

# Indus Holding

11 August 2021

## Q2 EBIT 4% above, EBIT guidance raised by 5%

Indus reported €450m revenue and €31m EBIT for Q2 2021, a 7% beat on sales and a 4% beat on EBIT vs. company collected consensus estimate, 3%/1% vs. us. The 2020 guidance was raised to a mid point of €1,675m sales and €108m EBIT, up by 3%/5% and 2% above Factset consensus for sales, 8% below for EBIT. Segments were roughly in line with our expectations, thus we regard Q2 reporting to be positive in particular for the improving structural earnings picture. The starting recovery in Engineering in Q2 is in particular important for us since it should become a sustainable driver, as we estimate, where we expect Indus to benefit from a recovery of Automotive OEMs capex spending in the conversion to electrical power trains combined with an overall improved environment. The share currently trades at a c.10x EV/EBIT 2022, leaving upside to our c.11x target and at a clear discount vs. the average of c.16x observable in industrial peers. We interpret Q2 reporting as a further indication that Indus will maintain sufficient pricing power to pass on a major part of input cost headwinds to customers. We continue to expect the mounting evidence of synchronized recovery to catalyze a re-rating, reiterating our Buy rating.

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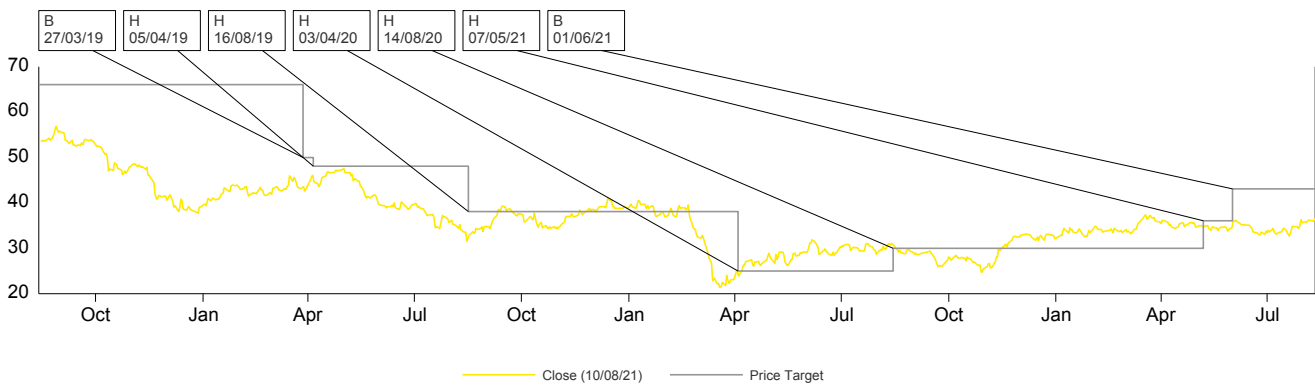
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In accordance with ESMA MAR requirements this report was completed 11/8/2021 07:54 CEST and disseminated 11/8/2021 07:54 CEST.

### Indus Holding AG (INH GY)



#### Distribution of ratings:

Number of recommendations from Commerzbank Research, at the end of Q2 2021	thereof recommendations for issuers to which investment banking services were provided during the preceding twelve months
98 (50.26%) Buy	39 (39.80%)
84 (43.08%) Hold	27 (32.14%)
13 (6.67%) Reduce	2 (15.38%)

Source: Commerzbank Research

^ Prior trading day's closing price unless otherwise noted. Company name: Indus Holding AG; Exchange: XETRA

4. Commerzbank acts as designated sponsor, broker and/or consultant for Indus Holding AG.

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