# COMPANY PRESENTATION

October 2019

# AGENDA

[INDUS]

1 ENTERPRISE SUCCESSION IN GERMANY
2 INDUS – OUR DNA
3 PARKOUR – OUR STRATEGY
4 INDUS IN FIGURES – H1 2019 AND OUTLOOK
5 SHARE AND DIVIDEND
6 APPENDIX

# ENTERPRISE SUCCESSION IN GERMANY

## STUDY KFW RESEARCH

[INDUS]

- By 2020, **227,000 medium-sized enterprises** want to regulate their succession
- Their companies employ

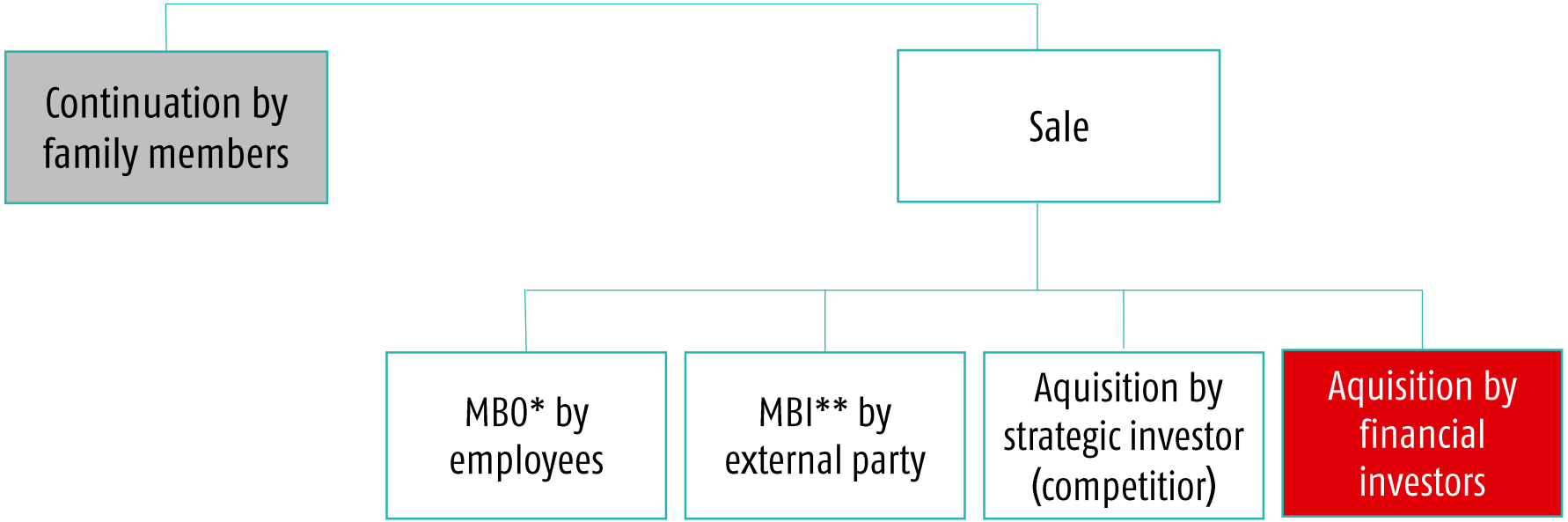
  **2,000,000 employees** and
  **76,000 trainees**

- These companies generate an **annual sale of EUR 283 bn**; which corresponds to **6% of the total turnover from medium-sized enterprises.**

Source: Press Release KfW from 04.02.2019, „227,000 SMEs want to transfer ownership by the end of 2020"

# ENTERPRISE SUCCESSION IN GERMANY

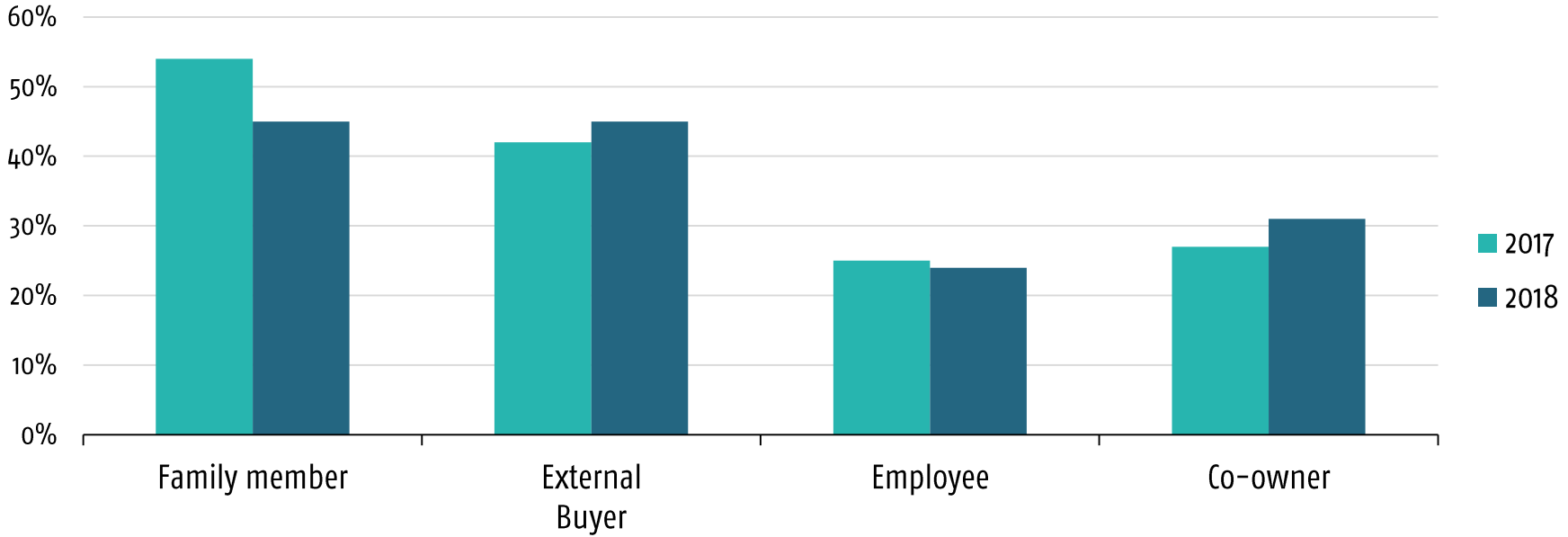
## POSSIBLE SUCCESSION VARIANTS




* Management buy-out, ** Management buy-inn

# ENTERPRISE SUCCESSION IN GERMANY

## CONSIDERED SUCCESSION VARIANTS (MULTIPLE NOMINATIONS POSSIBLE)




Source: KfW Research, Fokus Volkswirtschaft, No. 241, 04.02.2019

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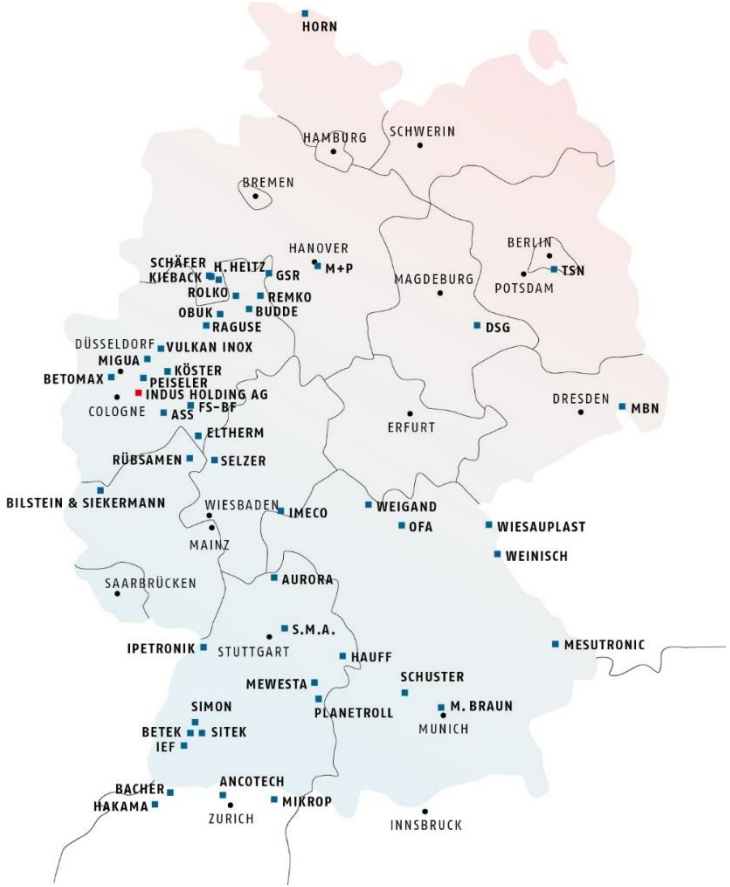
# INDUS BUSINESS MODEL

## WE ARE PASSIONATE ABOUT SMES




**WE...**

- are the leading specialist in long-term investment and development in the german SME Sector.
- invest in SME Hidden Champions.
- build on a diversified portfolio of 47 companies in the german-speaking area.
- ensure growth and stable earnings by a sustainable corporate strategy.

**... BUY, HOLD & DEVELOP**

# INDUS BUSINESS MODEL

## INDUS INVESTMENTS ARE PRESENT IN MORE THAN 30 COUNTRIES

**GERMANY**

EUR 878.9 millions
7,789 employees

**EUROPE**

EUR 383.5 millions
1,499 employees

**REST OF THE WORLD**

EUR 448.4 millions
1,426 employees

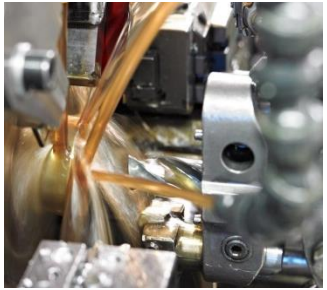
sales and employee figures and locations as at 31.12.2018,
Europe = EU and Schwitzerland

# INDUS BUSINESS MODEL

## BROAD PORTFOLIO AS A CORE STRATEGIC ELEMENT

**CONSTRUCTION/ INFRASTRUCTURE**

**11**
INDUS COMPANIES



**AUTOMOTIVE-TECHNOLOGY**

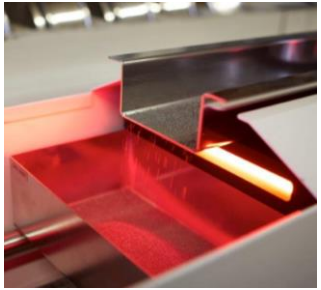
**9**
INDUS COMPANIES

**ENGINEERING**

**12**
INDUS COMPANIES

**MEDICAL ENGINEERING/ LIFE SCIENCE**

**5**
INDUS COMPANIES



**METALS-TECHNOLOGY**

**10**
INDUS COMPANIES

**BROAD POSITIONING ENSURES GREATER STABILITY**

# STRATEGY

## GROWTH THROUGH ACQUISITIONS

[INDUS]

**STRENGTHENING OF PORTFOLIO**

eltherm innovations in heat tracing
MBN SACHSEN MBN Maschinenbaubetriebe Neugersdorf GmbH
WERNER
heitz furnierkantenwerk
mp INTERNATIONAL
MESUTRONIC
DESSAUER SCHALTSCHRÄNKE
BUDDE FÖRDERTECHNIK
Rolko
Raguse
peiseler Präzisionsmaschinenbau

| ... | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|

**GROWTH ACQUISITIONS**

HEATAC Member of Aurora Group
SAVVY
Esda NEW TRADITION
mbh software & solutions
electronic equipment
PROVIS Steuerungstechnik GmbH
TR Metalltechnik
nea international bv
COMPUTEC
in-situ
OFA acquires Trading company for medical aids
Lubrication Solutions Inc.
KNUR MASCHINENBAU
MURINOX Bautechnik AG
WIESAUPLAST-PMC de México*
DMS
SELZER BRASIL
EUMATIC Kunststoffverarbeitung
ZwelCom
CAETEC
Portfolio company Acquires supplier of air-conditioning devices

* Acquisition of the remaining shares (55%).

# MESUTRONIC GERÄTEBAU GMBH

[INDUS]

## MAY 2019 – INDUS ACQUIRES TECHNOLOGY LEADER IN METAL AND FOREIGN BODY DETECTION TECHNOLOGY

- Tailor-made solutions for the integration of inspection systems with high-frequency metal detectors and foreign body detectors based on X-ray technology in complex production processes
- Headquarters in Kirchberg im Wald (Germany)
- Revenues of over EUR 24 million
- Some 200 employees in Germany and France
- Acquisition of 89.9%

**Forward-looking investment in the measuring technology and control engineering sector**

# DESSAUER SCHALTSCHRANK & GEHÄUSETECHNIK GMBH

## OCTOBER 2019 – INDUS ACQUIRES SPECIALIST FOR CONTROL CABINETS AND HOUSING SOLUTIONS

- Strengthening of Metals Technology segment
- Development, manufacture and sale of high-quality metal and sheet metal parts, components, switch cabinets, machine panels and similar products to high industrial and safety requirements
- Headquarters in Dessau-Roßlau (Germany)
- Expected sales revenues 2019 of EUR 10.5 million
- Acquisition of 100.0%

**Forward-looking investment in the infrastructure and logistics technology sector**

# INDUS BUSINESS MODEL

## UNIVERSE OF FINANCIAL INVESTORS

[INDUS]

### Short to medium-term return-driven investments

- Large Caps: Apax, Blackstone, KKR
- Mid Caps: DBAG, 3i, Odewald
- Small Caps: MBB Industries

### Investments in companies in special situations with no long-term intention

- Aurelius
- Bavaria Industriekapital
- Mutares
- Orlando Management

### Long-term investments without exit orientation

- INDUS Holding
- Aalberts Industries
- Gesco
- MAX Automation
- MBB
- Haniel
- Phoenix Mecano
- Possehl
- Skion

# INDUS BUSINESS MODEL

## DECENTRALIZED STRUCTURE

[INDUS]

**INDUS Holding AG**

KNOW-HOW & STRATEGIC SPARRING

**Portfolio companies**

### Portfolio Management

- Supporting portfolio companies in strategic issues
- Promoting portfolio companies in the areas of innovation, operational excellence and internationalization
- Group financing
- Accounting, taxation and legal at holding company level
- Acquisitions

### Independent operational management of the business

- Research and development
- Sales and marketing
- Production and logistics
- Human resources
- Finances
- IT

# INDUS BUSINESS MODEL

## ACCOMPANYING SME HIDDEN CHAMPIONS IN THE LONG TERM

[INDUS]

## INDUS Holding AG

### …as a BANK

- Company acquisitions
- Investments in property, plant and equipment
- Development bank for innovations
- Financing of internationalization

### …as a MAJORITY SHAREHOLDER

- Long-term holding perspective
- Operational responsibility remains in the companies
- Preservation of the corporate culture

### …as a CONSULTANT

- Know-how
- Strategic Sparring
- Networking
- Knowledge transfer

### …as a FINANZHOLDING

- Financing tasks in shareholder management
- Accounting, taxation and law at the holding level

## LONG-TERM SUPPORT FOR PORTFOLIO COMPANIES

# INDUS BUSINESS MODEL

## SUSTAINABILITY REMAINS INTEGRAL COMPONENT

[INDUS]

### SUSTAINABILITY REPORT 2018

Third INDUS Sustainability Report in accordance with the German Sustainability Code .

### CDP CLIMATE SCORING

INDUS obtained another "A" rating in 2018.

CDP
DISCLOSURE INSIGHT ACTION
A LIST
2018
CLIMATE CHANGE

### OECOM RATING

Oekom confirmed "Prime" status in 2018.

Corporate ESG Performance
Prime
RATED BY
ISS ESG

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# STRATEGY

## WE´RE GOING TO THE NEXT LEVEL

[INDUS]

- The long-term path of "COMPASS 2020" and its core strategy of "Buy, hold & develop" is paying off. We have become bigger, more international and more efficient.
- In keeping with our philosophy, the individual portfolio companies retain their independence in managing their business.
- The INDUS DNA (value-oriented SME holding company with a long-term orientation) will remain unchanged.

EVO
LUTION

# STRATEGY

## BECAUSE WE WILL BE FACING GROWING CHALLENGES

[INDUS]

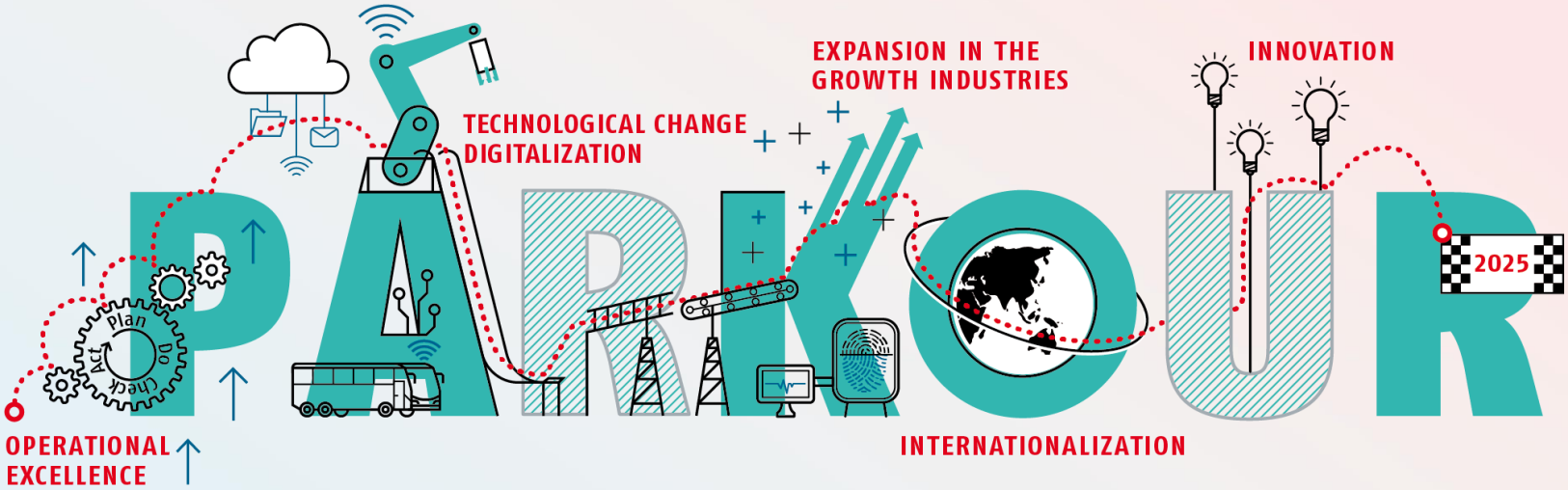
- The global environment has become more unpredictable, worldwide competition is growing and digitalization is presenting enterprises with fundamentally new challenges.
- In order for our portfolio companies to successfully master these tasks, they must be "optimally trained".
- We therefore focus not only on our growth but also on increasing the fitness of our portfolio companies.

**improving FITNESS**

# STRATEGY

## THE NAME STANDS FOR GREATER AGILITY

[INDUS]



# OUR GOALS FOR THE NEXT 7 YEARS

## CONTINUE TO DEVELOP THE INVESTMENT PORTFOLIO

INDUS offers its shareholders a managed portfolio of attractive medium-sized companies. We therefore want to further develop the INDUS portfolio to ensure that we will have a sustainable and viable portfolio in the future.

## 1. STRENGTHEN THE PORTFOLIO STRUCTURE

- Accelerate acquisitions in industries of the future
- Review the possibility to sell selected companies

# OUR GOALS FOR THE NEXT 7 YEARS

## TAKE THE GROUP TO THE NEXT TECHNOLOGY LEVEL

[INDUS]

We support the further development of the strategies of our portfolio companies with know-how and capital in the areas of innovation and digitalization, operational excellence and internationalization.

## 2. DRIVE INNOVATION

- Expand our understanding of innovation
- Acquire younger innovative companies
- More financial resources and know-how support

## 3. INCREASE PERFORMANCE

- Promote operational excellence
- Promote financial excellence

**develop faster & become better**

# OUR GOALS FOR THE NEXT 7 YEARS

## CONTINUE TO DELIVER ON OUR PROMISES TO OUR STAKEHOLDERS

[INDUS]

**PERFORMANCE PROMISE**

### SHAREHOLDERS

They have the opportunity to invest in a broadly diversified managed portfolio of German-language SMEs – with a reliable dividend from a stable balance sheet.

### SELLING ENTREPRENEURS

We preserve their life's work and continue to develop it.

### PORTFOLIO COMPANIES

They get a secure framework for continuous development in fast-changing markets.

### CUSTOMERS, EMPLOYEES, SOCIETY AND THE ENVIRONMENT

We are a sustainable member of society.

# PARKOUR

## OUR 7-POINT TARGET FOR 2025

[INDUS]

1. **55 to 60 investments** with revenues > EUR 2.5 billion.
2. **EBIT margin target** of 10% reliably reached again.
3. **Industries of the future** are clearly reflected in the portfolio.
4. **Innovation** has established itself as a growth engine in the portfolio companies.
5. **Digitization:** Our companies have successfully managed the transition to the "tech generation".
6. **Operational excellence** has been implemented in the value-adding core processes of the portfolio companies.
7. **Internationalization** has been successfully pursued by the portfolio companies.

INDUS is **THE SME HOLDING COMPANY** in the German-speaking area and is the preferred port of call for entrepreneurs wishing to sell their companies thanks to its courage, creativity and reliability.

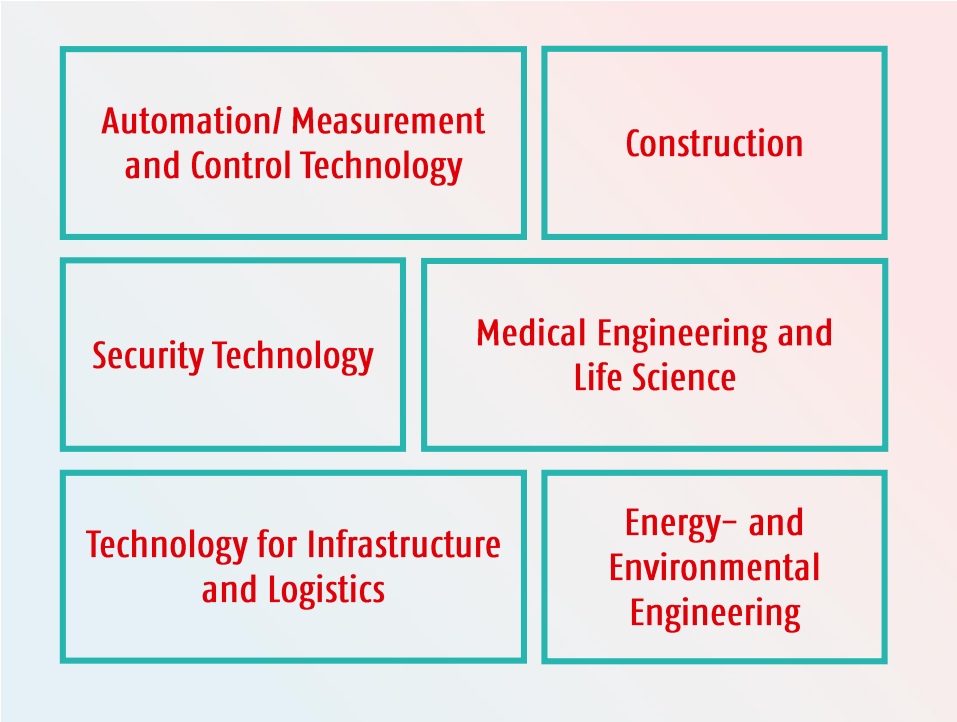
# FOCUS 1/1

## STRENGTHEN THE PORTFOLIO STRUCTURE

[INDUS]

**Accelerated acquisitions in the growth industries:**

Acquisition of an average of 2–3 portfolio companies per year at the first level.



# FOCUS 1/2

## PORTFOLIO STRUCTURE ENHANCEMENT

[INDUS]

**Review the possibility to sell selected companies:**

By 2022, we will have resolved the tasks in accordance with the Group's targets.

Will another owner be able to offer the company and its employees better development opportunities in the long term?

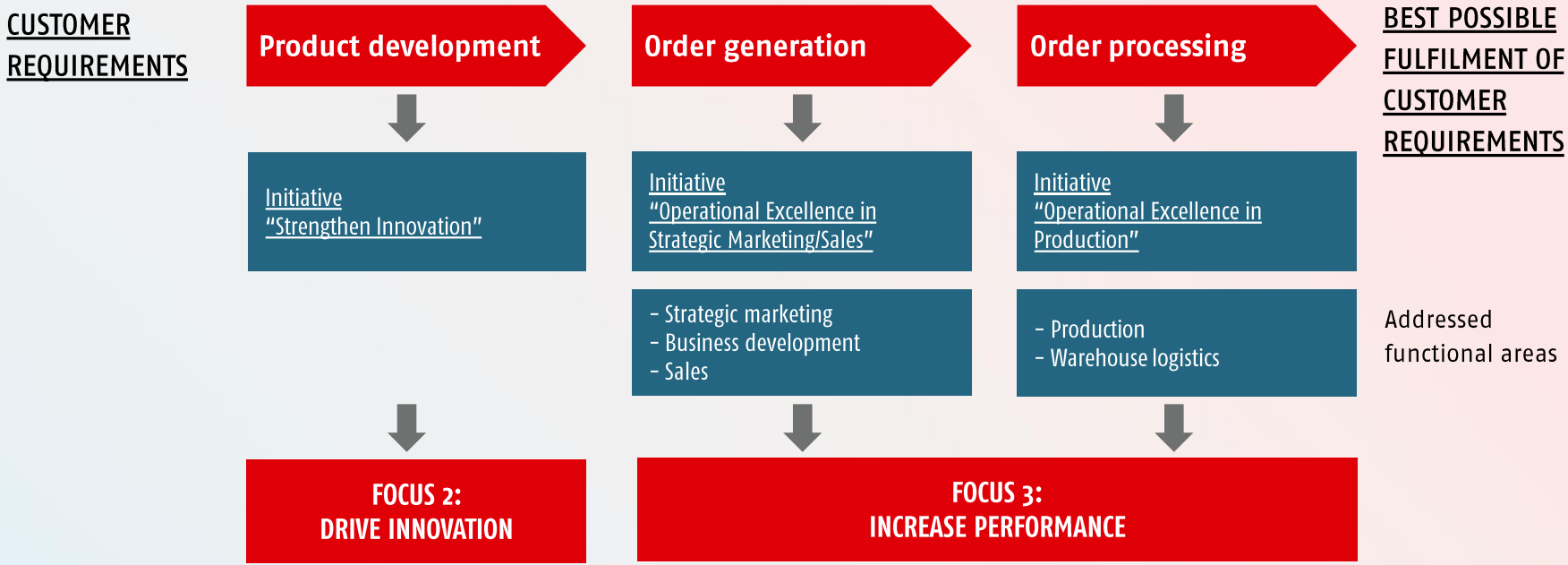
Series production suppliers

# Automotive Technology

- Margins between 2 and 5 percent
- High customer dependency
- High investment requirements
- High product liability risks

# FOCUS 2 AND 3: STARTING POINTS

## IMPROVE THE CORE PROCESSES IN INDUS PORTFOLIO COMPANIES



# FOCUS 2/1
## DRIVE INNOVATION

[INDUS]

**Expanded understanding of innovation:**
Apart from products, we also look at services, business processes and business models.

Company-specific
**INNOVATION ROADMAPS**

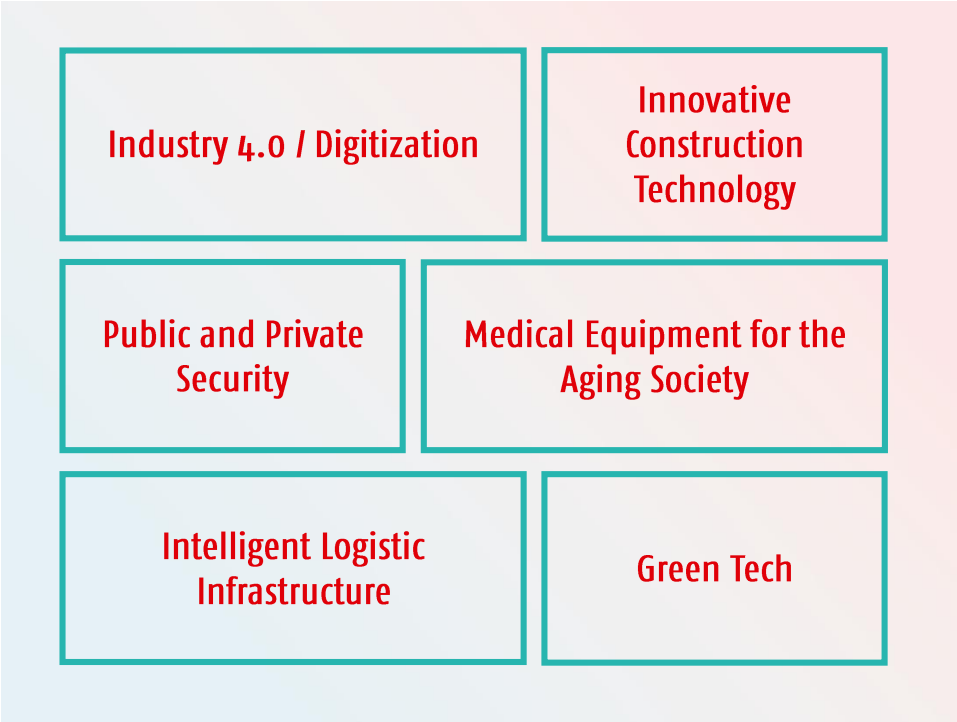
- Digitization of products
- Prepare products for integration into IoT platforms
- Automation of production processes
- Automation of business processes
- Development of digital business models
- Promotion of network activities within the Group and with external partners

# FOCUS 2/2

## DRIVE INNOVATION

**Acquire younger companies in the future fields:**
We support our portfolio companies in the acquisition of innovative companies that have attractive interfaces with their operations.

- The business model has already proven its worth and has been introduced in the market, but the maturity level is below that of a typical INDUS portfolio company.
- Focus remains on the engineering-related sector, cf. no pure software companies.



# FOCUS 2/3
## DRIVE INNOVATION

[INDUS]

**Support with more financial resources and know-how:**

We are expanding our human and economic resources.

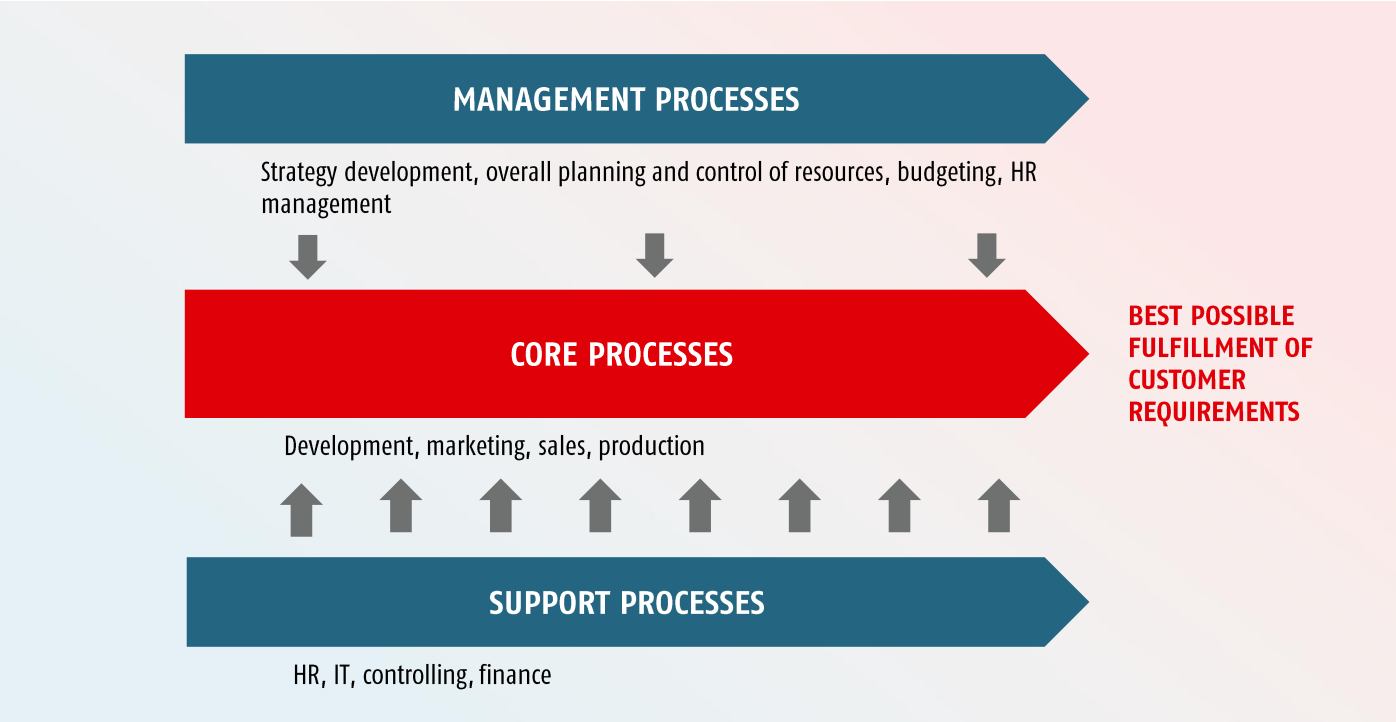
- 18 projects with a total volume of EUR 9.8 million are currently underway; an amount of EUR 6.3 million has been committed for development purposes; the average project duration is 2 years.
- The amount committed will be doubled in the coming years. Innovation funding to be increased to an average of 3% of Group EBIT per year.

# FOCUS 3/1
## INCREASE PERFORMANCE

[INDUS]

**Promote operational excellence:**

We assist our portfolio companies more effectively in improving their value-adding core processes from product development to order processing.



[INDUS]

# "OPERATIONAL EXCELLENCE IN STRATEGIC MARKETING/SALES" INITIATIVE

**Content focus:**

- Market/potential and competition analyses
- Optimization of sales organization/channels
- Expansion of foreign/export business
- Sales/trade fair training
- Optimization of the pricing of products & services
- Customer relationship management (CRM, CSM) & customer value management

**Support offer**:

- Transfer of methodological expertise
- Creation of networks of internal and external experts
- Support in the conception, planning and implementation of projects by new staff members
- Specific training programs
- Offer of Best Practice Days

[INDUS]

# "OPERATIONAL EXCELLENCE IN PRODUCTION" INITIATIVE

## 1. Project support

- Transfer of methodological expertise
- Status check of production
- Support in the conception, planning and implementation of improvement projects relating to production and warehouse logistics
- Transfer of experts from within the INDUS-Group and external experts

## 2. Lean Management training program

- Conception/development and implementation of a three-step training program to train employees as internal Lean Experts and, in the longer-term, Lean Trainers

## 3. Cooperations/ Best Practice Days

- Development of partnerships to acquire or develop new competencies (e.g. additive manufacturing)
- Conception and implementation of Best Practice Days

# FOCUS 3/1
## INCREASE PERFORMANCE

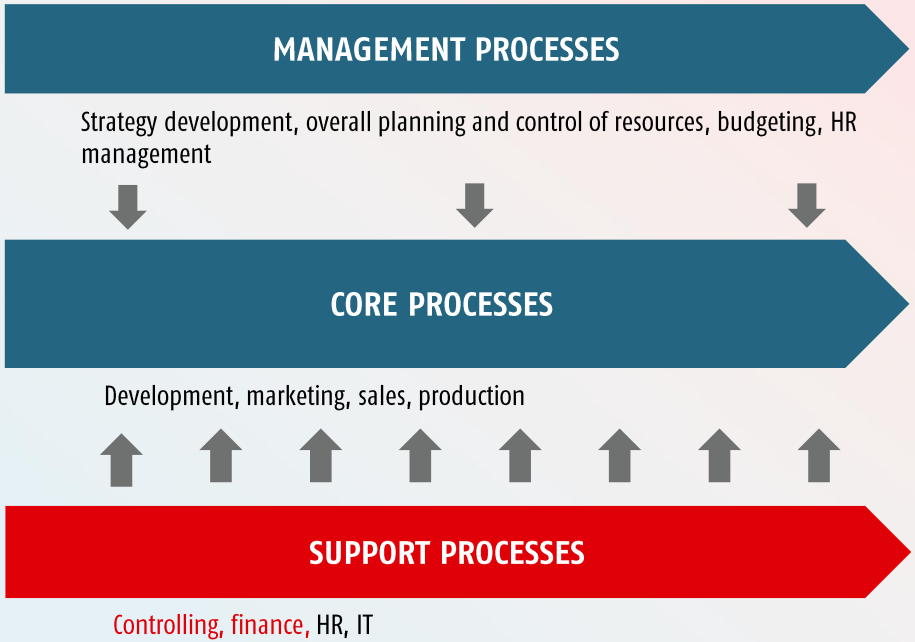
[INDUS]

**Promote financial excellence:**

We assist our portfolio companies more effectively in improving their financial support processes.

Concrete focus on:

- Forecast quality
- Working Capital
- Individual KPI monitoring



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# INDUS IN FIGURES

## OVERALL VIEW OF THE FIRST HALF-YEAR OF 2019

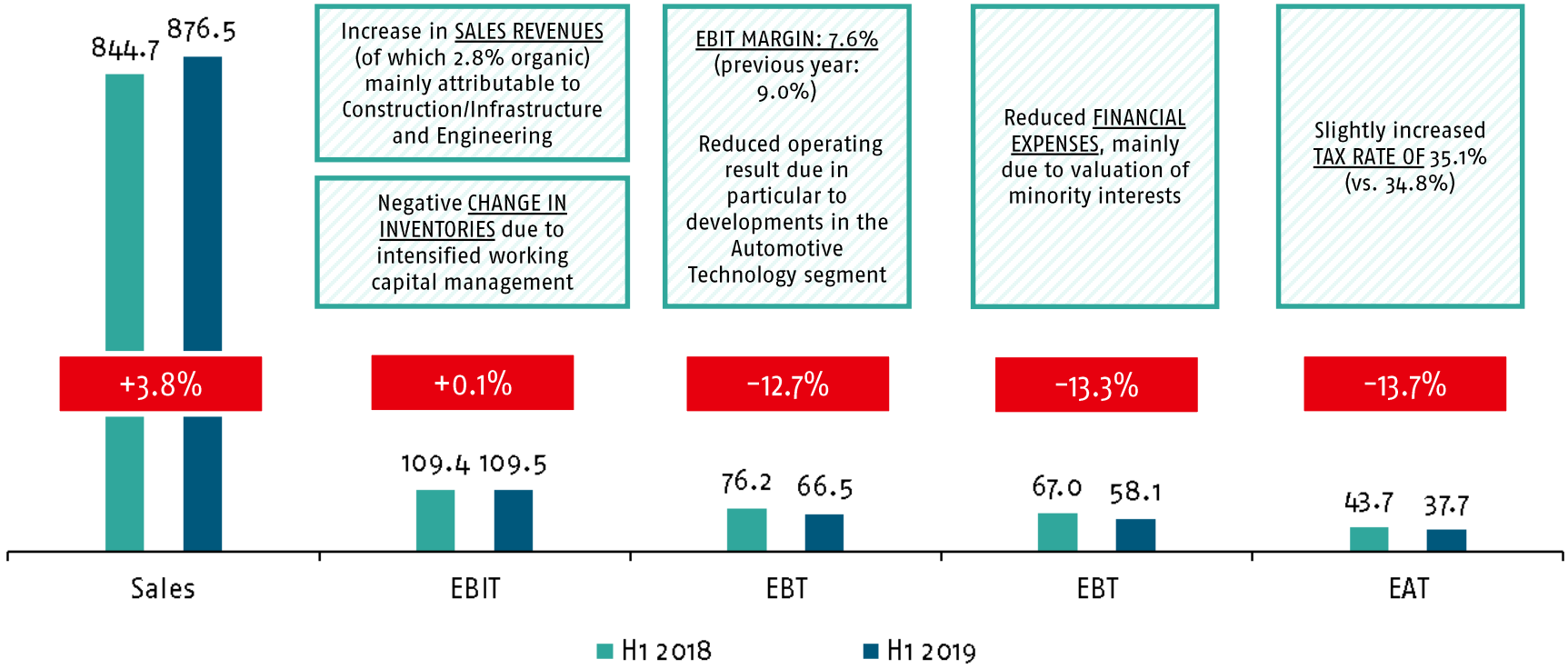
[INDUS]

## CONSTRUCTION/INFRASTRUCTURE REACHES NEW RECORDS – AUTOMOTIVE TECHNOLOGY WEIGHS ON GROUP AS A WHOLE

- In total rather modest business performance of the Group in H1 2019
- Sales revenues up by 3.8%, EBIT down by 12.7%
- Good trend for Construction/Infrastructure, Medical Engineering/Life Science
- Declining revenues in Automotive Technology and Metals Technology segments
- Increasing burden on entire Automotive Technology segment by difficult market situation, increasing cost pressure and two repositioning exercises
- Partial easing of demand in Engineering segment
- Since June 2019 Engineering segment strengthened by MESUTRONIC
- Improved operating cash flow
- Reduced working capital growth
- Lower equity ratio due to dividend payment and IFRS 16 "Leases"
- Projected EBIT range for 2019 has been adjusted

# INDUS IN FIGURES

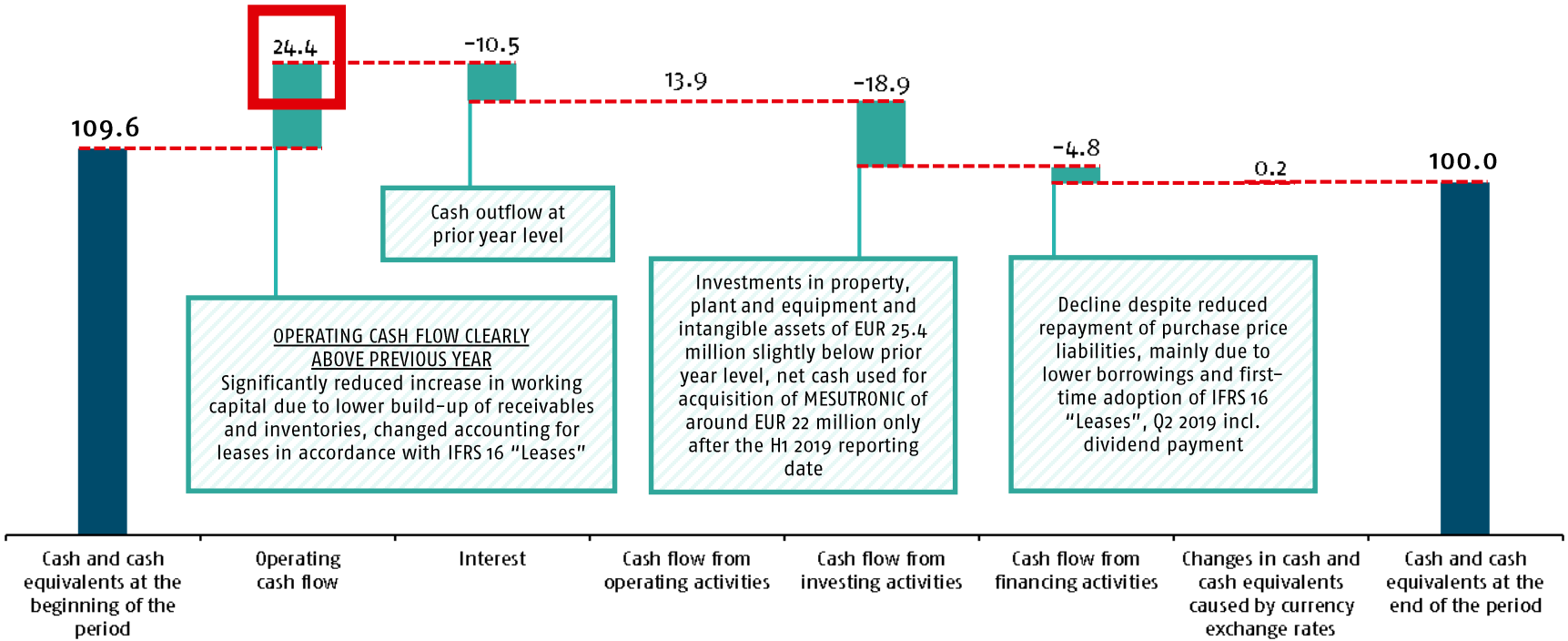
## STATEMENT OF INCOME 1 JANUARY 2019 TO 30 JUNE 2019




(in EUR millions)

# INDUS IN FIGURES

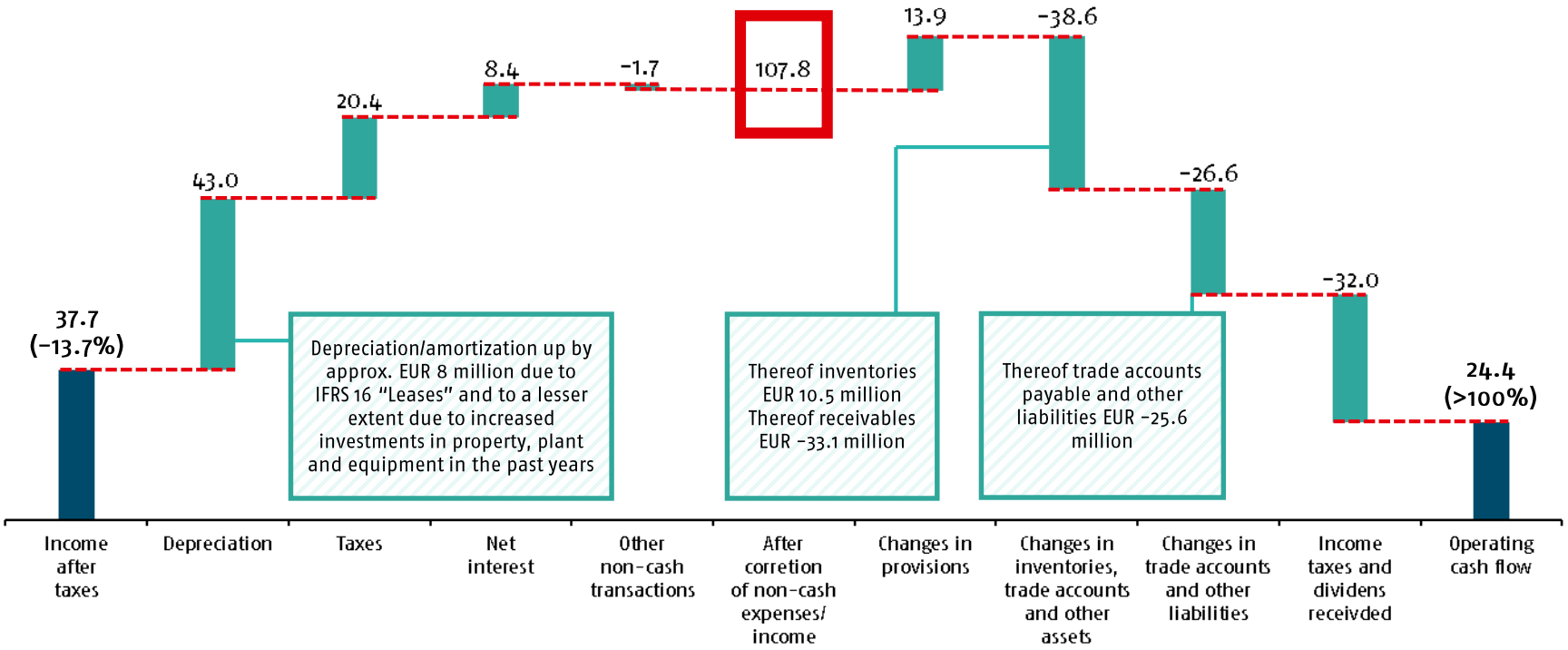
## STATEMENT OF CASH FLOWS FROM 1 JANUARY 2019 TO 30 JUNE 2019




(in EUR millions)

# INDUS IN FIGURES

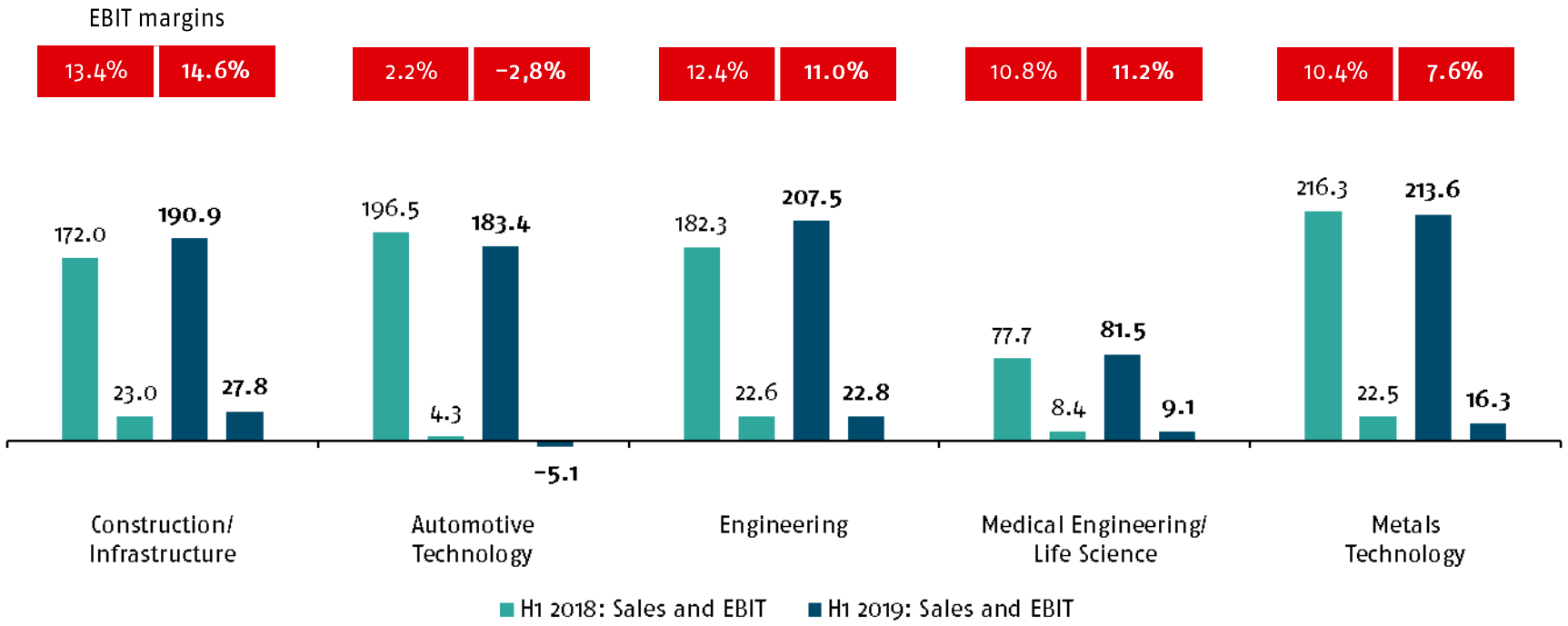
## OPERATIONAL CASH FLOW FROM 1 JANUARY 2019 TO 30 JUNE 2019




(in EUR millions)

# INDUS IN FIGURES

## SEGMENT PERFORMANCE IN THE FIRST HALF OF 2019 (COMPARED TO H1 2018)




(in EUR millions, sales with external third parties)

# INDUS IN FIGURES

## CONSTRUCTION/INFRASTRUCTURE H1 2019

[INDUS]

# SEGMENT RESULT DRIVEN BY AIR-CONDITIONING DEVICES

- Revenues again up on H1 2018
- Clearly disproportionate increase in operating result due to strong Q2 2019
- EBIT margin of 14.6% clearly up on previous year
- Excellent result in air-conditioning segment (incl. acquisition in previous year)
- Growth additionally supported by the other portfolio companies
- EBIT margin target of 13%–15% expected to be reached for the full year

| (in EUR millions) | H1 2019 | H1 2018 | Δ in % |
|---|---|---|---|
| Sales with external third parties | 190.9 | 172.0 | 11.0 |
| EBITDA | 34.6 | 27.9 | 24.0 |
| Depreciation/Amortisation | -6.8 | -4.9 | -38.8 |
| EBIT | 27.8 | 23.0 | 20.9 |
| EBIT margin (in %) | 14.6 | 13.4 | 1.2 pp |
| Capital expenditure | 8.0 | 5.9 | 35.6 |

# INDUS IN FIGURES

## AUTOMOTIVE TECHNOLOGY H1 2019

[INDUS]

# SEGMENT REVENUES AND EARNINGS ON THE DECLINE

- Decline in sales revenues due to lower call-off figures and slowdown in demand at other segment companies (pre and post series production)
- At EUR -5.1 million, operating result down on previous year by a strong EUR 9.4 million
- Difficult market situation and increasing cost pressure are weighing on the entire segment
- Cost-cutting measures initiated have not yet been able to offset the pressure
- Both repositioning cases (series production suppliers) are adversely affected by weak call-offs and high repositioning expenses
- EBIT margin target of 3%–5% for full year no longer realistic

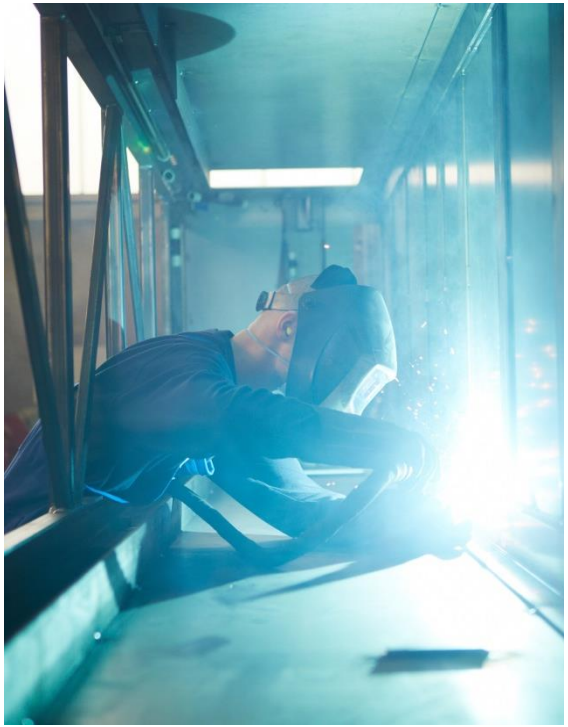
| (in EUR millions) | H1 2019 | H1 2018 | Δ in % |
|---|---|---|---|
| Sales with external third parties | 183.4 | 196.5 | -6.7 |
| EBITDA | 8.7 | 15.7 | -44.6 |
| Depreciation/Amortisation | -13.8 | -11.4 | -21.1 |
| EBIT | -5.1 | 4.3 | <-100 |
| EBIT margin (in %) | -2.8 | 2.2 | -5.0 pp |
| Capital expenditure | 7.9 | 11.0 | -28.2 |

[INDUS]

# SEGMENT STRENGTHENED BY MESUTRONIC

- Increase in sales revenues generated by major plant manufacturers
- Plant manufacturers with good capacity utilization until well into next year
- Noticeable slowdown in demand at some smaller portfolio companies
- Disproportionately low increase in EBIT due to a few profitable large-scale projects
- Projects with higher earnings contributions have been won for the future
- MESUTRONIC is the segment's latest investment (June 2019)
- Full-year EBIT margin target of 12%–14% expected to be reached only just

| (in EUR millions) | H1 2019 | H1 2018 | Δ in % |
|---|---|---|---|
| Sales with external third parties | 207.5 | 182.3 | 13.8 |
| EBITDA | 31.8 | 28.5 | 11.6 |
| Depreciation/Amortisation | -9.0 | -5.9 | -52.5 |
| EBIT | 22.8 | 22.6 | 0.9 |
| EBIT margin (in %) | 11.0 | 12.4 | -1.4 pp |
| Capital expenditure | 3.8 | 4.4 | -13.6 |



# INDUS IN FIGURES

## MEDICAL ENGINEERING/LIFE SCIENCE H1 2019

[INDUS]

# DISPROPORTIONATE EARNINGS GROWTH

- Revenue growth generated by almost all product areas
- Disproportionate increase in operating result attributable to orthotic devices and medical stockings as well as rehabilitation equipment
- Optical lenses and optics significantly increased their contribution to earnings
- Competitive non-wovens and operating theater kits segments recorded slightly lower EBIT
- At 11.2%, EBIT margin is within target range already at 6-month stage
- Expected stabilization of H1 result and achievement of EBIT margin target range of 11%–13%

| (in EUR millions) | H1 2019 | H1 2018 | Δ in % |
|---|---|---|---|
| Sales with external third parties | 81.5 | 77.7 | 4.9 |
| EBITDA | 13.7 | 11.9 | 15.1 |
| Depreciation/Amortisation | -4.6 | -3.5 | -31.4 |
| EBIT | 9.1 | 8.4 | 8.3 |
| EBIT margin (in %) | 11.2 | 10.8 | 0.4 pp |
| Capital expenditure | 1.8 | 3.2 | -43.8 |

# INDUS IN FIGURES

## METALS TECHNOLOGY H1 2019

[INDUS]

# SLIGHT DECLINE IN REVENUES

- Segment records slight decline in revenues
- Mainly due to reduced revenues in carbide tool production and mining
- Segment unable to repeat the exceptionally high revenues of the previous year
- Lower revenues and under-utilization have adverse impact on earnings
- At EUR 16.3 million, operating result therefore down by EUR 6.2 million on previous year
- Reaching the full-year EBIT margin target of 8%–10% will be challenging

| (in EUR millions) | H1 2019 | H1 2018 | Δ in % |
|---|---|---|---|
| Sales with external third parties | 213.6 | 216.3 | -1.2 |
| EBITDA | 24.7 | 29.5 | -16.3 |
| Depreciation/Amortisation | -8.4 | -7.0 | -20.0 |
| EBIT | 16.3 | 22.5 | -27.6 |
| EBIT margin (in %) | 7.6 | 10.4 | -2.8 pp |
| Capital expenditure | 3.9 | 3.9 | 0.0 |

# OUTLOOK FOR 2019

## INDUS SEGMENTS

## PORTFOLIO COMPANIES CONFRONTED WITH ECONOMIC SLOWDOWN

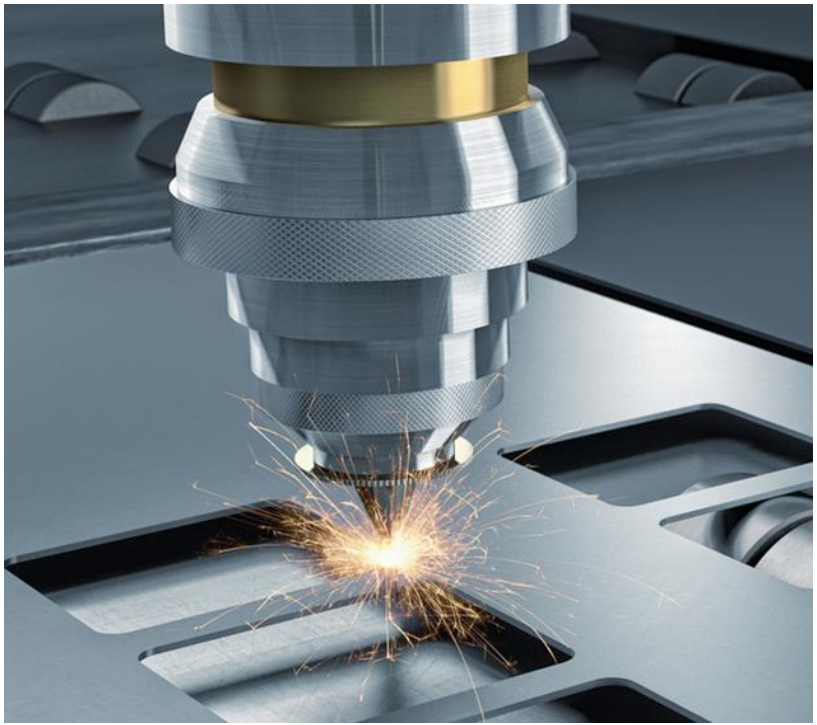
CONSTRUCTION/INFRASTRUCTURE
- Segment aiming for new records; growth limited by shortage of skilled labor
- Excellent margin again expected

AUTOMOTIVE TECHNOLOGY
- No market recovery, segment situation becoming tighter
- Automotive crisis now also affects investments before and after series production
- Slightly positive result expected for 2019 (incl. sale of minority interest)

ENGINEERING
- Segment generally on track, good order situation until 2020
- Demand at some smaller portfolio companies has eased

MEDICAL ENGINEERING/LIFE SCIENCE
- Slightly higher revenues, improved earnings
- Optimistic outlook for the segment

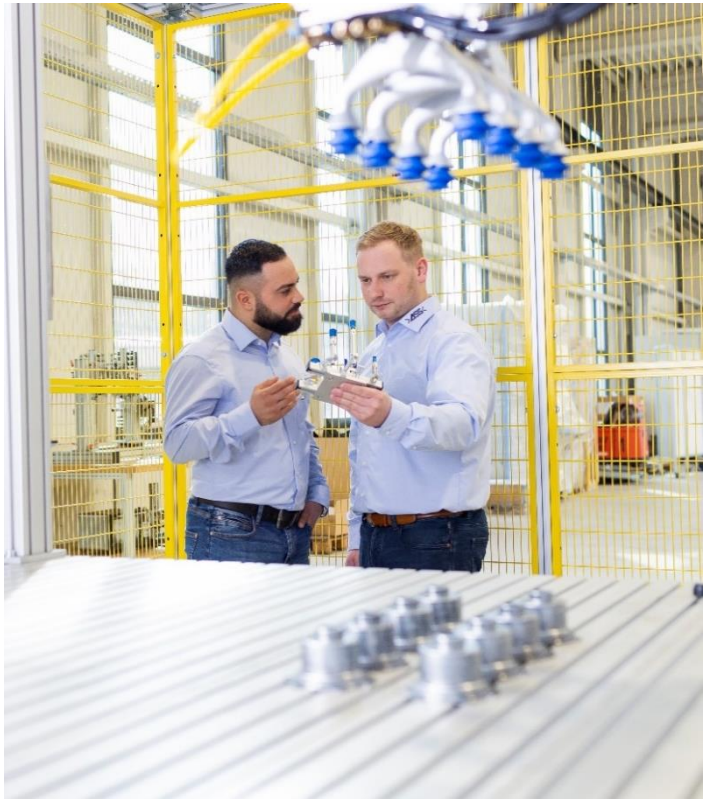
METALS TECHNOLOGY
- Rising material prices and export problems
- Positive trend from the previous year cannot be continued



# OUTLOOK FOR 2019

## FRAMEWORK CONDITIONS AND INDUS GROUP

- Further intensification of competitive conditions: subdued economic expectations and latent political risks such as trade dispute and Brexit
- Automotive crisis now affects not only series production suppliers but also pre- and post series companies, declining call-off figures, increasing pressure on margins, cost-cutting measures by OEMs, reliable long-term forecasts virtually impossible
- Good or solid performance in other segments will not be sufficient to fully offset the negative impact on the Automotive Technology segment
- Projected EBIT range therefore needs to be adjusted



# OUTLOOK FOR 2019

## GUIDANCE FOR THE GROUP

[INDUS]

## VERY DIFFICULT ENVIRONMENT FOR ENTIRE AUTOMOTIVE TECHNOLOGY SEGMENT

## OVERALL SUBDUED EXPECTATIONS FOR FISCAL YEAR 2019

| GROUP | ACTUAL 2018 | PLAN 2019 |
|---|---|---|
| Sales | EUR 1.71 billion | EUR 1.72 – 1.77 billion |
| EBIT | EUR 134.7 million | ~~EUR 156 – 162 million~~<br>EUR 129 – 135 million |
| Acquisitions | 2 complementary additions at sub-subsidiary level | 2 growth acquisitions |
| Investments in property, plant, and equipment and intangible assets | EUR 90.9 million | EUR 89 million |
| Equity ratio | 41,3% | >40% |
| Ratio of net debt to EBITDA | 2.2 years | Between 2.0 and 2.5 years |

# AGENDA

[INDUS]

1 ENTERPRISE SUCCESSION IN GERMANY
2 INDUS – OUR DNA
3 PARKOUR – OUR STRATEGY
4 INDUS IN FIGURES – H1 2019 AND OUTLOOK
5 SHARE AND DIVIDEND
6 APPENDIX

# SHARE AND DIVIDEND

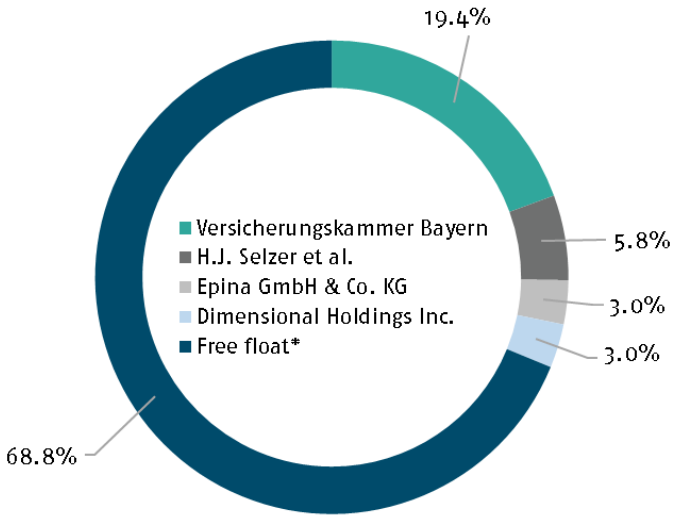
## VERY STABLE SHAREHOLDER BASE

[INDUS]

# ANCHOR SHAREHOLDERS SUPPORT LONG-TERM COURSE OF BUSINESS

| | |
|---|---|
| WKN/ISIN | 620010/DE 000 620 010 8 |
| Established/IPO | 1986/1995 |
| Fiscal year | 01.01. – 31.12. |
| Capital stock | EUR 63,6 milion |
| Number of shares | 24,450,509 no-name bearer shares |
| Last capital increase | 02.12.2013 |
| Free float | approx. 72% |
| Stock exchanges | XETRA, Düsseldorf, Frankfurt (regulated market) |
| | Tradegate Exchange, Berlin, Hamburg, Hanover, Munich, Stuttgart (open market) |
| Index | SDAX |
| Designated Sponsors | Bankhaus Lampe, Commerzbank, HSBC Trinkaus & Burkhardt |

Shareholder base (as of 14.10.2019)




*The German Stock Exchange defines free float as all shares not held by major shareholders (share of capital of at least 5%). According to this definition, free float amounts to 74.8%.

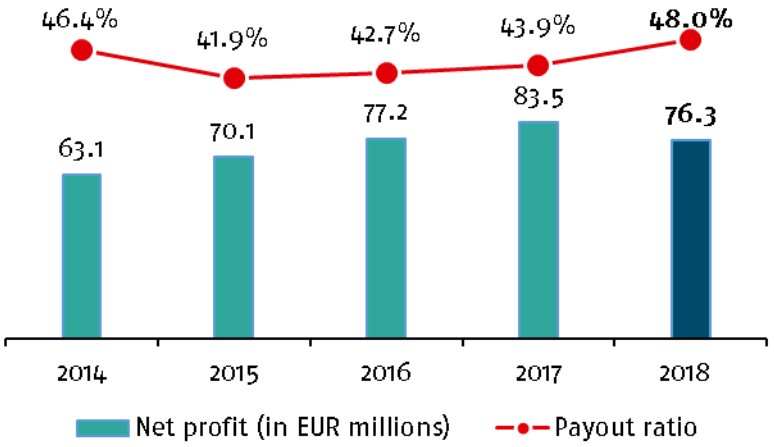
# SHARE AND DIVIDEND

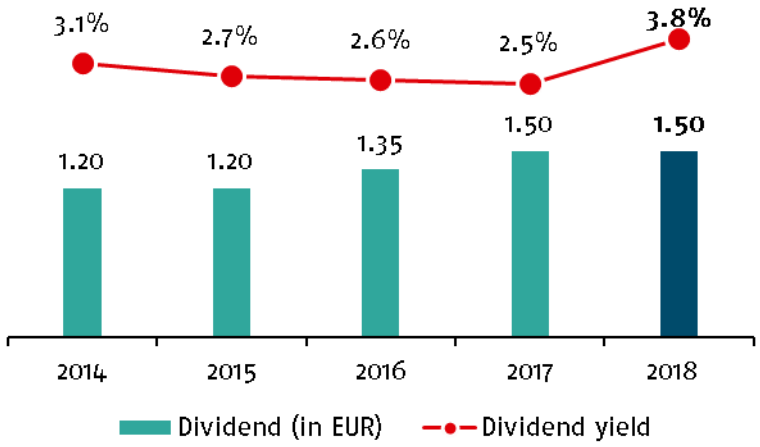
## DIVIDEND FOR THE FISCAL YEAR 2018

Shareholders regularly participate in successful business performance

A good 50% of profits are retained to strengthen the company

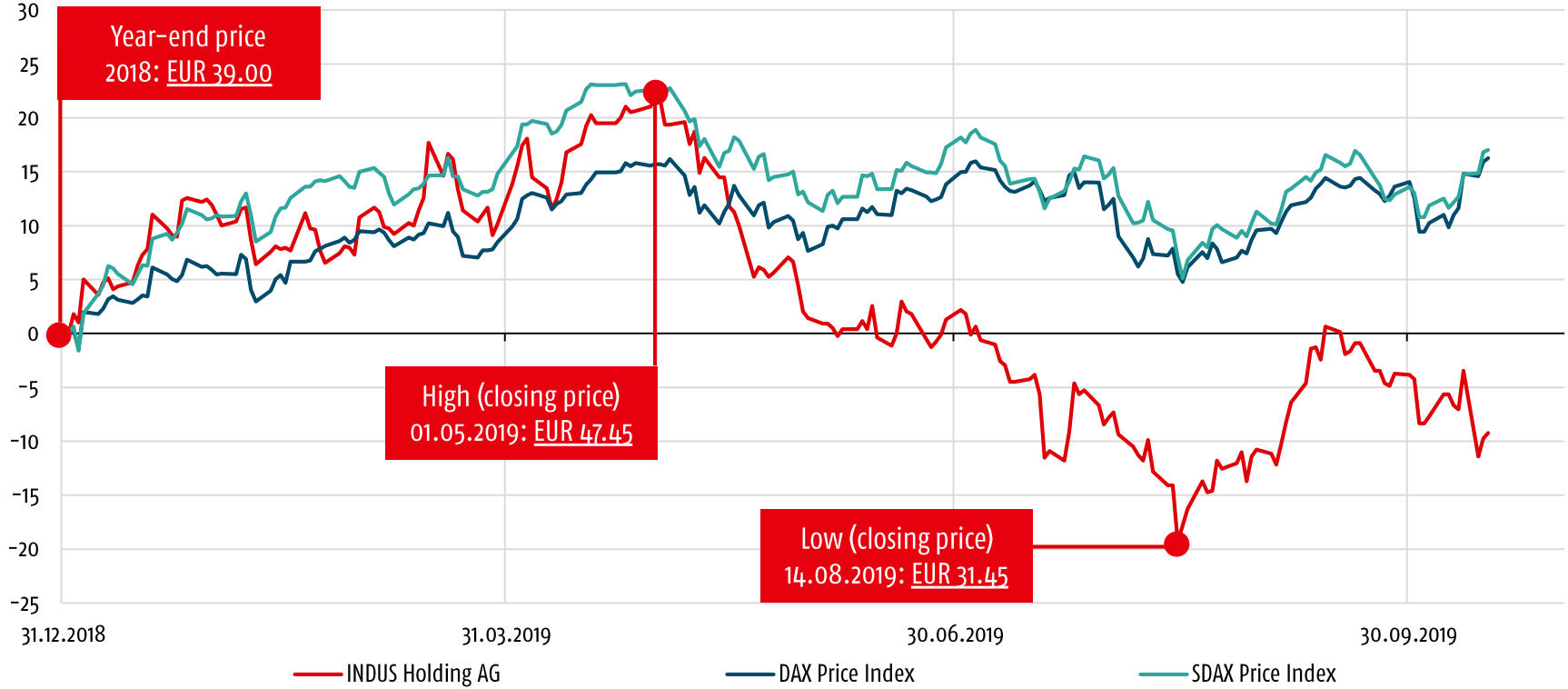
Up to 50% of profits are distributed



# SHARE AND DIVIDEND

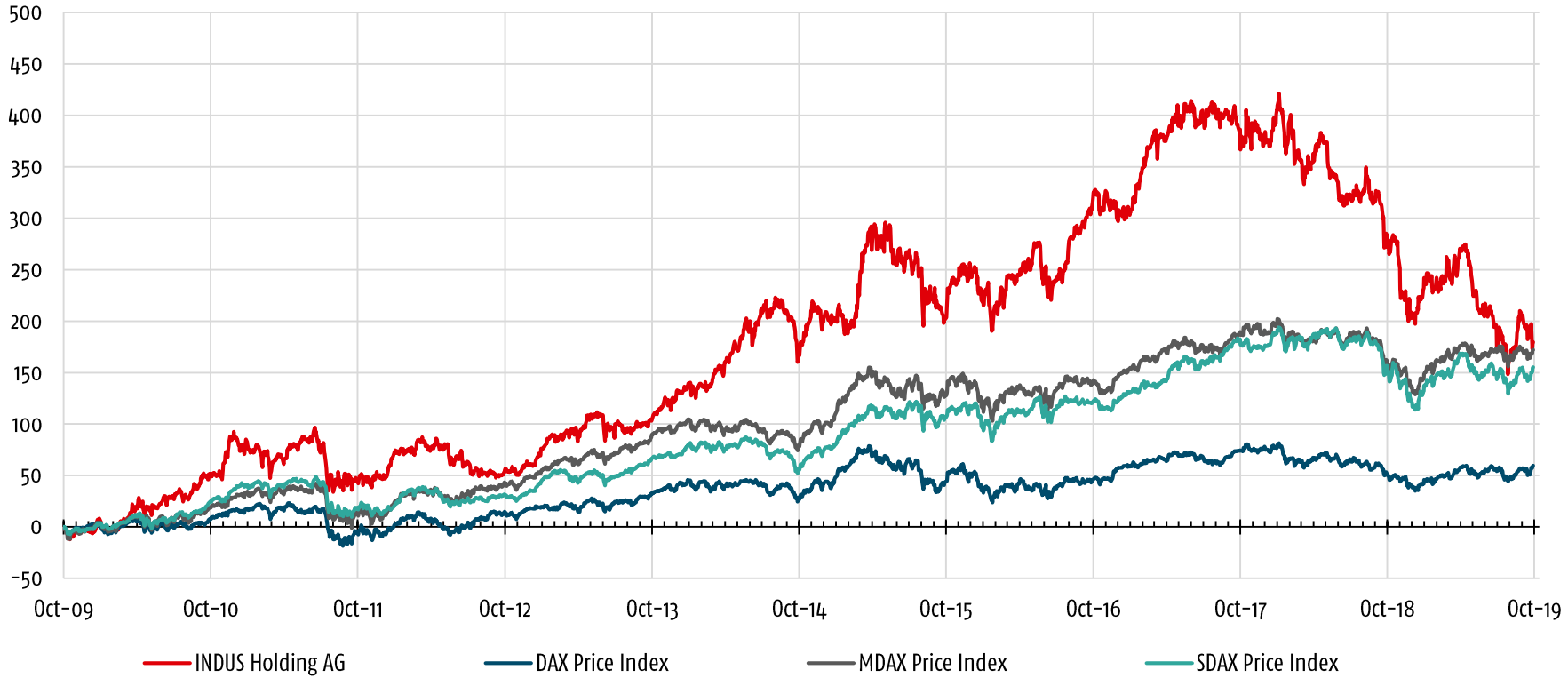
## FISCAL YEAR 2019: HIGH PRESSURE ON SHARE PRICE AFTER SIGNIFICANT RECOVERY*




*Indexed, in %, price indices (excl. dividends), data as of 16.10.2019, source: Bloomberg (XETRA trading)

# SHARE AND DIVIDEND

## SOLID SHARE PRICE PERFORMANCE* OVER THE PAST 10 YEARS



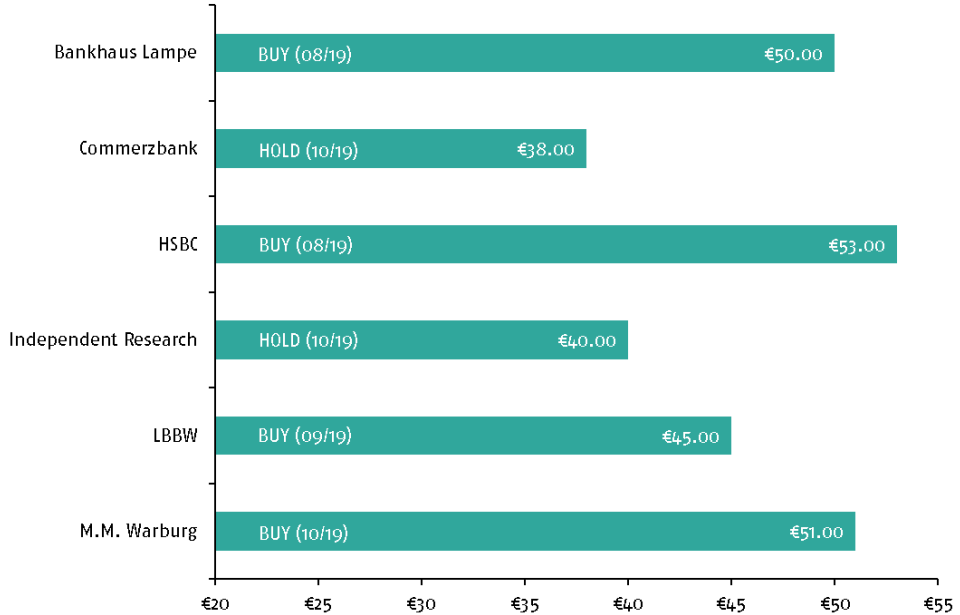

*Indexed, in %, price indices (excl. dividends), data as of 16.10.2019, source: Bloomberg (XETRA trading)

[INDUS]

# EQUITY RESEARCH

- Six banks and investment houses are currently watching INDUS shares.
- The average price target is currently EUR 46.17 (median at EUR 47.50).

## ANALYST ESTIMATES AND RECOMMENDATIONS



# THANK YOU VERY MUCH

## FOR YOUR ATTENTION!

[INDUS]

Starting on the left:

Dr. Jörn Großmann
(Board member)

Axel Meyer
(Board member)

Dr.-Ing. Johannes Schmidt
(Chairman of the Board)

Rudolf Weichert
(Board member)

# AGENDA

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# CONTACT

## CORPORATE COMMUNICATIONS

[INDUS]

## INVESTOR RELATIONS


JULIA PSCHRIBÜLLA

+49 (0) 2204-4000-66

investor.relations@indus.de


## PUBLIC RELATIONS


MANDY LANGE

+49 (0) 2204-4000-31

presse@indus.de

# FINANCIAL CALENDAR

## PUBLICATION AND CAPITAL MARKET DATES IN 2019

| DATE | EVENT | VENUE |
|---|---|---|
| 14 November 2019 | Interim Report on 9M/Q3 2019 | Publication |
| 26 & 27 November 2019 | German Equity Forum (Deutsche Börse) | Frankfurt/Main |
| 5 December 2019 | Roadshow | Munich |

# ECONOMIC DEVELOPMENT 2018

[INDUS]

## FISCAL YEAR 2018 AT A GLANCE

| EARNINGS FIGURES | 2018 | 2017 | Δ in % |
|---|---|---|---|
| Sales | 1,710.8 | 1,640.6 | 4.3 |
| EBITDA | 218.4 | 215.3 | 1.4 |
| EBIT before impairments | 150.8 | 152.9 | -1.4 |
| EBIT before after impairments (in %) | 8.8 | 9.3 | -0.5 pp |
| Impairments | -16.1 | 0.0 | - |
| EBIT after impairments | 134.7 | 152.9 | -11.9 |
| EBIT margin after impairments (in %) | 7.9 | 9.3 | -1.4 pp |
| EBT | 114.7 | 129.2 | -11.2 |
| Earnings after taxes | 71.2 | 83.1 | -14.3 |

| CASHFLOW FIGURES | 2018 | 2017 | Δ in % |
|---|---|---|---|
| Operating cashflow | 96.0 | 145.0 | -33.8 |
| Cash flow from operating activity | 74.7 | 124.0 | -39.8 |
| Cash flow from investing activity | -98.3 | -110.0 | 10.6 |
| Cash flow from financing activity | -2.8 | -3.9 | 28.2 |
| Cash and cash equivalents | 109.6 | 135.9 | -19.4 |

| OTHER KEY FIGURES | 2018 | 2017 | Δ in % |
|---|---|---|---|
| Earnings per share (in EUR) | 2.90 | 3.37 | -13.9 |
| Employees (on average) | 10,714 | 10,210 | 4.9 |
| Investments (number) | 45 | 45 | 0,0 |

| BALANCE SHEET FIGURES | 31.12.2018 | 31.12.2017 | Δ in % |
|---|---|---|---|
| Total assets | 1,720.0 | 1,653.2 | 4.0 |
| Equity capital | 709.8 | 673.8 | 5.3 |
| Equity ratio (in %) | 41.3 | 40.8 | 0.5 pp |
| Net debt | 482.8 | 398.9 | 21.0 |

(in EUR millions)

SALES AND EARNINGS CONTRIBUTIONS OF THE SEGMENTS

# AGAIN OUTSTANDING RESULTS FOR CONSTRUCTION/INFRASTRUCTURE AND ENGINEERING

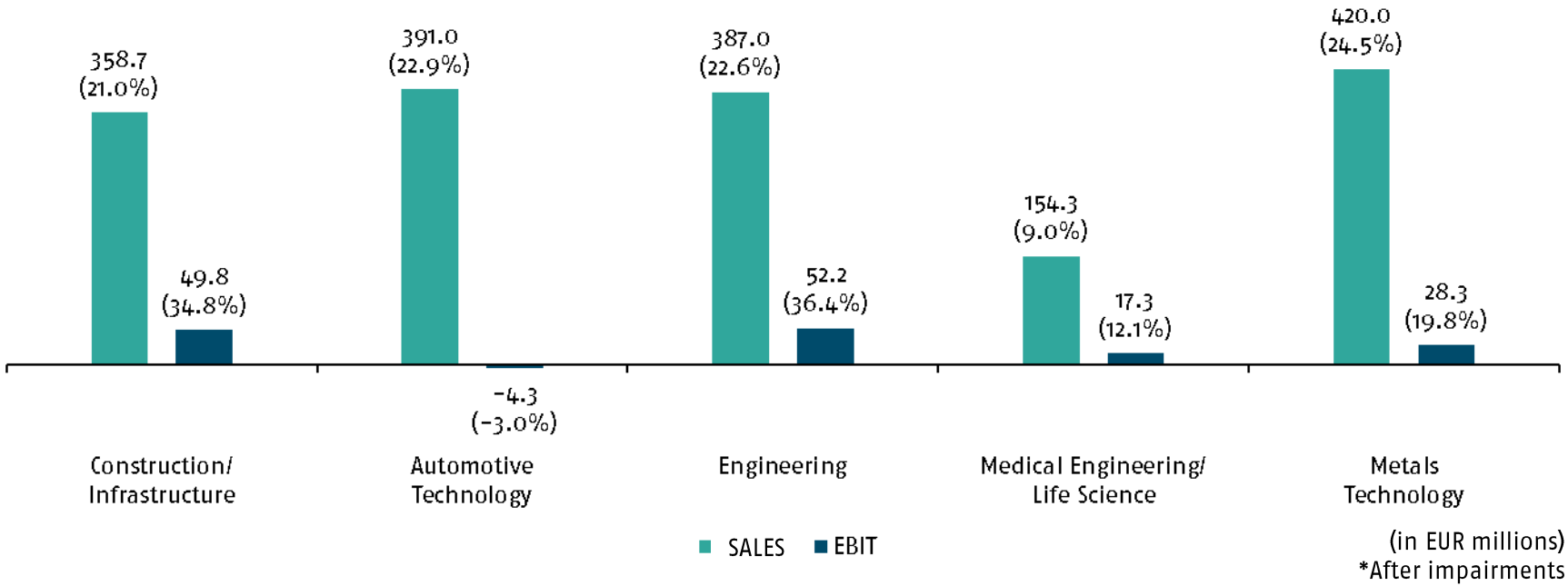
| (in EUR millions) | Construction/ Infrastructure | Automotive Technology | Engineering | Medical Engineering/ Life Science | Metals Technology |
|---|---|---|---|---|---|
| Sales with external third parties | 358.7 | 391.0 | 387.0 | 154.3 | 420.0 |
| EBITDA | 59.9 | 28.6 | 64.4 | 24.7 | 48.5 |
| Depreciation/Amortisation | -10.1 | -23.4 | -12.2 | -7.4 | -13.6 |
| EBIT before impairments | 49.8 | 5.2 | 52.2 | 17.3 | 34.9 |
| EBIT margin before impairments (in %) | 13.9 | 1.3 | 13.5 | 11.2 | 8.3 |
| Impairments | - | -9.5 | - | - | -6.6 |
| EBIT after impairments | - | -4.3 | - | - | 28.3 |
| EBIT margin after impairments (in %) | - | -1.1 | - | - | 6.7 |
| Capital expenditure | 25.5 | 29.5 | 12.0 | 8.4 | 26.3 |
| Employees | 1,839 | 3,524 | 2,027 | 1,687 | 1,602 |

# ECONOMIC DEVELOPMENT 2018

[INDUS]

## SALES AND EBIT CONTRIBUTIONS OF THE SEGMENTS

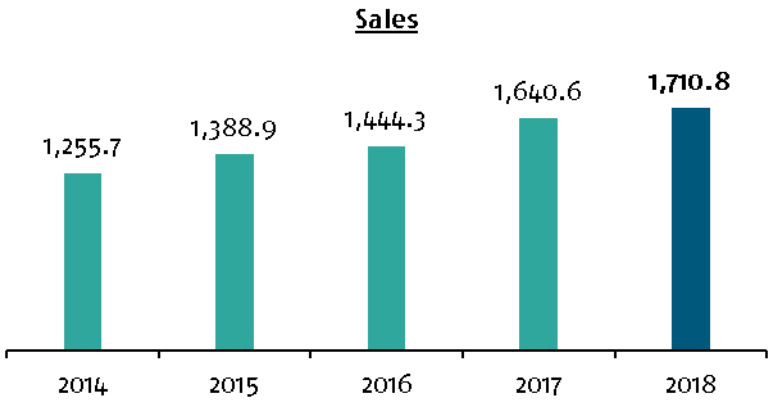
## CONSTRUCTION/INFRASTRUCTURE AND ENGINEERING MAKE HIGHER CONTRIBUTIONS TO REVENUES AND EARNINGS (EBIT)*

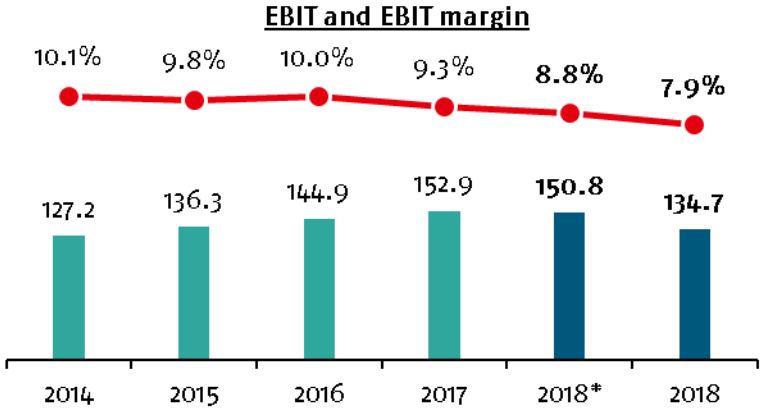


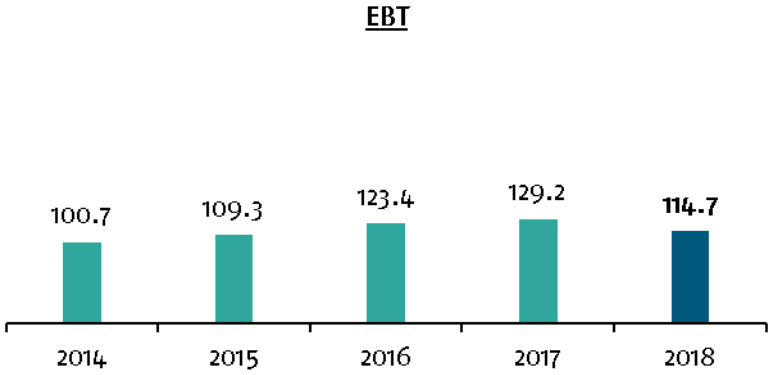

(in EUR millions)
*After impairments

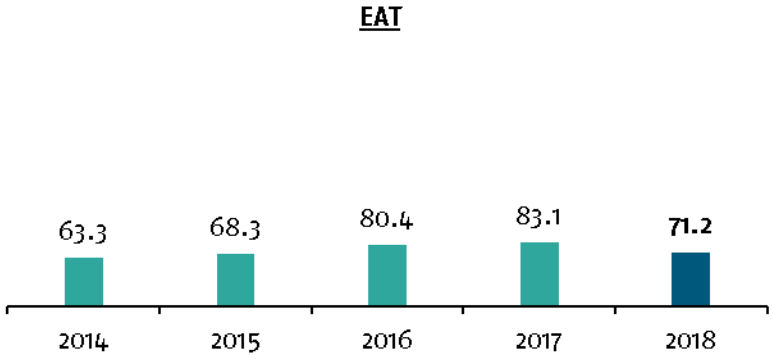
# INDUS IN FIGURES

## PERFORMANCE IN THE PAST FIVE YEARS



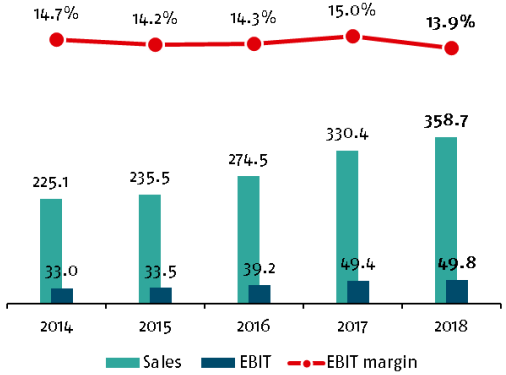

(in EUR millions) *Before impairment

# INDUS IN FIGURES

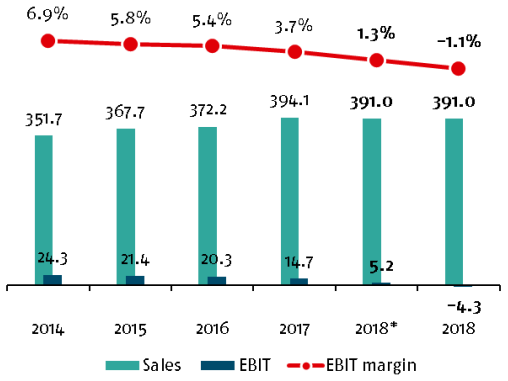
## PERFORMANCE OF THE SEGMENTS IN THE PAST FIVE YEARS

(in EUR millions)

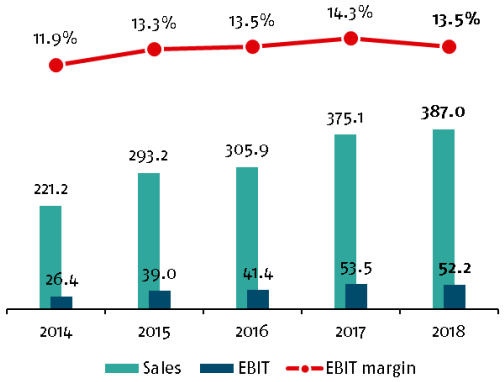
### CONSTRUCTION/INFRASTRUCTURE



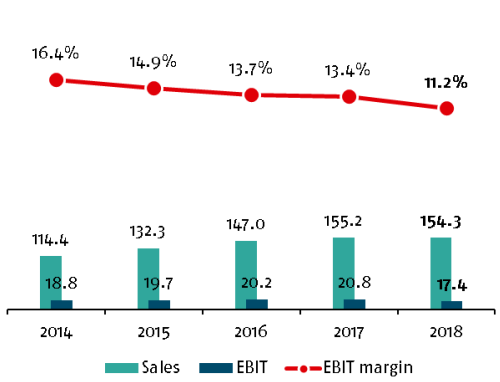

### AUTOMOTIVE TECHNOLOGY



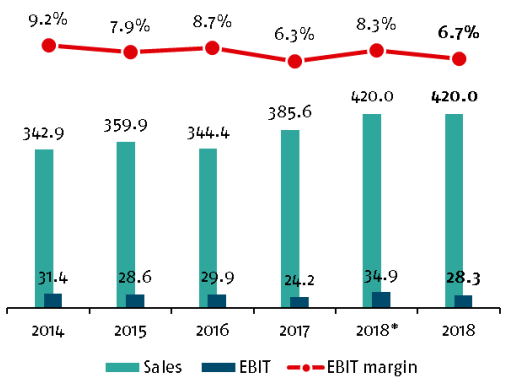

### ENGINEERING




### MEDICAL ENGINEERING/LIFE SCIENCE




### METALS TECHNOLOGY



# INDUS PORTFOLIO COMPANIES

## CONSTRUCTION/INFRASTRUCTURE SEGMENT

[INDUS]

| COMPANIES | DESCRIPTION | LOCATIONS |
|---|---|---|
| ancotech | Anchoring and reinforcement technology | Diesldorf (CH), Rossens (CH), Cologne (DE), Lauchhammer (CH) |
| BETOMAX systems | Anchoring and reinforcement technology | Neuss (DE), Halle (DE) |
| FS BF | Sealants made of silicone and acrylic | Reichshof/Hahn (DE), Korntal-Münchingen (DE) |
| hauff technik | Innovative sealing systems for cables and pipes | Hermaringen (DE), Jagstzell (DE), Oensingen (CH), Dubai (VAE), Singapur (SG) |
| heitz furnierkantenwerk | Edge and wrapping veener | Melle (DE), Heath (USA), Pusztaszabolcs (HU) |
| YOU FIRST. MIGUA | Expansion gap profiles for large projects | Wülfrath (DE), Dubai (VAE) |
| OBUK HAUSTÜREN ZUM LEBEN | High-quality front door panels | Oelde (DE), Sittensen, Chociwel (PL), Malacky (SK) |
| REMKO | Air-conditioning devices, hot-air heating systems, inverter heat pumps, air de-humidifiers | Lage (DE), Luvia (FIN) |
| SCHUSTER Klima Lüftung | Ventilation and air conditioning planning and construction | Friedberg (DE) |
| WB WeigandBau GmbH | Special underground construction for planning and laying cable conduits (data, gas, water, district heating) | Bad Königshofen im Grabfeld (DE) |
| WEINRICH | Powder-coating of facades and ceiling and wall elements | Oberviechtach (DE) |

# INDUS PORTFOLIO COMPANIES

## AUTOMOTIVE TECHNOLOGY SEGMENT

| COMPANIES | DESCRIPTION | LOCATIONS |
|---|---|---|
| AURORA Advanced HVAC Solutions | Heating and air-conditioning systems for vehicles | Mudau (DE), Grand Rapids (USA), Istanbul (TR), Nuenen (NL), Oettingen (DE), Shanghai (CN), Weert (NL) |
| BILSTEIN SIEKERMANN | Innovative cold extrusion parts, turned parts, and locking screws | Hillesheim (DE), Taicang (CN) |
| IPETRONIK | Measurement systems and services for automotive development | Baden-Baden (DE), Bangalore (IN), Düsseldorf (DE), Eichstätt (DE), Olching (DE), Schaffhausen (CH), Wixom (USA) |
| KIEBACK Reine Formsache | Prototype parts and small series for the automotive industry | Osnabrück (DE) |
| SCHÄFER Modellbaukompetenz | Modules and mold construction for the automotive and aviation industries | Osnabrück (DE), Mühlhausen (DE), München (DE), Kunshan (CN), Grand Rapids (US) |
| SELZER Systemorientierte Präzisionstechnik | Components and assemblies for transmissions, brakes, and engines | Driedorf (DE), Schwelm (DE), Vinhedo (BR), Shanghai (CN) |
| SITEK | Tire studs and carbide tools | Aichhalden (DE) |
| sma metalltechnik | Duct systems for automotive air-conditioning and servo technology | Backnang (DE), Halle (DE), East London (ZA), Oradea (RU), Shenyang (CN) |
| WIESAUPLAST | Plastic components for automotive technology | Wiesau (DE), Novi (US), San José Iturbide (MEX) |

# INDUS PORTFOLIO COMPANIES

[INDUS]

## ENGINEERING SEGMENT

| COMPANIES | DESCRIPTION | LOCATIONS |
|---|---|---|
| ASSK | Robotic hands and automation systems for manufacturers | Overath (DE), Wörth an der Donau (DE), Plymouth (US) |
| BUDDE FÖRDERTECHNIK | Specialist for logistics and material flows | Bielefeld (DE), Delmenhorst (DE), Murrhardt (DE), Schmalkalden (DE) |
| eltherm innovations in heat tracing | Energy technology company | Burbach (DE), Astana (KAZ), Barcelona (ES), Casablanca (MA), Cernusco (IT), Korolev (RUS), Newbury (GB), Rheinau (CH), Sandton (ZA), Santiago de Chile (CL), Shanghai (CN), Singapur (SG), Toronto (CD) |
| GSR | Innovative valve technology for highly demanding industrial applications | Vlotho (DE) |
| HORNGROUP | Fueling technology and repair shop solutions | Flensburg (DE), Humble (USA), Mumbai (IND), Shanghai (CN), Sheffield (GB) |
| IEF WERNER | Components for automation technology | Furtwangen (DE) |
| MBN SACHSEN | Special machinery for vehicle assembly | Ebersbach-Neugersdorf (DE), Montgomery (USA), Changchun (CN) |
| mBRAUN | Inert gas glovebox systems for industry and research | Garching (DE), Dresden (DE), Mansfield (GB), Mérignac Cedex (FR), Seoul (ROK), Shanghai (CN), Stratham (USA) |
| mp INTERNATIONAL | Measurement and test systems for vibration control and analysis | Hanover (DE), Farnham (GB), Montesson (FR), Verona/New Jersey (USA), Peking (CN) |
| MESUTRONIC | Metal and foreign body detection in production processes | Kirchberg im Wald (DE), Colmar (FR) |
| peiseler | NC rotary tables and NC rotary tilt tables for technology-intensive positioning of workpieces | Remscheid (DE), Morbach (DE), Grand Rapids (USA) |
| tsn | International construction of towers | Berlin (DE) |

# INDUS PORTFOLIO COMPANIES

## MEDICAL ENGINEERING/LIFE SCIENCE

| COMPANIES | DESCRIPTION | LOCATIONS |
|---|---|---|
| imeco | Assembly of non-woven fabric products for medical, cosmetic, cleaning, and personal hygiene products | Hösbach (DE), Königswalde (DE), Lubań (PL) |
| mikrop | Miniaturized precision optics | Wittenbach (CH), Sauerlach (DE), Kać (SRB) |
| ofa bamberg | Compression hosiery, bandages, and made-to-measure orthotic devices | Bamberg (DE), Glauchau (DE), Maastricht (NL), Salzburg (AT), Waldenbuch (DE) |
| Raguse MEDIZINISCHE PRODUKTE | Customized solutions for surgical drapes, gowns, textile surgery consumables | Ascheberg-Herbern (DE), Douar Takad/Sidi-Bibi (MA), Cisnadie (RO) |
| Rolko | Manufacturing and selling of wheels, rollers, tires, rehabilitation accessories | Borgholzhausen (DE), Houten (NL), Silkeborg (DK), Xiamen (CN) |

# INDUS PORTFOLIO COMPANIES

[INDUS]

## METALS TECHNOLOGY

| COMPANIES | DESCRIPTION | LOCATIONS |
|---|---|---|
| BACHER | Steel and aluminum building modules for the rail industry | Reinach (CH) |
| BETEK | Carbide tools for road construction and mining, tunnel and underground construction, farming, etc. | Aichhalden (DE), Charlotte (USA), Taicang (CN) |
| DESSAUER SCHALTSCHRÄNKE | Metal and sheet metal parts, components, switch cabinets, machine panels | Dessau (DE) |
| HAKAMA | Casing for medical engineering systems and professional coffee machines | Bättwil bei Basel (CH) |
| KÖCO | Cold working parts and stud welding technology | Ennepetal (DE), Moskau (RUS), Žacléř (CZ) |
| mewesta | Hydraulic blocks and systems | Münsingen (DE) |
| planetroll | Power transmission technology, stirring technology, plant engineering | Munderkingen (DE) |
| HELMUT RÜBSAMEN GMBH & CO. KG | Metal processing and forming technology | Bad Marienberg (DE), Eichenstruth (DE) |
| SIMON | Components and assemblies made from metal and plastic, galvanic finishing | Aichhalden (DE), Rickenbach (CH) |
| VULKAN | Stainless steel blasting agents for surface treatments | Hattingen (DE), Brantford (CD) |

# INDUS HOLDING AG

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