

# INDUS Holding AG

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## 9M/23 mit starkem Free Cashflow Anstieg

**Free cash flow (FCF) with pleasing development:** FCF in the 9M/23 period developed surprisingly well and improved from EUR 22.2m to EUR 106.1m. It was thus already above the target level of ">EUR 100m" for 2023e. The main reason for this increase is primarily due to a significantly lower increase in working capital.

**Slightly more headwind than expected at the start of the year:** In our opinion, the 9M/23 report reflects the fact that the economic headwind has increased somewhat over the course of the year. However, it also shows the balance of risk between the segments. With turnover almost stable (organic: +0.6%), the EBIT margin before value adjustments fell by just 0.3 percentage points to 9.9%. As impairments were significantly lower, the EBIT margin improved considerably to 8.6%.

INDUS, EUR m	9M/22	9M/23	FMR 9M/23e	Consensus 9M/23e
Group sales with external third parties	1.345,1	1.363,9	1.396,0	1.379,5
EBIT	97,7	116,8	120,9	123,8
EBIT-margin	7,3%	8,6%	8,7%	9,0%
Free Cashflow	22,2	106,1	68,0	60,1

Source: INDUS, FMR

Consensus provided by INDUS; Cont. operations

**INDUS updates outlook '23e:** INDUS has become slightly more cautious for group sales, while the EBIT corridor has been confirmed at EUR 145-165m (with and without impairments). The FCF target has been confirmed at ">EUR 100m", which we consider conservative, even if capex should increase in Q4/23e.

**FMR: New price target at EUR 44.30 per share:** We have raised our price target slightly, which should be seen more as "fine-tuning".

**Following the disposal of the loss-making automotive supplier series business, we remain convinced of the company's strategy. INDUS will participate in the expected economic recovery in 2024e. The valuation remains attractive. We confirm our "BUY" recommendation with a slightly higher price target (+1.6%) of EUR 44.30 per share.**

FY end:31.12.; in EUR m	CAGR (21-24e)	2020	2021	2022	2023e	2024e	2025e
Sales	3.5%	1,558.6	1,633.5	1,804.1	1,831.0	1,919.0	2,034.0
EBITDA	-1.2%	157.7	251.1	262.5	221.0	230.0	240.9
Margin		10.1%	15.4%	14.5%	12.1%	12.0%	11.8%
EBIT	6.1%	25.1	165.6	133.7	146.0	154.0	163.9
Margin		1.6%	10.1%	7.4%	8.0%	8.0%	8.1%
Net result	12.1%	-26.9	97.8	72.9	83.0	87.6	93.2
EPS, EUR	11.7%	-1.10	3.68	2.68	3.10	3.27	3.48
Dividend per share, EUR		0.80	1.05	0.80	1.10	1.15	1.20
EV/Sales		0.9	0.9	0.7	0.6	0.6	0.5
EV/EBITDA		8.5	5.8	5.0	5.2	4.8	4.4
P/E		-28.1	9.1	9.7	6.7	6.3	5.9
Net debt/EBITDA		3.6	2.2	2.3	2.7	2.3	2.0

Source: INDUS, FMR

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# BUY

Before: BUY

Target price **EUR 44.30 (43.60)**

Share price\* EUR 20.70 (+114%)

\*last closing price XETRA

Change	2023e	2024e	2025e
Sales	-87.0	-90.0	-56.0
EBIT	-4.2	-5.9	-6.6
EPS, EUR	0.09	-0.11	-0.13



Source: XETRA, FMR

## Basic data Share

Number of shares (millions)	26.90
Free Float (in %)	70.2%
Market Cap (in EURm)	566.2
Trading volume (Ø)	31,479
High (EUR, 52 weeks)	27.40
Low (EUR, 52 weeks)	18.24

## Shareholder Structure

Versicherungskammer Bayern	17.7%
Free Float, Other	82.3%

## Corporate Calendar

Preliminary figures FY.	22.02.2024
Publication GB 2023	20.03.2024

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## Valuation: Update

- Valuation basis: Continuing operations.
- Fair value per share slightly increased 44.20 euros (+1.4%)
- "BUY" recommendation confirmed.
- Attractive share with high upside potential.

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

	PHASE 1					PHASE 2					PHASE 3
EUR m	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 6.7, which is still very low compared to historical values. This also applies to the current price-to-book ratio of 0.72.

On November 30, 2023, the INDUS share was removed from the MSCI World Index, which led to a short-term drop in the share price of around 8%. Extremely high trading volumes were recorded on the stock exchange, both in terms of value and number of shares. Over 790,000 shares were traded on the XETRA platform over the course of the day. Following the corresponding portfolio adjustments by various investors, the share price has since recovered.

On 22.11.2023, the Norwegian Protector Forsikring ASA, Oslo, announced that it had exceeded the shareholding threshold of 3%; it now holds 4.16% or 1,120,174 voting rights. In March 2023, the share was still around 2.2%. Protector is

therefore currently the third-largest shareholder after Versicherungskammer Bayern (17.7%) and H.J. Selzer et al. with 5.7%.

## 9M/23: Highlights

- FCF of EUR 106.1m already at the level of the annual target 23e of ">100m euros"
- Moderate sales increase of +1.4%
- EBIT margin increases by 1.3 percentage points to 8.6
- Significantly reduced increase in working capital

### INDUS 9M/23: Group EBIT impacted by new impairments

INDUS (Mio. Euro)	9M 22	9M/23 berichtet	9M 23e FMR	9M/23 Kons.	Abweichung FMR	Kons.	Gj. 23e FMR
INFRASTRUCTURE (IN)	446.5	444.7	450.0		1.2%		582.0
MATERIALS (MA)	484.4	484.3	496.0		2.4%		640.0
ENGINEERING (EN)	414.0	434.2	449.6		3.5%		610.0
Konsolidierung/Sonstige (KS)	0.3	0.6	0.4				-1.0
<b>Umsatz *</b>	<b>1,345.1</b>	<b>1,363.8</b>	<b>1,396.0</b>	<b>1,379.5</b>	<b>2.4%</b>	<b>-1.2%</b>	<b>1,831.0</b>
<b>EBITDA</b>	<b>200.1</b>	<b>200.6</b>	<b>182.9</b>		<b>-8.8%</b>	<b>-100.0%</b>	<b>219.0</b>
INFRASTRUCTURE (IN)	42.8	36.9	35.5		-3.8%		49.0
MATERIALS (MA)	38.3	50.5	49.5		-2.0%		54.0
ENGINEERING (EN)	26.0	39.7	42.0		5.8%		56.0
Konsolidierung/Sonstige (KS)	-9.4	-10.1	-6.1		-39.6%		-15.0
<b>EBIT berichtet</b>	<b>97.8</b>	<b>116.9</b>	<b>120.9</b>	<b>123.8</b>	<b>3.4%</b>	<b>5.9%</b>	<b>144.0</b>
Wertberichtigungen	39.8	17.6	0.0				17.6
EBIT vor Wertberichtigungen	137.6	134.5	120.9				
Konzernergebnis nach Minderheiten	55.9	70.7	67.0	65.1	-5.2%	-2.8%	81.7
<b>Gewinn pro Aktie (GpA), Euro</b>	<b>2.08</b>	<b>2.63</b>	<b>2.44</b>	<b>2.40</b>	<b>-7.2%</b>	<b>-1.6%</b>	<b>3.05</b>
<b>Free Cashflow</b>	<b>22.2</b>	<b>106.1</b>	<b>68.0</b>	<b>60.1</b>	<b>-35.9%</b>	<b>-43.4%</b>	<b>126.9</b>
<b>Analyse</b>							
EBIT-Marge							
INFRASTRUCTURE (IN)	9.6%	8.3%	7.9%				8.4%
MATERIALS (MA)	7.9%	10.4%	10.0%				8.4%
ENGINEERING (EN)	6.3%	9.1%	9.3%				9.2%
<b>Konzern: EBIT-Marge</b>	<b>7.3%</b>	<b>8.6%</b>	<b>8.7%</b>	<b>9.0%</b>			<b>7.9%</b>
Konzern: Nettomarge	4.2%	5.2%	4.8%	4.7%			4.5%

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

Of the 1.4% **increase in sales**, +0.6% is attributable to organic growth and +0.8% to external growth. This did not quite meet our expectations and we probably underestimated the weak economic development in Germany. Similarly, the decline in inflation means that it was probably no longer necessary to pass on prices to customers to the same extent as in previous quarters. After a strong first quarter with +8.2% growth, Q2/23 (-3.5%) and Q3/23 (+0.2%) saw a significant slowdown.

Of the segments, ENGINEERING in particular achieved pleasing growth of 4.9% (9M/23). Organic growth amounted to 3.1 percentage points, while external growth from the acquisitions of HEIBER & SCHRÖDER and HELD amounted to 1.8 percentage points. In contrast, the two other segments INFRASTRUCTURE (-0.4%) and MATERIALS (+0.0%) largely stagnated.

**EBIT** development in the first nine months was again impacted by impairment losses.

**INDUS 9M/23: Impairments significantly lower compared to prior-year period**

9M/23, segment	EBIT before impairment	Impairments	thereof Goodwill	thereof PPE 2)	thereof intangible	EBIT reported (IFRS)
ENGINEERING (EN)	44.5	4.8	3.3	1.3	0.2	39.7
INFRASTRUCTURE (IN)	44.4	7.5	7.5	0.0	0.0	36.9
MATERIALS (MA)	55.8	5.3	1.7	2.9	0.7	50.5
<b>subtotal</b>	<b>144.6</b>	<b>17.6</b>	<b>12.5</b>	<b>4.2</b>	<b>0.9</b>	<b>127.0</b>
Other/consolidation	-10.1					-10.1
<b>EBIT INDUS Holding</b>	<b>134.5</b>					<b>116.9</b>
Goodwill: Quick Bauprodukte			3.9			
Goodwill: Currency/Other			0.3			
<b>Goodwill change: INDUS Group</b>			<b>-8.3</b>			

1) GuF: Geschäfts- und Firmenwert; 2) SAV: Sachanlagevermögen; 3) ImVG: Immaterielle Vermögenswerte

Quelle: INDUS, FMR

EBIT improved to EUR 116.9m (+19.5%) and benefited from operational improvements, a partial reduction in procurement prices and lower value adjustments compared to the previous year. With only a slight increase in sales, the EBIT margin jumped by 1.3 percentage points to 8.6%. In contrast, EBIT before value adjustments fell by 2.3% and the corresponding margin decreased slightly to 9.9% after 10.2% in the same period of the previous year. At EUR 17.6m, impairments were significantly lower than the previous year's figure of EUR 39.8m.

The ENGINEERING segment recorded the strongest margin improvement from 6.3% to 9.1%. According to the company, this development is primarily attributable to activities in the areas of cleanroom technology and measurement and control technology. MATERIALS was also able to improve its EBIT margin; the increase amounted to 2.5 percentage points to 10.4%. In the INFRASTRUCTURE segment, the significant slowdown in the construction industry had a noticeable impact, causing the EBIT margin to fall from 9.6% to 8.3%. The expectations from the beginning of the year have therefore not been confirmed. We do not expect any significant improvements in the short term.

The increase in free cash flow in the first nine months of 2023 was very pleasing. At EUR 106.1m (9M/22: EUR 22.2m), both our and consensus expectations were significantly exceeded. This increase is primarily due to a significantly lower increase in working capital compared to the previous year. Lower price increases and decreases in the purchase of materials also contributed to the positive development. Due to more stable supply chains, inventories were also "normalized" and, finally, comparatively low investments also contributed to this development.

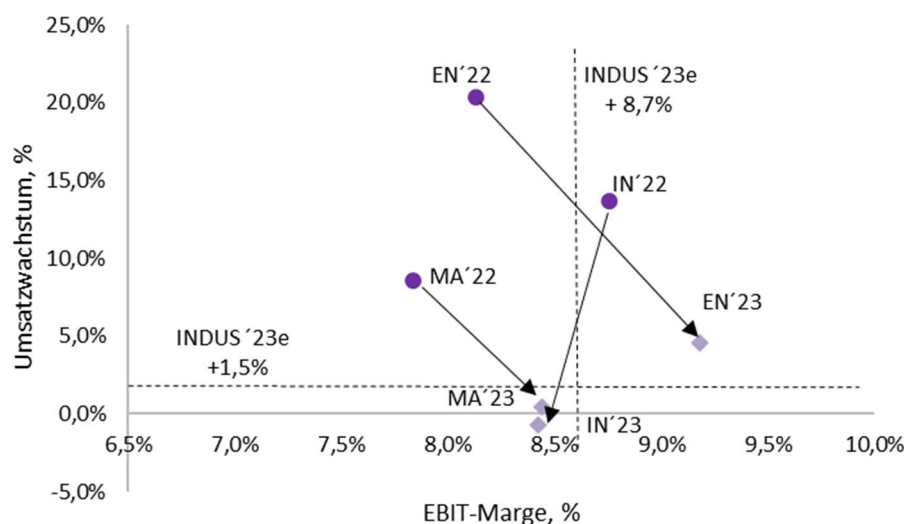
## Outlook 2023e and prospects

With economic conditions remaining difficult and due to geopolitical risks, the German economy will continue to face difficult waters in the fourth quarter. The IMF estimates negative growth of 0.5% year-on-year for 2023e and expects a moderate improvement to +0.9% year-on-year for 2024e.

Management has now become more cautious on sales and expects a range of EUR 1.8b to 1.9b (previously: lower end of EUR 1.9b to 2.0b). We have reduced our estimate by EUR 87m to EUR 1.83b. We have become more cautious for

INFRASTRUCTURE and MATERIALS in particular. We continue to expect sales to exceed the EUR 2.0b mark in 2025e.

**INDUS: 2023e: Organic sales growth: 1.5%; EBIT margin: 8.7%\***



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

Group EBIT is still expected to be in the range of EUR 145.0 to 165.0m. EBIT is now expected to be at the lower end of the corridor. We now expect EUR 146m. In contrast, EBIT before value adjustments is expected to be at the upper end of the corridor. We are forecasting EUR 163.6m. We therefore anticipate impairments of EUR 17.6m, meaning that we do not expect any further impairments in Q4/23e.

As INDUS has held out the prospect of a company takeover possibly taking place by the end of the year. As we always assume a purely organic development, our forecasts are subject to change.

Following the good development in FCF, we have raised our estimate for the full year to EUR 126.9m (previously just over EUR 100m). In our opinion, this development also gives INDUS more leeway with regard to the dividend proposal; we have raised our estimate from EUR 1.00 to EUR 1.10. At the current share price level (EUR 20.70), this would result in a gross yield of 5.3%.

**Gute FCF-Entwicklung; wir haben die Dividenden-schätzung für '23e erhöht**

## 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

EUR m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e	2025e
INFRASTRUCTURE (IN)	289,3	281,7	286,9	329,5	390,1	430,4	461,1	438,5	515,3	586,0	582,0	615,0	660,0
MATERIALS (MA)	473,0	467,9	496,2	486,2	537,4	578,9	571,4	532,7	586,3	636,9	640,0	670,0	720,0
ENGINEERING (EN)	249,9	298,6	346,8	385,6	418,8	440,9	484,8	418,1	484,3	583,2	610,0	635,0	655,0
NON-CORE ACTIVITY (NCA)	246,4	215,8	231,9	237,0	259,1	229,4	193,9	149,3	0,0	0,0	0,0	0,0	0,0
Consolidation/Other (CO)									47,6	-2,0	-1,0	-1,0	-1,0
<b>Group sales</b>	<b>1.258,6</b>	<b>1.264,0</b>	<b>1.361,8</b>	<b>1.438,3</b>	<b>1.605,4</b>	<b>1.679,6</b>	<b>1.711,2</b>	<b>1.538,6</b>	<b>1.633,5</b>	<b>1.804,1</b>	<b>1.831,0</b>	<b>1.919,0</b>	<b>2.034,0</b>

Quelle: INDUS, FMR, Umsatz mit externen Dritten; Historie bis 2020 nur bedingt vergleichbar; ab 2021 Umsatz der Fortgeführten Geschäftsbereiche

### INDUS Holding Group: EBIT by segment

EUR m	2021	2022	2023e	2024e	2025e
INFRASTRUCTURE (IN)	66,5	51,3	49,5	52,5	57,0
MATERIALS (MA)	58,2	49,9	54,5	55,0	56,0
ENGINEERING (EN)	53,5	47,4	56,5	58,5	60,0
NON-CORE ACTIVITY (NCA)	0,0	0,0	0,0	0,0	0,0
Konsolidierung/Sonstige (KS)	-12,6	-14,9	-14,5	-12,0	-9,1
<b>Group EBIT</b>	<b>165,6</b>	<b>133,7</b>	<b>146,0</b>	<b>154,0</b>	<b>163,9</b>

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
INFRASTRUCTURE (IN)						
ANCOTECH AG	Special reinforcements; tanker transport systems	40,4	44,1	46,6	47,3	59,0
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
BETOMAX Systems GmbH & Co. KG	Concrete construction solutions	18,4	18,6	19,0	21,1	24,8
FS-BF GmbH & Co. KG	Sealants made from silicone acrylic	40,4	40,9	38,3	45,9	49,6
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
HAUFF-TECHNIK GmbH & Co. KG	Innovative sealing systems for cables and pipes	75,8	80,5	87,4	97,9	98,9
MIGUA Fugensysteme GmbH	Section construction for for expansion joints	14,5	15,4	15,7	13,9	13,9
OBUK Haustürrfüllungen GmbH & Co. KG	Individual front door panels	26,4	26,6	28,5	30,3	28,9
REMKO GmbH & Co. KG	Efficient heating technology	50,5	68,2	75,1	74,3	81,4
SCHUSTER Klima Lüftung GmbH & Co. KG	Energy-efficient ventilation and air.conditioning technology	13,5	15,5	13,9	15,7	17,1
TSN TURMBAU STEFFENS & NÖLLE GmbH	International construction of towers	11,9	13,2	10,3	9,4	10,5
WEIGAND BAU GmbH	Modern pipeline and cable duct construction	45,3	43,9	25,6	22,6	21,1
WEINISCH GmbH & Co. KG	High-quality powder coating of metals	5,7	6,4	6,1	6,0	6,2
WIRUS Fenster GmbH & Co. KG	Window- and door manufacturing				45,8	75,6
INFRASTRUCTURE (IN) Segment total		430,4	461,1	438,5	515,3	585,8
MATERIALS (MA)						
BETEK GmbH & Co. KG	Carbide-tipped waer parts	222,0	217,4	225,5	252,2	288,7
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
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
IMECO GmbH & Co. KG	Nonwoven products	26,1	24,2	24,4	22,0	20,0
MEWESTA HYDRAULIK GmbH & Co. KG	Hydraulic control blocks and systems	7,3	6,5	4,8	6,9	7,9
MIKROP AG	Miniaturized precision optics	15,0	15,7	12,4	12,6	15,2
OFA BAMBERG GmbH	Compression hoisieri and bandages	74,6	79,2	70,5	74,1	75,5
PLANETROLL GmbH & Co. KG	Stirring and power transmission technology	5,8	6,0	4,8	4,7	5,6
RAGUSE GESELLSCHAFT FÜR MEDIZINISCHE PRODUKTE mbH	Indication specific production for surgical drapes	13,1	13,9	11,8	13,4	13,3
ROLKO KOHLGRÜBER GmbH	Rehabilitation equipment	25,5	26,7	23,0	26,6	29,5
HELMUT RÜBSAMEN GmbH & Co. KG	Metal processing and forming technology	57,5	51,5	45,0	55,1	61,5
KARL SIMON GmbH & Co. KG	Components and assemblies made from metal and plastics	41,7	39,1	26,5	14,7	13,9
VULKAN INOX GmbH	Granules for surface treatment	27,3	27,1	23,1	26,5	32,2
MATERIALS (MA) Segment total		578,9	571,4	532,7	576,2	636,7
ENGINEERING (EN)						
ASS MASCHINENBAU GmbH	Robotic hands and automation systems for manufacturers	22,8	21,9	15,6	16,3	18,3
BUDDE FÖRDERTECHNIK GmbH	Specialist in logistics and materials flow	71,0	83,2	77,2	109,1	94,3
ELTHERM GmbH	Specialist in electrical heat tracing systems	44,0	42,1	32,5	34,6	42,1
GSR VENTILTECHNIK GmbH & Co. KG	Innovative valve technology for demanding industrial applications	23,7	23,5	21,2	25,0	29,5
HEIBER UND SCHRÖDER Maschinenbau GmbH	Special machinery for packaging solutions	-	-	-	-	24,1
HELD SYSTEMS GmbH	Laser technology systems	-	-	-	-	12,4
HORNGROUP HOLDING GmbH & Co. KG	Refueling technology and workshop solutions, worldwide	31,9	32,3	29,2	40,6	68,5
IEF WERNER GmbH	Automation components and systems	26,7	26,6	18,5	18,4	20,7
IPETRONIK GmbH & Co. KG	Measurement systems and Services for automotive industry	49,6	47,4	42,3	36,6	41,5
JUNGSMANN SYSTEMTECHNIK	Integrated control room solutions	-	-	-	11,9	16,0
MBN MASCHINENBAUBETRIEBE GmbH	Sophisticated solutions for special machinery and plant solutions	47,3	58,2	52,9	42,8	42,7
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
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
MESUTRONIC GERÄTEBAU GmbH	Measurering technology and control engineering	-	14,0	24,7	27,0	26,7
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
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
NON-CORE ACTIVITY (NCA)						
SCHÄFER GmbH & Co. KG	Model and mold construction for the automotive and avition industry	20,6	18,2	13,6	11,8	
S.M.A. METALLTECHNIK GmbH & Co. KG 2)	Products for automotive air-conditioning and servo technology	66,0	45,4	36,3	48,6	
SELZER GRUPPE	Precision metal technology for the series production of automobiles	87,3	77,5	55,5	47,7	
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
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
Konsolidierung/Sonstige/Rundungsdifferenzen		-0,2	0,1	-0,3	0,0	0,6
Group sales		1.679,4	1.711,3	1.538,3	1.731,4	1.804,1
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

**INDUS: P & L**

in EUR m (IFRS)	2020	2021	2022	2023e	2024e	2025e
<b>Revenues</b>	<b>1.558,6</b>	<b>1.633,5</b>	<b>1.804,1</b>	<b>1.831,0</b>	<b>1.919,0</b>	<b>2.034,0</b>
YoY growth	-10,6%	4,8%	10,4%	1,5%	4,8%	6,0%
Increase/Decrease in inventories of finished goods and work in progress	-21,2	25,6	33,5	6,6	6,9	7,3
as % of revenues	-1,4%	1,6%	1,9%	0,4%	0,4%	0,4%
<b>Total Operating Output</b>	<b>1.537,5</b>	<b>1.659,1</b>	<b>1.837,6</b>	<b>1.837,6</b>	<b>1.925,9</b>	<b>2.041,3</b>
YoY growth	-11,0%	7,9%	10,8%	0,0%	4,8%	6,0%
Cost of Materials	-690,1	-757,0	-872,2	-874,6	-925,2	-979,8
as % of revenues	-44,3%	-46,3%	-48,3%	-47,8%	-48,2%	-48,2%
<b>Gross Profit</b>	<b>847,4</b>	<b>902,1</b>	<b>965,4</b>	<b>963,0</b>	<b>1.000,7</b>	<b>1.061,5</b>
as % of revenues	54,4%	55,2%	53,5%	52,6%	52,1%	52,2%
Personnel expenses	-501,0	-467,6	-494,6	-511,6	-529,6	-559,3
as % of revenues	-32,1%	-28,6%	-27,4%	-27,9%	-27,6%	-27,5%
Other operating expenses	-210,6	-207,2	-233,4	-252,5	-262,3	-281,7
as % of revenues	-13,5%	-12,7%	-12,9%	-13,8%	-13,7%	-13,8%
Other operating income	22,1	23,8	25,1	22,1	21,2	20,4
as % of revenues	1,4%	1,5%	1,4%	1,2%	1,1%	1,0%
<b>EBITDA reported</b>	<b>157,7</b>	<b>251,1</b>	<b>262,5</b>	<b>221,0</b>	<b>230,0</b>	<b>240,9</b>
as % of revenues	10,1%	15,4%	14,5%	12,1%	12,0%	11,8%
Depreciation of property, plant and equipment, and amortisation of intangible assets	-132,6	-85,5	-128,8	-75,0	-76,0	-77,0
as % of revenues	-8,5%	-5,2%	-7,1%	-4,1%	-4,0%	-3,8%
<b>EBIT reported</b>	<b>25,1</b>	<b>165,6</b>	<b>133,7</b>	<b>146,0</b>	<b>154,0</b>	<b>163,9</b>
as % of revenues	1,6%	10,1%	7,4%	8,0%	8,0%	8,1%
Financial result (net)	-15,4	-15,9	-17,8	-14,3	-14,8	-15,9
<b>EBT (Earnings before taxes): Continuing operations</b>	<b>9,7</b>	<b>149,7</b>	<b>115,9</b>	<b>131,7</b>	<b>139,1</b>	<b>148,0</b>
as % of revenues	0,6%	9,2%	6,4%	7,2%	7,2%	7,3%
Income taxes	-36,5	-51,9	-43,0	-48,7	-51,5	-54,7
as % of EBT	-377,9%	-34,7%	-37,1%	-37,0%	-37,0%	-37,0%
<b>Net income: Continuing operations</b>	<b>-26,9</b>	<b>97,8</b>	<b>72,9</b>	<b>83,0</b>	<b>87,6</b>	<b>93,2</b>
as % of revenues	-1,7%	6,0%	4,0%	4,5%	4,6%	4,6%
Net income: Discontinued operations	0,0	-50,2	-123,9	-27,8	0,0	0,0
Net income	-26,9	47,6	-51,0	55,2	87,6	93,2
Minority interests	-0,1	-0,8	-0,8	-0,3	-0,4	-0,4
Shares outstanding (in m), weighted	24,45	26,33	26,90	26,90	26,90	26,90
<b>Earnings per share, EUR: Continuing operations</b>	<b>-1,10</b>	<b>3,68</b>	<b>2,68</b>	<b>3,10</b>	<b>3,27</b>	<b>3,48</b>
Earnings per share, EUR: Discontinued operations	0,00	-1,90	-4,61	-1,03	0,00	0,00
Net income per share, EUR	-1,10	1,79	-1,94	2,06	3,27	3,48

Source: INDUS, FMR

**INDUS: Balance sheet total**

in EUR m (IFRS)	2020	2021	2022	2023e	2024e	2025e
<b>Assets</b>						
<b>Non-current assets</b>	<b>1.001,7</b>	<b>1.099,0</b>	<b>1.023,6</b>	<b>1.020,6</b>	<b>1.037,6</b>	<b>1.053,2</b>
as % of total assets	57,9%	59,2%	54,2%	53,9%	54,0%	52,9%
Intangible assets	93,1	142,8	172,4	175,8	175,3	174,3
Goodwill	380,9	409,8	403,7	395,4	395,4	395,4
Property, plant and equipment	405,5	416,6	344,3	334,3	349,8	364,3
Non-current financial assets	7,1	8,8	5,6	5,6	5,6	5,6
Real Estate held as financial investment	5,9	5,8	2,2	11,7	11,7	11,7
Leasing and rental assets	85,8	93,4	68,9	70,3	71,7	73,1
Other non-current assets	11,4	8,1	6,3	6,5	6,7	6,9
Deferred tax assets, long-term	12,0	13,7	20,2	21,0	21,4	21,9
Other non-current financial assets	0,0	0,0	0,0	0,0	0,0	0,0
<b>Current assets</b>	<b>727,1</b>	<b>758,4</b>	<b>800,0</b>	<b>871,2</b>	<b>885,3</b>	<b>939,4</b>
as % of total assets	42,1%	40,8%	42,3%	46,1%	46,0%	47,1%
Inventories	332,5	403,9	449,4	471,9	457,7	448,6
Trade accounts receivable	161,9	168,9	195,5	213,1	208,8	210,9
Current prepayments made	0,0	0,0	0,0	0,0	0,0	0,0
Other current non-financial assets	20,4	35,5	22,0	22,3	23,4	24,6
Deferred tax assets, short-term	17,6	13,7	5,3	5,1	5,3	5,6
Current financial assets	0,0	0,0	0,0	0,0	0,0	0,0
Cash and cash equivalents	194,7	136,3	127,8	158,8	190,0	249,8
Assets held for sale	0,0	0,0	66,3	0,0	0,0	0,0
as % of total assets	0,0%	0,0%	3,5%	0,0%	0,0%	0,0%
<b>Total assets</b>	<b>1.728,8</b>	<b>1.857,4</b>	<b>1.889,9</b>	<b>1.891,8</b>	<b>1.922,9</b>	<b>1.992,5</b>
<b>Shareholders' equity and liabilities</b>						
<b>Shareholders' equity</b>	<b>676,4</b>	<b>787,5</b>	<b>685,2</b>	<b>718,6</b>	<b>776,2</b>	<b>838,1</b>
as % of total equity and liabilities	39,1%	42,4%	36,3%	38,0%	40,4%	42,1%
Subscribed capital	63,6	69,9	69,9	69,9	69,9	69,9
Capital reserves	239,8	318,1	318,1	318,1	318,1	318,1
Retained earnings	371,9	397,6	295,1	295,1	295,1	295,1
Treasury stocks	0,0	0,0	0,0	0,0	0,0	0,0
Other equity items	0,0	0,0	0,0	33,3	91,0	152,9
Minority interest on equity	1,0	1,8	2,1	2,1	2,1	2,1
<b>Non-current provisions/liabilities</b>	<b>657,1</b>	<b>615,6</b>	<b>728,7</b>	<b>707,7</b>	<b>688,7</b>	<b>696,8</b>
as % of total equity and liabilities	38,0%	33,1%	38,6%	37,4%	35,8%	35,0%
Non-current pension provisions	49,7	41,3	23,6	25,0	25,3	25,5
Other non-current provisions	1,4	1,4	1,1	1,1	1,1	1,1
Non-current financial liabilities	553,8	477,3	580,6	563,2	546,3	551,7
Non-current prepayments received	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
Other non-current liabilities	20,1	47,0	59,7	57,4	56,2	57,3
<b>Current liabilities and provisions</b>	<b>395,4</b>	<b>454,4</b>	<b>440,3</b>	<b>465,5</b>	<b>457,9</b>	<b>457,7</b>
as % of total equity and liabilities	22,9%	24,5%	23,3%	24,6%	23,8%	23,0%
Current provisions	77,3	45,7	42,3	43,1	41,4	42,2
Current financial liabilities	159,8	163,2	140,7	160,4	155,6	156,1
Trade accounts payable	48,9	75,8	74,3	75,8	76,2	76,5
Current prepayments received	34,8	53,1	73,9	76,1	76,6	74,3
Current tax liabilities	15,1	14,8	17,2	17,2	17,2	17,2
Current deferred tax liabilities	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
Liabilities held for sale	0,0	0,0	35,7	0,0	0,0	0,0
as % of total equity and liabilities						
<b>Total equity and liabilities</b>	<b>1.728,8</b>	<b>1.857,4</b>	<b>1.889,9</b>	<b>1.891,8</b>	<b>1.922,9</b>	<b>1.992,5</b>

Source: INDUS, FMR

**INDUS: Cashflow statement**

in EUR m (IFRS)	2020	2021	2022	2023e	2024e	2025e
<b>Net income: Continuing operations</b>	<b>-26,9</b>	<b>97,8</b>	<b>72,9</b>	<b>83,0</b>	<b>87,6</b>	<b>93,2</b>
Depreciation/impairments	131,5	85,5	128,8	75,0	76,0	77,0
Change in pension and similar provisions	5,8	5,7	11,4	1,4	0,3	0,3
Other non-cash expenses/income	-0,1	-1,0	-3,8	28,0	-1,8	0,5
Change in Working Capital	58,5	-34,9	-84,4	-34,8	14,6	5,2
Cash effects from divestment of fixed assets						
Cash effect from interests	-3,8	-3,4	-3,2	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	-9,8	8,6	-5,4	-2,5	-1,2	1,2
Cash effects from extraordinary items						
<b>Cashflow from Operations: Continuing operations</b>	<b>155,2</b>	<b>158,3</b>	<b>116,3</b>	<b>150,0</b>	<b>175,5</b>	<b>177,3</b>
Investments in Fixed assets	-54,5	-53,3	-54,9	-69,5	-91,0	-90,5
Payments received: Disposal of non-current assets	6,4	6,8	9,5	0,0	0,0	0,0
Change in consolidation: Disposals/Acquisitions	-4,3	-59,5	-49,0	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	-2,4	-2,0	-2,1
<b>Cashflow investing activities: Continuing operations</b>	<b>-52,3</b>	<b>-106,0</b>	<b>-94,4</b>	<b>-71,9</b>	<b>-93,0</b>	<b>-92,6</b>
Cash changes in financial debt	0,7	-103,1	87,2	2,3	-21,7	5,9
Changes in shareholders equity	0,0	84,7	0,0	0,0	0,0	0,0
Dividend payments	-19,6	-21,5	-28,2	-21,5	-29,6	-30,9
Cash changes from own shares	0,0	0,0	0,0	0,0	0,0	0,0
Interest and other financial expenses	0,0	-0,9	-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
<b>Cashflow financing activities: Continuing operations</b>	<b>-42,0</b>	<b>-40,8</b>	<b>55,9</b>	<b>-19,2</b>	<b>-51,3</b>	<b>-25,0</b>
<b>Total change in cash and cash equivalents: Continuing operations</b>	<b>60,9</b>	<b>11,5</b>	<b>77,8</b>	<b>58,9</b>	<b>31,2</b>	<b>59,8</b>
Total change in cash and cash equivalents: Discontinued operations	0,0	-69,8	-80,9	-27,8	0,0	0,0
Effect of exchange rate changes on cash / Other	-1,2	-0,2	-5,3	-0,1	0,0	0,0
<b>Cash and cash equivalents: Beginning of period</b>	<b>135,1</b>	<b>194,7</b>	<b>136,2</b>	<b>127,8</b>	<b>158,8</b>	<b>190,0</b>
<b>Cash and cash equivalents: End of period</b>	<b>194,7</b>	<b>136,2</b>	<b>127,8</b>	<b>158,8</b>	<b>190,0</b>	<b>249,8</b>

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: 07.12.2023

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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(iv.) has, within the past twelve months, concluded an agreement regarding services in connection with investment banking business or received a service or performance promise from such agreement, with issuers which either themselves or the financial instruments thereof, are the subject of the financial analysis;

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(vi.) has concluded an agreement regarding the preparation of investment recommendations with the issuer.

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

Company	Disclosure(s)
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INDUS Holding AG	vi
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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

#### 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

Winfried Becker, Senior 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 relating to technology and changes relating to the economy, legal situation and exchange rates. No claim is made that this statement of evaluation methods and risk factors is complete.

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We have acquired the information upon which this document is based from sources that we consider in principle to be reliable. However, we have not verified all this information. Therefore, we cannot guarantee or ensure the accuracy, completeness or correctness of the information or opinions contained in this document. National and international media and information services (e.g. Factset, Bloomberg etc.), the financial press (e.g. BörsenZeitung, FAZ, Handelsblatt, Wallstreet Journal, etc.), specialist press, published statistics, the internet, as well as publications, details and information of the issuer that is the subject of the analysis.

**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.

**9. Internal organisational and regulatory measures for the prevention or management of conflicts of interest**

Employees of FMR Frankfurt Main Research AG who are involved with the compilation and/or presentation of financial analyses are subject to the internal compliance regulations. The internal compliance regulations correspond to the provisions of the directive for the substantiation of the organisational obligations of investment service companies pursuant to Section 80 Securities Trading Act and EU/ESMA legislation on the basis of the Market Abuse Regulation.

The analysts of FMR Frankfurt Main Research AG do not receive any direct or indirect remuneration from the investment banking business of FMR Frankfurt Main Research AG.

On acceptance of the financial analysis, the recipient accepts that the above restrictions are binding.