-	-	-	-
Segment total		387.0	434.6	370.0	438.9
Medical Engineering/Life Science [ME/LS]					
IMECO GmbH & Co. KG	Nonwoven products	26.1	24.2	24.4	22.0
RAGUSE GESELLSCHAFT FÜR MEDIZINISCHE PRODUKTE mbH	Indication specific production for surgical drapes	13.1	13.9	11.8	13.4
MIKROP AG	Miniaturized precision optics	15.0	15.7	12.4	12.6
ROLKO KOHLGRÜBER GmbH	Rehabilitation equipment	25.5	26.7	23.0	26.6
OFA BAMBERG GmbH	Compression hoisery and bandages	74.6	79.2	70.5	74.1
Segment total		154.3	159.7	142.1	148.7
Metals Technology [MT]					
BACHER AG 1)	Components made from steel and aluminium	20.8	22.3	16.4	10.1
KÖSTER & Co. GmbH	Cold working parts and stud welding technology	16.2	16.0	16.1	18.4
HELMUT RÜBSAMEN GmbH & Co. KG	Metal processing and forming technology	57.5	51.5	45.0	55.1
BETEK GmbH & Co. KG	Carbide-tipped waer parts	222.0	217.4	225.5	252.2
MEWESTA HYDRAULIK GmbH & Co. KG	Hydraulic control blocks and systems	7.3	6.5	4.8	6.9
KARL SIMON GmbH & Co. KG	Components and assemblies made from metal and plastics	41.7	39.1	26.5	14.7
HAKAMA AG	High-performance sheet metals	21.4	21.1	21.9	22.1
PLANETROLL GmbH & Co. KG	Stirring and power transmission technology	5.8	6.0	4.8	4.7
VULKAN INOX GmbH	Granules for surface treatment	27.3	27.1	23.1	26.5
DESSAUER SCHALTSTRANK & GEHÄUSETECHNIK GmbH	High-quality metal and leads parts, components, switch cabins	-	2.2	9.5	9.7
Segment total		420.0	409.2	393.6	420.4
Konsolidierung/Sonstige/Rundungsdifferenzen		-0.2	0.1	-0.3	0.0
Subtotal		1,710.8	1,742.8	1,558.6	1,741.5
Group sales		1,710.8	1,742.8	1,558.6	1,741.5

Source: INDUS, FMR, * Sales with external third parties 1) Bacher: Closure in 2021 2) S.M.A.: Insolvency in self-administration

INDUS: P & L

in EUR m (IFRS)	2019	2020	2021	2022e	2023e	2024e
Revenues	1,742.8	1,558.6	1,741.5	1,930.8	1,854.1	1,928.1
YoY growth	1.9%	-10.6%	11.7%	10.9%	-4.0%	4.0%
Increase/Decrease in inventories of finished goods and work in progress	-15.3	-21.2	29.7	35.4	6.7	7.0
as % of revenues	-0.9%	-1.4%	1.7%	1.8%	0.4%	0.4%
Total Operating Output	1,727.5	1,537.5	1,771.2	1,966.2	1,860.8	1,935.1
YoY growth	-1.5%	-11.0%	15.2%	11.0%	-5.4%	4.0%
Cost of Materials	-782.5	-690.1	-817.6	-940.7	-891.3	-909.5
as % of revenues	-44.9%	-44.3%	-46.9%	-48.7%	-48.1%	-47.2%
Gross Profit	945.0	847.4	953.6	1,025.5	969.5	1,025.6
as % of revenues	54.2%	54.4%	54.8%	53.1%	52.3%	53.2%
Personnel expenses	-527.5	-501.0	-529.1	-599.7	-569.4	-590.2
as % of revenues	-30.3%	-32.1%	-30.4%	-31.1%	-30.7%	-30.6%
Other operating expenses	-226.3	-210.6	-232.5	-254.5	-258.7	-247.7
as % of revenues	-13.0%	-13.5%	-13.3%	-13.2%	-14.0%	-12.8%
Other operating income	34.4	22.1	28.4	22.6	23.3	25.2
as % of revenues	2.0%	1.4%	1.6%	1.2%	1.3%	1.3%
EBITDA reported	225.7	157.7	220.4	193.9	164.7	212.9
as % of revenues	13.0%	10.1%	12.7%	10.0%	8.9%	11.0%
Depreciation of property, plant and equipment, and amortisation of intangible assets	-107.8	-132.6	-105.0	-173.9	-74.3	-75.0
as % of revenues	-6.2%	-8.5%	-6.0%	-9.0%	-4.0%	-3.9%
EBIT reported	117.9	25.1	115.4	20.0	90.4	137.9
as % of revenues	6.8%	1.6%	6.6%	1.0%	4.9%	7.1%
Financial result (net)	-18.9	-15.4	-16.3	-21.0	-16.0	-16.1
EBT (Earnings before taxes)	99.0	9.7	99.1	-1.0	74.4	121.8
as % of revenues	5.7%	0.6%	5.7%	-0.1%	4.0%	6.3%
Income taxes	-38.9	-36.5	-51.5	-18.9	-33.5	-54.8
as % of EBT	-39.3%	-377.9%	-52.0%	1900.0%	-45.0%	-45.0%
Net income	60.1	-26.9	47.6	-19.9	40.9	67.0
as % of revenues	3.4%	-1.7%	2.7%	-1.0%	2.2%	3.5%
Minority interests	-0.6	-0.1	-0.8	-0.4	-0.3	-0.4
Net income attributable to shareholders	59.5	-27.0	46.8	-20.3	40.6	66.6
as % of revenues	3.4%	-1.7%	2.7%	-1.0%	2.2%	3.5%
Shares outstanding (in m), weighted	24.45	24.45	26.33	26.90	26.90	26.90
Basic earnings per share (EUR)	2.43	-1.10	1.78	-0.75	1.51	2.48

Source: INDUS, FMR

INDUS: Balanc sheet total

in EUR m (IFRS)	2019	2020	2021	2022e	2023e	2024e
Assets						
Non-current assets	1,058.2	1,001.7	1,099.1	1,020.7	1,040.8	1,063.3
as % of total assets	58.5%	57.9%	59.2%	56.6%	56.9%	57.3%
Intangible assets	101.4	93.1	142.8	107.9	108.6	108.1
Goodwill	415.2	380.9	409.8	405.8	405.8	405.8
Property, plant and equipment	430.7	405.5	416.6	377.6	394.6	415.1
Non-current financial assets	6.4	7.1	8.8	8.8	8.8	8.8
Real Estate held as financial investment	2.8	5.9	5.8	5.8	5.8	5.8
Leasing and rental assets	75.7	85.8	93.4	92.5	94.3	96.2
Other non-current assets	10.3	11.4	8.1	8.3	8.6	8.8
Deferred tax assets, long-term	15.7	12.0	13.8	14.0	14.3	14.6
Other non-current financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Current assets	750.0	727.1	758.3	781.8	787.8	791.4
as % of total assets	41.5%	42.1%	40.8%	43.4%	43.1%	42.7%
Inventories	381.4	332.5	403.9	476.6	462.3	439.2
Trade accounts receivable	202.5	161.9	168.9	197.6	193.7	182.0
Current prepayments made	0.0	0.0	0.0	0.0	0.0	0.0
Other current non-financial assets	21.1	20.4	35.5	37.3	39.1	41.1
Deferred tax assets, short-term	9.9	17.6	13.7	12.3	12.8	13.3
Current financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents	135.1	194.7	136.3	57.9	79.9	115.7
Assets held for sale	0.0	0.0	0.0	0.0	0.0	0.0
as % of total assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total assets	1,808.2	1,728.8	1,857.4	1,802.5	1,828.6	1,854.6
Shareholders' equity and liabilities						
Shareholders' equity	727.7	676.4	787.5	744.4	776.9	824.7
as % of total equity and liabilities	40.2%	39.1%	42.4%	41.3%	42.5%	44.5%
Subscribed capital	63.6	63.6	69.9	69.9	69.9	69.9
Capital reserves	239.8	239.8	318.1	318.1	318.1	318.1
Retained earnings	422.5	371.9	397.6	397.6	397.6	397.6
Treasury stocks	0.0	0.0	0.0	0.0	0.0	0.0
Other equity items	0.0	0.0	0.0	-43.1	-10.6	37.2
Minority interest on equity	1.8	1.0	1.8	1.8	1.8	1.8
Non-current provisions/liabilities	661.7	657.1	615.6	556.9	557.1	542.2
as % of total equity and liabilities	36.6%	38.0%	33.1%	30.9%	30.5%	29.2%
Non-current pension provisions	52.9	49.7	41.3	22.7	22.7	22.5
Other non-current provisions	1.5	1.4	1.4	1.4	1.4	1.4
Non-current financial liabilities	546.3	553.8	477.3	411.5	407.4	395.2
Non-current prepayments received	0.0	0.0	0.0	0.0	0.0	0.0
Non-current deferred tax liabilities	39.6	32.1	48.6	57.8	59.0	57.8
Other non-current liabilities	21.4	20.1	47.0	63.5	66.6	65.3
Current liabilities and provisions	418.8	395.4	454.3	501.3	494.6	487.8
as % of total equity and liabilities	23.2%	22.9%	24.5%	27.8%	27.0%	26.3%
Current provisions	74.6	77.3	88.3	101.5	99.5	101.5
Current financial liabilities	135.1	159.8	163.2	159.9	158.3	153.6
Trade accounts payable	55.9	48.9	62.2	77.8	78.1	78.5
Current prepayments received	49.7	34.8	51.1	50.1	49.6	49.9
Current tax liabilities	13.1	15.1	14.8	14.8	14.8	14.8
Current deferred tax liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	90.4	59.4	74.8	97.2	94.3	89.6
Liabilities held for sale	0.0	0.0	0.0	0.0	0.0	0.0
as % of total equity and liabilities						
Total equity and liabilities	1,808.2	1,728.8	1,857.4	1,802.5	1,828.6	1,854.6

Source: INDUS, FMR

INDUS: Cashflow statement

in EUR m (IFRS)	2019	2020	2021	2022e	2023e	2024e
Net profit incl. Minorities	60.1	-26.9	47.6	-19.9	40.9	67.0
Depreciation/impairments	107.8	131.5	105.0	173.9	74.3	75.0
Change in pension and similar provisions	-1.2	5.8	8.9	-18.6	0.0	-0.2
Other non-cash expenses/income	-17.0	-0.1	0.3	17.4	2.4	-2.2
Change in Working Capital	11.8	58.5	-49.1	-53.0	11.3	30.7
Cash effects from divestment of fixed assets						
Cash effect from interests	-1.5	-3.8	-3.5	0.0	0.0	0.0
Cash effect from other participation result	0.0	0.0	0.0	0.0	0.0	0.0
Cash tax adjustments	-12.6	-9.8	7.3	9.2	1.2	-1.2
Cash effects from extraordinary items						
Cashflow from Operations	147.3	155.2	116.6	109.1	130.1	169.1
Investments in Fixed assets	-108.2	-54.5	-77.8	-96.0	-92.0	-95.0
Payments received: Disposal of non-current assets	32.1	6.4	6.9	0.0	0.0	0.0
Change in consolidation: Disposals/Acquisitions	0.0	-4.3	-59.5	0.0	0.0	0.0
Interest and other financial income	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
Other changes from investing activities	0.0	0.0	0.0	0.4	-2.4	-2.4
Cashflow from investing activities	-76.2	-52.3	-130.4	-95.6	-94.4	-97.4
Cash changes in financial debt	-5.6	0.7	-106.7	-69.0	-5.7	-17.0
Changes in shareholders equity	0.0	0.0	84.7	0.0	0.0	0.0
Dividend payments	-36.7	-19.6	-21.5	-22.9	-8.1	-18.8
Cash changes from own shares	0.0	0.0	0.0	0.0	0.0	0.0
Interest and other financial expenses	0.0	0.0	0.0	0.0	0.0	0.0
Other changes from financing activities	-3.8	-23.2	-0.9	0.0	0.0	0.0
Cashflow from financing activities	-46.1	-42.0	-44.4	-91.9	-13.8	-35.8
Total change in cash and cash equivalents	25.0	60.9	-58.3	-78.4	21.9	35.9
Effect of exchange rate changes on cash	0.5	-1.2	-0.2	0.0	0.1	-0.1
Other changes in cash and cash equivalents	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalents: Beginning of period	109.6	135.1	194.7	136.3	57.9	79.9
Cash and cash equivalents: End of period	135.1	194.7	136.3	57.9	79.9	115.7

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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- a) First publication: 16.12.2022
- 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.
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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
07.09.2021	BUY	34.20	41.80
11.10.2021	BUY	33.80	41.80
27.12.2021	BUY	31.80	42.50
28.01.2022	BUY	33.35	42.50
24.02.2022	BUY	32.05	42.50
09.03.2022	HOLD	29.50	42.50
30.03.2022	HOLD	27.60	42.50
23.05.2022	BUY	26.75	37.10
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

4. Creation and distribution

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FMR Frankfurt Main Research AG

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