

INDUS Holding AG

Germany | Financial Services | MCap EUR 580.9m

20 February 2025

UPDATE



FY24 results in-line with guidance; Easing pressure in Q4; BUY

BUY (BUY)

Target price	EUR 34.00 (34.00)
Current price	EUR 21.60
Up/downside	57.4%



What's it all about?

INDUS announced preliminary results for FY24, demonstrating resilience in a challenging economic environment. Revenues reached EUR 1.72bn, down 4.6% yoy, but within the company's guidance of EUR 1.70-1.80bn. EBIT fell disproportionately to EUR 126.7m, down 15% yoy but above the guidance range of EUR 115-125m. By segment, Engineering remained stable despite the weakness in the sector, while Materials faced volume declines and price pressure. Infrastructure reported a slight decline in sales but an increase in EBIT. INDUS continued its M&A strategy and acquired several companies in FY24. A further three acquisitions had already been made by the beginning of FY25, demonstrating INDUS' continued focus on external growth. Overall, INDUS met or exceeded its FY24 guidance, showed improving quarterly sales trends and maintained a solid financial position for future growth. We maintain our BUY rating with an unchanged PT of EUR 34.00.

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

MAIN AUTHOR

Thomas Wissler

t.wissler@mwb-research.com

+49 40 309 293-58

mwb-research.com

This research is the product of mwb research, which is registered with the BaFin in Germany.

INDUS Holding AG

Germany | Financial Services | MCap EUR 580.9m | EV EUR 1,087.1m

BUY (BUY)

Target price
Current price
Up/downside

EUR 34.00 (34.00)
EUR 21.60
57.4%

MAIN AUTHOR

Thomas Wissler
t.wissler@mwb-research.com
+49 40 309 293-58

FY24 results in-line with guidance; Easing pressure in Q4; BUY

INDUS announced its preliminary FY24 results this morning, demonstrating resilience in a challenging economic environment. The company's performance was broadly in line with its guidance and only slightly below our expectations.

A challenging year but with easing pressure For FY24, INDUS reported revenues of EUR 1.72bn, a decline of 4.6% yoy, reflecting the difficult market conditions in several sectors. These results were within INDUS' guidance range of EUR 1.70-1.80bn and mwb's estimates of EUR 1.75bn. Despite the weakness in the machinery and plant engineering sector, INDUS' Engineering segment remained almost stable at EUR 597m (prev. year EUR 600m). In contrast, sales in the Materials segment were characterised by a sharp decline in volumes and price pressure, resulting in a decline in sales of around 9% yoy to EUR 565m. In an economically challenging market, Infrastructure segment sales amounted to EUR 560m, down 3.8% yoy. On a positive note, the quarterly sales development improved throughout the year, with Q4 sales almost flat yoy after -9%, -5.4% and -3.6% in Q1-Q3 respectively.

Weaker earnings but within guidance range The FY24 results showed a disproportionate decline in profitability compared to the previous year. FY24 EBIT was EUR 126.7m, compared to EUR 149.6m in FY23 (-15%). While this figure exceeded the company's guidance of EUR 115-125m, it fell slightly short of mwb's estimates of an operating profit of around EUR 133m for FY24. The main reasons for the disproportionate decline in earnings were additional impairment charges, acquisition-related costs (PPA), economies of scale, but also changes in the product mix and price pressure. As a result, INDUS' EBIT margin was 90 basis points lower than in the previous year, at 7.4%, but well within the expected range of 7-8%. Finally, adjusted EBITA, which excludes impairments and PPA amortization, reached EUR 153.7m, compared to EUR 188.1m in the previous year.

Taking advantage of market opportunities INDUS continued its M&A activities in 2024 and expanded its portfolio with the acquisitions of GESTALT AUTOMATION, DECKMA, GRIDCOM and COLSON. The company's strong cash flow and solid financial position have enabled it to pursue these growth-oriented acquisitions. In addition, INDUS has already completed three further acquisitions at the beginning of 2025, demonstrating its commitment to strategic expansion.

INDUS Holding AG	2021	2022	2023	2024P	2025E	2026E
Sales	1,633.5	1,804.1	1,802.4	1,720.0	1,810.6	1,896.6
<i>Growth yoy</i>	4.8%	10.4%	-0.1%	-4.6%	5.3%	4.7%
EBITDA	251.2	262.5	258.1	241.7	246.2	248.5
EBIT	165.6	133.7	149.5	126.7	143.4	151.5
Net profit	46.8	-42.2	55.4	70.3	79.8	87.9
Net debt (net cash)	504.1	593.6	506.2	433.8	356.5	302.1
Net debt/EBITDA	2.0x	2.3x	2.0x	1.8x	1.4x	1.2x
EPS reported	1.78	-1.57	2.06	2.61	2.97	3.27
DPS	1.05	0.80	1.20	0.92	0.98	1.01
<i>Dividend yield</i>	4.9%	3.7%	5.6%	4.2%	4.5%	4.7%
Gross profit margin	55.0%	53.3%	54.6%	53.5%	52.6%	52.1%
EBITDA margin	15.4%	14.5%	14.3%	14.1%	13.6%	13.1%
EBIT margin	10.1%	7.4%	8.3%	7.4%	7.9%	8.0%
ROCE	10.1%	8.2%	8.8%	8.7%	10.1%	10.7%
EV/Sales	0.7x	0.7x	0.6x	0.6x	0.5x	0.5x
EV/EBITDA	4.3x	4.5x	4.2x	4.2x	3.8x	3.6x
EV/EBIT	6.6x	8.8x	7.3x	8.0x	6.5x	5.8x
PER	12.1x	-13.8x	10.5x	8.3x	7.3x	6.6x

Source: Company data, mwb research



Source: Company data, mwb research

High/low 52 weeks 29.10 / 19.46
Price/Book Ratio 0.8x

Ticker / Symbols

ISIN DE0006200108
WKN 620010
Bloomberg INH:GR

Changes in estimates

		Sales	EBIT	EPS
2024P	old	1,748.4	133.3	2.78
	Δ	-1.6%	-5.0%	-6.1%
2025E	old	1,840.5	147.2	3.07
	Δ	-1.6%	-2.6%	-3.2%
2026E	old	1,927.9	155.2	3.36
	Δ	-1.6%	-2.4%	-2.8%

Key share data

Number of shares: (in m pcs) 26.90
Book value per share: (in EUR) 26.71
Ø trading vol.: (12 months) 19,124

Major shareholders

Versicherungskammer Bayern 13.0%
H.J. Selzer et al. 5.6%
Protector Forsikring 5.7%
Free Float 66.6%

Company description

INDUS Holding acquires small and medium-sized companies. Within its three segments (Engineering, Infrastructure and Materials) it operates a buy-and-hold strategy. INDUS is specializing in industries such as construction, automotive, engineering (including inert gas glove box systems and automated valves), healthcare and basic materials processing.

Conclusion Comparing the FY24 results with the company's guidance, INDUS has largely met or exceeded its forecasts - although mwb had slightly higher expectations for sales and earnings. In our view, the easing of the pressure on sales in the course of the year was a reassuring signal. In our view, this - together with acquisitive growth - sets the stage for a rebound in sales in FY25E, even though economic uncertainties seem to remain. We reiterate our BUY rating with an unchanged PT of EUR 34.00. Full FY24 results and FY25 guidance will be published on 24 March. The company will also announce its 2030 growth strategy.

The following table displays the quarterly performance of **INDUS Holding AG**:

P&L data	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024
Sales	459.0	450.8	453.3	459.7	438.6	410.1	429.0	443.1
yoy growth in %	3.1%	8.2%	-3.5%	0.2%	-4.4%	-9.0%	-5.4%	-3.6%
Gross profit	245.6	249.4	245.6	252.8	241.5	229.4	235.5	251.2
Gross margin in %	66.5%	55.3%	54.2%	55.0%	55.1%	55.9%	54.9%	56.7%
EBITDA	74.8	80.7	62.0	86.0	67.1	64.1	59.7	61.3
EBITDA margin in %	16.3%	17.9%	13.7%	18.7%	15.3%	15.6%	13.9%	13.8%
EBIT	51.3	59.4	40.1	63.1	44.0	42.4	37.3	31.8
EBIT margin in %	11.2%	13.2%	8.8%	13.7%	10.0%	10.3%	8.7%	7.2%
EBT	33.8	40.9	34.0	27.6	29.7	21.9	32.8	26.3
taxes paid	7.1	12.0	11.4	8.6	23.7	7.4	11.0	8.4
tax rate in %	21.0%	29.3%	33.5%	31.1%	79.8%	33.9%	33.5%	31.9%
net profit	25.8	24.9	21.5	23.5	12.6	10.2	21.5	17.6
yoy growth in %	222.5%	-1.3%	-31.4%	-3,479.9%	-51.2%	-59.2%	-0.1%	-25.1%
EPS	-0.44	0.60	0.83	0.80	0.47	0.38	0.83	0.68

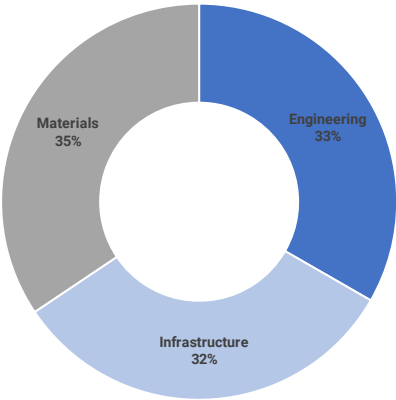
Source: Company data; mwb research

Investment case in “six” charts

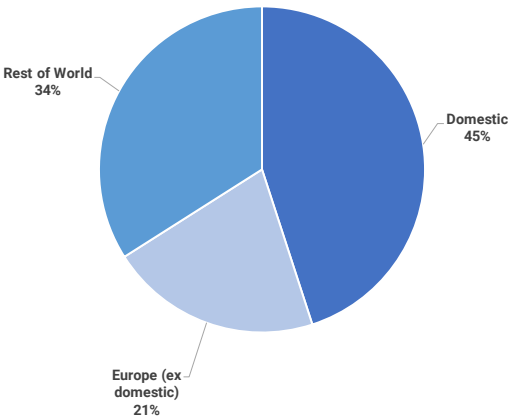
Products & Services



Segmental breakdown in %



Regional sales split in %

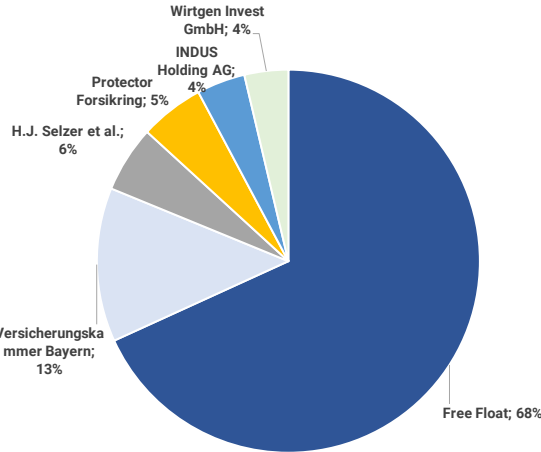


Guidance 2024

	GROUP	
	2023	Forecast Aug 2024
Sales (in EUR billion)	1.80	1.70 -1.80
EBIT (in EUR million)	149.6	125 - 145
EBIT margin (in %)	8.3	7.0 bis 8.0
Free cash flow (in EUR million)*	198.9	>110

*Free cash flow forecast of > 110 EUR million confirmed

Major Shareholders



Source: Company data, mwb research

SWOT analysis

Strengths

- High level management expertise through years of experience in a wide range of industries
- Well diversified portfolio by industries
- Wealth of expertise in the field of operational efficiency, automation, AI and lean management principles
- Access to financial resources
- Strong anchor shareholders

Weaknesses

- Disproportionately higher share of sales depending on the German market
- Focus on cyclical industries
- Relatively large Supervisory Board in relation to the size of the company

Opportunities

- Well filled M&A pipeline
- PARKOUR perform with the potential to strengthen INDUS' portfolio structure and to facilitate innovation
- Higher interest rates lead to normalization of valuations; Hence falling purchase prices open up new investment opportunities
- Increased government spending into infrastructure in order to achieve climate neutrality could support the company's growth outlook

Threats

- Macro economic headwinds and particularly risks of a recession in Germany
- Fierce competition from different angles of the market such as private equity firms or buy-out specialists
- Higher interest rates for a longer period of time

Valuation

DCF Model

The DCF model results in a **fair value of EUR 33.98 per share:**

Top-line growth: We expect INDUS Holding AG to grow revenues at a CAGR of 2.9% between 2024P and 2031E. The long-term growth rate is set at 2.0%.

ROCE. Returns on capital are developing from 8.7% in 2024P to 11.1% in 2031E.

WACC. Starting point is a historical equity beta of 1.50. Unlevering and correcting for mean reversion yields an asset beta of 1.15. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 11.5%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.9%.

DCF (EURm) (except per share data and beta)	2024P	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	87.8	99.4	105.0	103.2	101.7	103.6	103.6	106.0	
Depreciation & amortization	115.0	102.9	96.9	92.8	89.9	87.7	86.3	85.5	
Change in working capital	-3.1	-20.4	-21.0	-12.3	-40.0	-39.0	-13.8	-12.0	
Chg. in long-term provisions	-10.7	10.0	-9.5	-5.9	-6.2	-6.5	-6.8	-7.2	
Capex	-67.7	-71.3	-74.7	-76.2	-77.7	-79.2	-80.8	-82.4	
Cash flow	121.3	120.5	96.8	101.6	67.7	66.6	88.5	89.8	1,325.9
Present value	122.7	112.2	82.9	79.9	48.9	44.2	53.8	50.0	738.3
WACC	8.6%	8.7%	8.7%	8.8%	8.8%	8.8%	8.9%	8.9%	8.9%

DCF per share derived from	
Total present value	1,333.0
Mid-year adj. total present value	1,390.3
Net debt / cash at start of year	506.2
Financial assets	29.7
Provisions and off b/s debt	27.0
Equity value	913.8
No. of shares outstanding	26.9
Discounted cash flow / share	33.98
upside/(downside)	57.3%
Share price	21.60

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2024P-2031E)	2.9%
Terminal value growth (2031E - infinity)	2.0%
Terminal year ROCE	11.1%
Terminal year WACC	8.9%
Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.50
Unlevered beta (industry or company)	1.15
Target debt / equity	0.5
Relevered beta	1.58
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	11.5%

Sensitivity analysis DCF

Change in WACC (%points)	Long term growth					Share of present value	
	1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	22.1	23.1	24.3	25.6	27.0	2024P-2027E	29.8%
1.0%	25.7	27.0	28.5	30.2	32.2	2028E-2031E	14.8%
0.0%	30.1	31.9	34.0	36.4	39.1	terminal value	55.4%
-1.0%	35.9	38.4	41.3	44.8	48.9		
-2.0%	43.6	47.2	51.6	57.0	63.8		

Source: mwb research

FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

The adjusted Free Cash Flow Yield results in a fair value between EUR 30.48 per share based on 2024P and EUR 47.44 per share on 2028E estimates.

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2024P	2025E	2026E	2027E	2028E
EBITDA	241.7	246.2	248.5	241.8	236.8
- Maintenance capex	115.0	102.9	96.9	92.8	89.9
- Minorities	0.9	1.0	1.1	1.1	1.1
- tax expenses	30.5	34.6	38.1	40.5	40.9
= Adjusted FCF	95.3	107.8	112.4	107.4	104.9
Actual Market Cap	580.9	580.9	580.9	580.9	580.9
+ Net debt (cash)	433.8	356.5	302.1	236.4	203.9
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	29.7	29.7	29.7	29.7	29.7
- Acc. dividend payments	32.3	56.9	83.2	110.5	139.4
<i>EV Reconciliations</i>	371.8	270.0	189.3	96.3	34.8
= Actual EV'	952.8	850.9	770.2	677.2	615.8
Adjusted FCF yield	10.0%	12.7%	14.6%	15.9%	17.0%
base hurdle rate	8.0%	8.0%	8.0%	8.0%	8.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	8.0%	8.0%	8.0%	8.0%	8.0%
Fair EV	1,191.5	1,347.5	1,404.5	1,341.9	1,310.7
- <i>EV Reconciliations</i>	371.8	270.0	189.3	96.3	34.8
Fair Market Cap	819.7	1,077.5	1,215.2	1,245.6	1,275.9
No. of shares (million)	26.9	26.9	26.9	26.9	26.9
Fair value per share in EUR	30.48	40.06	45.18	46.31	47.44
Premium (-) / discount (+)	41.1%	85.5%	109.2%	114.4%	119.6%

Sensitivity analysis FV						
Adjusted hurdle rate	6.0%	45.2	56.8	62.6	62.9	63.7
	7.0%	36.8	47.2	52.6	53.4	54.4
	8.0%	30.5	40.1	45.2	46.3	47.4
	9.0%	25.6	34.5	39.4	40.8	42.0
	10.0%	21.6	30.0	34.7	36.3	37.7

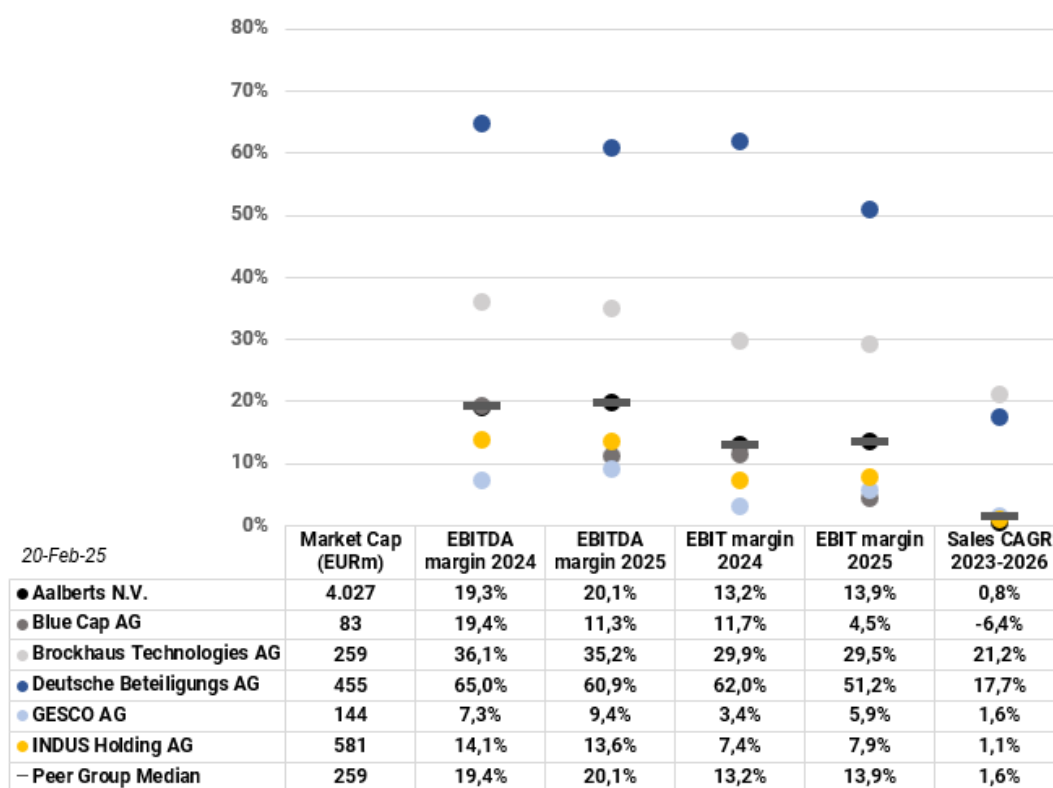
Source: Company data; mwb research

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 8.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

Peer group analysis

A peer group or comparable company (“comps”) analysis is a methodology that calculates a company’s relative value – how much it should be worth based on how it compares to other similar companies. Given that **INDUS Holding AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of INDUS Holding AG consists of the stocks displayed in the chart below. As of 20 February 2025 the median market cap of the peer group was EUR 259.5m, compared to EUR 580.9m for INDUS Holding AG. In the period under review, the peer group was more profitable than INDUS Holding AG. The expectations for sales growth are higher for the peer group than for INDUS Holding AG.

Peer Group – Key data

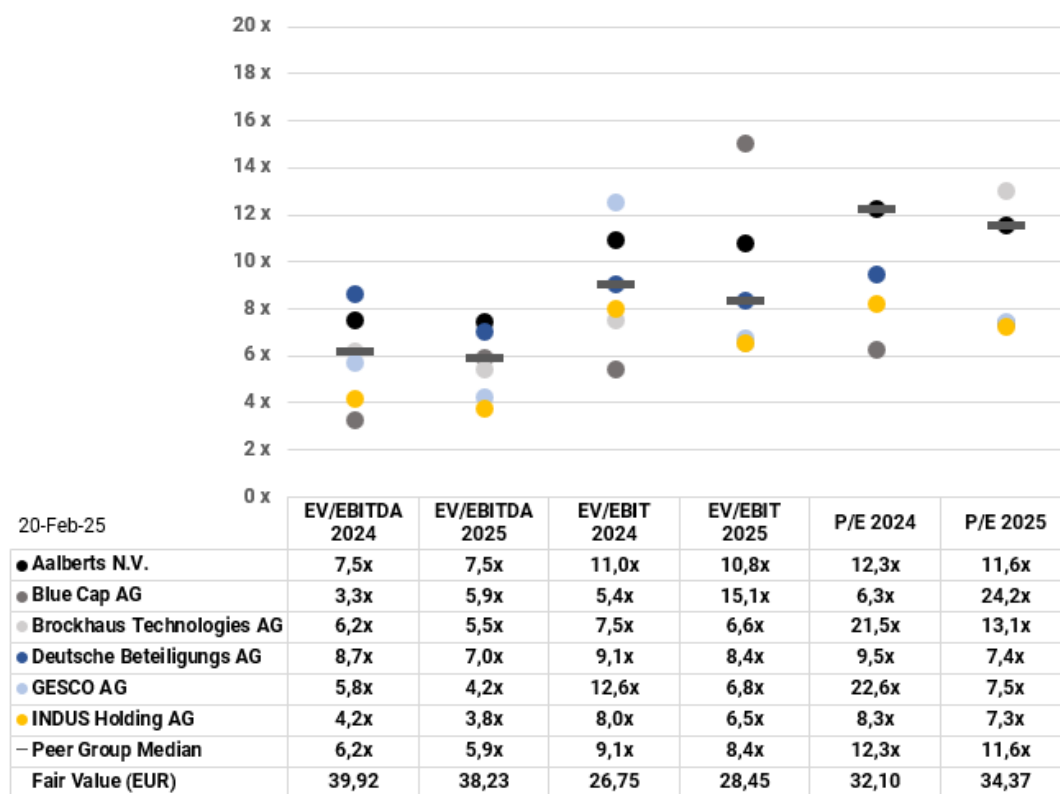


Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2024, EV/EBITDA 2025, EV/EBIT 2024, EV/EBIT 2025, P/E 2024 and P/E 2025.

Applying these to INDUS Holding AG results in a range of fair values from EUR 26.75 to EUR 39.92.

Peer Group – Multiples and valuation

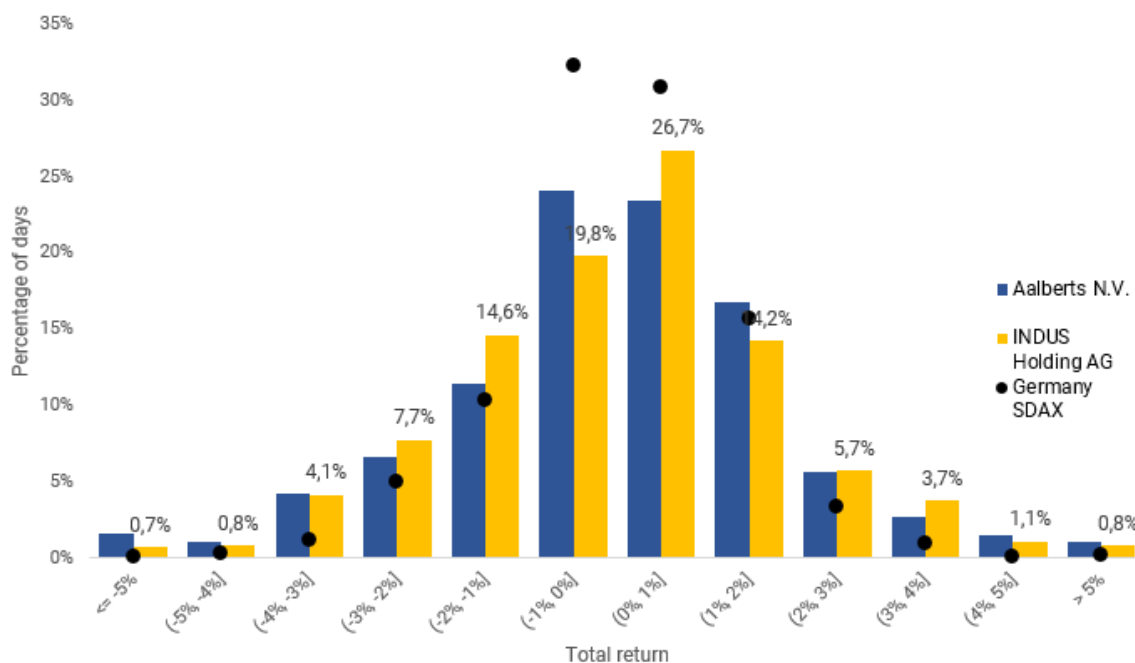


Source: FactSet, mwb research

Risk

The chart displays the **distribution of daily returns of INDUS Holding AG** over the last 3 years, compared to the same distribution for Aalberts N.V.. We have also included the distribution for the index Germany SDAX. The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For INDUS Holding AG, the worst day during the past 3 years was 30/11/2023 with a share price decline of -7.4%. The best day was 30/03/2023 when the share price increased by 7.1%.

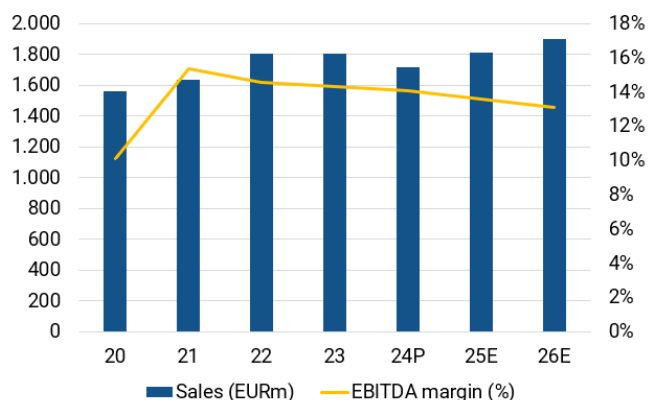
Risk – Daily Returns Distribution (trailing 3 years)



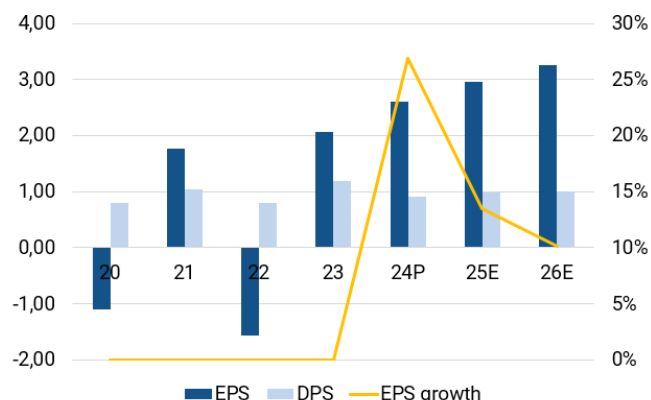
Source: FactSet, mwb research

Financials in six charts

Sales vs. EBITDA margin development



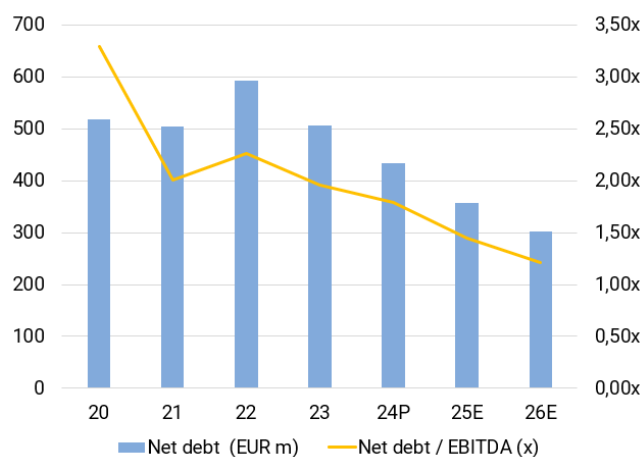
EPS, DPS in EUR & yoy EPS growth



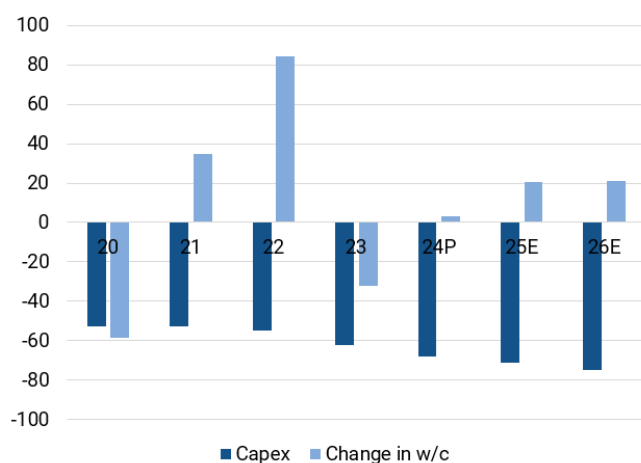
ROCE vs. WACC (pre tax)



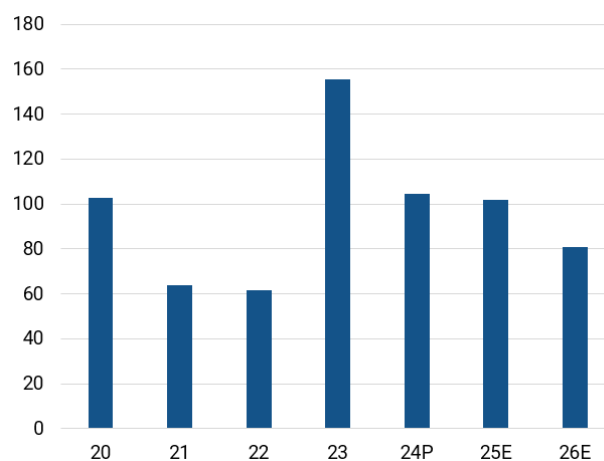
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; mwb research

Financials

Profit and loss (EURm)	2021	2022	2023	2024P	2025E	2026E
Net sales	1,633.5	1,804.1	1,802.4	1,720.0	1,810.6	1,896.6
Sales growth	4.8%	10.4%	-0.1%	-4.6%	5.3%	4.7%
Change in finished goods and work-in-process	21.7	30.0	-17.1	37.8	21.7	9.5
Total sales	1,655.2	1,834.1	1,785.3	1,757.8	1,832.4	1,906.1
Material expenses	757.0	872.2	801.4	837.6	880.0	918.0
Gross profit	898.2	961.9	983.9	920.2	952.4	988.1
Other operating income	27.7	28.6	26.0	24.1	25.3	26.6
Personnel expenses	467.5	494.6	521.5	485.0	507.0	531.1
Other operating expenses	207.2	233.4	230.3	217.6	224.5	235.2
EBITDA	251.2	262.5	258.1	241.7	246.2	248.5
Depreciation	83.1	86.0	89.2	90.4	83.6	79.0
EBITA	168.1	176.5	168.8	151.3	162.6	169.5
Amortisation of goodwill and intangible assets	2.5	42.8	19.3	24.6	19.3	17.9
EBIT	165.6	133.7	149.5	126.7	143.4	151.5
Financial result	-16.0	-17.7	-9.8	-25.0	-28.0	-24.5
Recurring pretax income from continuing operations	149.7	115.9	139.7	101.7	115.4	127.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	149.7	115.9	139.7	101.7	115.4	127.0
Taxes	51.9	33.5	55.8	30.5	34.6	38.1
Net income from continuing operations	97.8	82.5	83.9	71.2	80.8	88.9
Result from discontinued operations (net of tax)	-50.2	-123.9	-27.8	0.0	0.0	0.0
Net income	47.6	-41.4	56.1	71.2	80.8	88.9
Minority interest	-0.8	-0.8	-0.7	-0.9	-1.0	-1.1
Net profit (reported)	46.8	-42.2	55.4	70.3	79.8	87.9
Average number of shares	26.33	26.90	26.90	26.90	26.90	26.90
EPS reported	1.78	-1.57	2.06	2.61	2.97	3.27

Profit and loss (common size)	2021	2022	2023	2024P	2025E	2026E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	1%	2%	-1%	2%	1%	0%
Total sales	101%	102%	99%	102%	101%	101%
Material expenses	46%	48%	44%	49%	49%	48%
Gross profit	55%	53%	55%	54%	53%	52%
Other operating income	2%	2%	1%	1%	1%	1%
Personnel expenses	29%	27%	29%	28%	28%	28%
Other operating expenses	13%	13%	13%	13%	12%	12%
EBITDA	15%	15%	14%	14%	14%	13%
Depreciation	5%	5%	5%	5%	5%	4%
EBITA	10%	10%	9%	9%	9%	9%
Amortisation of goodwill and intangible assets	0%	2%	1%	1%	1%	1%
EBIT	10%	7%	8%	7%	8%	8%
Financial result	-1%	-1%	-1%	-1%	-2%	-1%
Recurring pretax income from continuing operations	9%	6%	8%	6%	6%	7%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	9%	6%	8%	6%	6%	7%
Taxes	3%	2%	3%	2%	2%	2%
Net income from continuing operations	6%	5%	5%	4%	4%	5%
Result from discontinued operations (net of tax)	-3%	-7%	-2%	0%	0%	0%
Net income	3%	-2%	3%	4%	4%	5%
Minority interest	-0%	-0%	-0%	-0%	-0%	-0%
Net profit (reported)	3%	-2%	3%	4%	4%	5%

Source: Company data; mwb research

Balance sheet (EURm)	2021	2022	2023	2024P	2025E	2026E
Intangible assets (exl. Goodwill)	142.8	172.4	164.2	148.1	137.9	129.5
Goodwill	409.8	403.7	395.8	395.8	395.8	395.8
Property, plant and equipment	510.0	413.2	418.3	387.1	365.7	351.9
Financial assets	22.6	14.0	29.7	29.7	29.7	29.7
FIXED ASSETS	1,085.3	1,003.4	1,008.0	960.7	929.1	906.9
Inventories	403.9	449.4	429.3	436.0	458.1	477.8
Accounts receivable	167.0	194.6	181.3	173.0	182.1	190.7
Other current assets	51.1	94.5	23.2	23.2	23.2	23.2
Liquid assets	136.3	127.8	265.8	66.2	43.5	47.9
Deferred taxes	13.8	20.2	21.2	21.2	21.2	21.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	772.2	886.5	920.8	719.6	728.0	760.8
TOTAL ASSETS	1,857.4	1,889.9	1,928.7	1,680.3	1,657.2	1,667.7
SHAREHOLDERS EQUITY	787.2	693.2	718.4	757.3	813.4	876.0
MINORITY INTEREST	1.8	2.1	1.7	1.7	1.7	1.7
Long-term debt	477.3	580.6	618.2	400.0	400.0	350.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	204.0	209.6	199.9	189.2	199.2	189.7
Non-current liabilities	681.3	790.3	818.0	589.2	599.2	539.7
short-term liabilities to banks	163.2	140.7	153.8	100.0	0.0	0.0
Accounts payable	75.8	74.3	63.7	66.6	69.9	70.4
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	133.3	172.1	146.9	139.3	146.7	153.6
Deferred taxes	14.8	17.2	26.2	26.2	26.2	26.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	387.1	404.4	390.6	332.1	242.8	250.3
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,857.4	1,889.9	1,928.7	1,680.3	1,657.2	1,667.7

Balance sheet (common size)	2021	2022	2023	2024P	2025E	2026E
Intangible assets (excl. Goodwill)	8%	9%	9%	9%	8%	8%
Goodwill	22%	21%	21%	24%	24%	24%
Property, plant and equipment	27%	22%	22%	23%	22%	21%
Financial assets	1%	1%	2%	2%	2%	2%
FIXED ASSETS	58%	53%	52%	57%	56%	54%
Inventories	22%	24%	22%	26%	28%	29%
Accounts receivable	9%	10%	9%	10%	11%	11%
Other current assets	3%	5%	1%	1%	1%	1%
Liquid assets	7%	7%	14%	4%	3%	3%
Deferred taxes	1%	1%	1%	1%	1%	1%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	42%	47%	48%	43%	44%	46%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	42%	37%	37%	45%	49%	53%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	26%	31%	32%	24%	24%	21%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	11%	11%	10%	11%	12%	11%
Non-current liabilities	37%	42%	42%	35%	36%	32%
short-term liabilities to banks	9%	7%	8%	6%	0%	0%
Accounts payable	4%	4%	3%	4%	4%	4%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	7%	9%	8%	8%	9%	9%
Deferred taxes	1%	1%	1%	2%	2%	2%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	21%	21%	20%	20%	15%	15%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024P	2025E	2026E
Net profit/loss	97.8	-41.4	84.0	71.2	80.8	88.9
Depreciation of fixed assets (incl. leases)	85.6	128.8	108.6	90.4	83.6	79.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	24.6	19.3	17.9
Others	-31.8	113.3	-6.8	-10.7	10.0	-9.5
Cash flow from operations before changes in w/c	151.5	200.7	185.7	175.5	193.6	176.3
Increase/decrease in inventory	0.0	0.0	0.0	-6.8	-22.0	-19.8
Increase/decrease in accounts receivable	0.0	0.0	0.0	8.3	-9.1	-8.6
Increase/decrease in accounts payable	0.0	0.0	0.0	2.9	3.4	0.5
Increase/decrease in other w/c positions	-35.0	-84.4	32.0	-7.5	7.3	7.0
Increase/decrease in working capital	-35.0	-84.4	32.0	-3.1	-20.4	-21.0
Cash flow from operating activities	116.6	116.3	217.7	172.4	173.2	155.4
CAPEX	-52.6	-54.5	-61.9	-67.7	-71.3	-74.7
Payments for acquisitions	-67.3	-58.8	-8.9	0.0	0.0	0.0
Financial investments	-25.2	-0.4	-0.6	0.0	0.0	0.0
Income from asset disposals	14.7	19.3	21.3	0.0	0.0	0.0
Cash flow from investing activities	-130.4	-94.4	-50.1	-67.7	-71.3	-74.7
Cash flow before financing	-13.8	21.9	167.6	104.7	101.9	80.7
Increase/decrease in debt position	-85.1	106.3	42.1	-272.0	-100.0	-50.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	84.7	0.2	0.0	0.0	0.0	0.0
Dividends paid	-21.5	-28.2	-21.5	-32.3	-24.6	-26.3
Others	-18.9	-22.3	-21.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.1	-0.3	-0.8	0.0	0.0	0.0
Cash flow from financing activities	-41.0	55.6	-1.3	-304.3	-124.6	-76.3
Increase/decrease in liquid assets	-54.8	77.5	166.3	-199.6	-22.7	4.4
Liquid assets at end of period	136.3	127.8	265.8	66.2	43.5	47.9

Source: Company data; mwb research

Regional sales split (EURm)	2021	2022	2023	2024P	2025E	2026E
Domestic	849.4	902.1	811.1	774.0	814.8	853.5
Europe (ex domestic)	326.7	342.8	378.5	361.2	380.2	398.3
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	457.4	559.3	612.8	584.8	615.6	644.9
Total sales	1,633.5	1,804.1	1,802.4	1,720.0	1,810.6	1,896.6

Regional sales split (common size)	2021	2022	2023	2024P	2025E	2026E
Domestic	52.0%	50.0%	45.0%	45.0%	45.0%	45.0%
Europe (ex domestic)	20.0%	19.0%	21.0%	21.0%	21.0%	21.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	28.0%	31.0%	34.0%	34.0%	34.0%	34.0%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Ratios	2021	2022	2023	2024P	2025E	2026E
Per share data						
Earnings per share reported	1.78	-1.57	2.06	2.61	2.97	3.27
Cash flow per share	4.43	4.33	8.09	2.13	2.61	2.17
Book value per share	29.89	25.77	26.71	28.16	30.24	32.57
Dividend per share	1.05	0.80	1.20	0.92	0.98	1.01
Valuation						
P/E	12.1x	-13.8x	10.5x	8.3x	7.3x	6.6x
P/CF	4.9x	5.0x	2.7x	10.1x	8.3x	9.9x
P/BV	0.7x	0.8x	0.8x	0.8x	0.7x	0.7x
Dividend yield (%)	4.9%	3.7%	5.6%	4.2%	4.5%	4.7%
FCF yield (%)	20.5%	20.0%	37.5%	9.9%	12.1%	10.1%
EV/Sales	0.7x	0.7x	0.6x	0.6x	0.5x	0.5x
EV/EBITDA	4.3x	4.5x	4.2x	4.2x	3.8x	3.6x
EV/EBIT	6.6x	8.8x	7.3x	8.0x	6.5x	5.8x
Income statement (EURm)						
Sales	1,633.5	1,804.1	1,802.4	1,720.0	1,810.6	1,896.6
yoy chg in %	4.8%	10.4%	-0.1%	-4.6%	5.3%	4.7%
Gross profit	898.2	961.9	983.9	920.2	952.4	988.1
Gross margin in %	55.0%	53.3%	54.6%	53.5%	52.6%	52.1%
EBITDA	251.2	262.5	258.1	241.7	246.2	248.5
EBITDA margin in %	15.4%	14.5%	14.3%	14.1%	13.6%	13.1%
EBIT	165.6	133.7	149.5	126.7	143.4	151.5
EBIT margin in %	10.1%	7.4%	8.3%	7.4%	7.9%	8.0%
Net profit	46.8	-42.2	55.4	70.3	79.8	87.9
Cash flow statement (EURm)						
CF from operations	116.6	116.3	217.7	172.4	173.2	155.4
Capex	-52.6	-54.5	-61.9	-67.7	-71.3	-74.7
Maintenance Capex	0.0	0.0	0.0	115.0	102.9	96.9
Free cash flow	64.0	61.8	155.7	104.7	101.9	80.7
Balance sheet (EURm)						
Intangible assets	552.6	576.2	560.0	544.0	533.7	525.3
Tangible assets	510.0	413.2	418.3	387.1	365.7	351.9
Shareholders' equity	787.2	693.2	718.4	757.3	813.4	876.0
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	844.5	931.0	971.9	689.2	599.2	539.7
Net financial debt	504.1	593.6	506.2	433.8	356.5	302.1
w/c requirements	495.1	569.7	546.9	542.4	570.2	598.2
Ratios						
ROE	6.0%	-6.0%	7.8%	9.4%	9.9%	10.2%
ROCE	10.1%	8.2%	8.8%	8.7%	10.1%	10.7%
Net gearing	64.0%	85.6%	70.5%	57.3%	43.8%	34.5%
Net debt / EBITDA	2.0x	2.3x	2.0x	1.8x	1.4x	1.2x

Source: Company data; mwb research

Conflicts of interest

Disclosures regarding research publications of mwb research AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under an EEA branch passport, subject to the FCA requirements on research recommendation disclosures. It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analyzed company. Further to this, under the FCA's rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if mwb research AG

- (1) or its affiliate(s) (either in its own right or as part of a consortium) within the past twelve months, acquired the financial instruments of the analyzed company,
- (2) has entered into an agreement on the production of the research report with the analyzed company,
- (3) or its affiliate(s) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analyzed company or have received services or a promise of services under the term of such an agreement,
- (4) or its affiliate(s) holds a) 5% or more of the share capital of the analyzed company, or b) the analyzed company holds 5% or more of the share capital of mwb research AG or its affiliate(s),
- (5) or its affiliate(s) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analyzed company or derivatives thereof,
- (6) or its affiliate(s) is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analyzed company such as, for example, exercising mandates in the interest of the analyzed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosure
INDUS Holding AG	7, 8

Important disclosures

1. General Information/Liabilities This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by mwb research AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of mwb research AG. Reproduction of this document, in whole or in part, is not permitted without prior permission mwb research AG. All rights reserved. Under no circumstances shall mwb research AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analyzed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organizational Requirements mwb research AG took internal organizational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of mwb research AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made. The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate. The operating cash flow is calculated as EBITDA less maintenance capex and taxes. Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value. Detailed information on the valuation principles and methods used and the underlying assumptions can be found at <https://www.mwb-research.com>.

mwb research AG uses the following three-step rating system for the analyzed companies:

- **Speculative (Spec.) BUY:** Sustainable upside potential of more than 25% within 12 months, above average risk
- **BUY:** Sustainable upside potential of more than 10% within 12 months
- **SELL:** Sustainable downside potential of more than 10% within 12 months.
- **HOLD:** Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of mwb research AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analyzed in this document was solely made by mwb research AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of mwb research AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Date and time of first publication of this financial analysis
20-Feb-25 09:55:34

6. Risk information

- Stock exchange investments and investments in companies (shares) are always speculative and involve the risk of total loss.
- This is particularly true in respect of investments in companies which are not established and/or small and have no established business or corporate assets.
- Share prices may fluctuate significantly. This is particularly true for shares with low liquidity (market breadth). Even small orders can have a significant impact on the share price.
- In the case of shares in narrow markets, it may also happen that there is no or very little actual trading there and that published prices are not based on actual trading but have only been provided by a stockbroker.
- In such markets a shareholder cannot expect to find a buyer for his shares at all and/or at reasonable prices. In such narrow markets there is a very high possibility of manipulating prices and in such markets there are often considerable price fluctuations.
- An investment in shares with low liquidity and low market capitalization is therefore highly speculative and represents a very high risk.
- There is no regulated market for unlisted shares and securities and a sale is not possible or only possible on an individual basis.

7. Major Sources of Information Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. mwb research AG has checked the information for plausibility but not for accuracy or completeness.

8. Competent Supervisory Authority mwb research AG are under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M. This document is distributed in the UK under a MiFID EEA branch passport and in compliance with the applicable FCA requirements.

9. Specific Comments for Recipients Outside of Germany This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

10. Miscellaneous According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published free of charge under <https://www.mwb-research.com>.

Contacts

mwb research AG
Mittelweg 142
20148 Hamburg
Germany

Tel.: +49 40 309 293-52
Email: contact@mwb-research.com
Website: www.mwb-research.com
Research: www.research-hub.de

Research

HARALD HOF
Senior Analyst
Tel: +49 40 309 293-53
E-Mail: h.hof@mwb-research.com

LEON MÜHLENBRUCH
Analyst
Tel: +49 40 309 293-57
E-Mail: l.muehlenbruch@mwb-research.com

ABED JARAD
Junior Analyst
Tel: +49 40 309 293-54
E-Mail: a.jarad@mwb-research.com

JENS-PETER RIECK
Junior Analyst
Tel: +49 40 309 293-54
E-Mail: jp.riek@mwb-research.com

THOMAS WISSLER
Senior Analyst
Tel: +49 40 309 293-58
E-Mail: t.wissler@mwb-research.com

DR. OLIVER WOJAHN, CFA
Senior Analyst
Tel: +49 40 309 293-55
E-Mail: o.wojahn@mwb-research.com

ALEXANDER ZIENKOWICZ
Senior Analyst
Tel: +49 40 309 293-56
E-Mail: a.zienkowitz@mwb-research.com

Sales

HOLGER NASS
Head of Sales
Tel: +49 40 309 293-52
E-Mail: h.nass@mwb-research.com

Team Assistant

HANNAH GABERT
Team Assistant
Tel: +49 40 309 293-52
E-Mail: h.gabert@mwb-research.com

mwb fairtrade
Wertpapierhandelsbank AG
Rottenbucher Straße 28
82166 Gräfelfing

Tel: +49 89 85852-0
Fax: +49 89 85852-505
Website: www.mwbfairtrade.com
E-Mail: info@mwbfairtrade.com

Sales / Designated Sponsoring / Corporate Finance

ALEXANDER DEUSS
Institutional Sales
Tel: +49 40 36 0995-22
E-Mail: adeuss@mwbfairtrade.com

SASCHA GUENON
Head of Designated Sponsoring
Tel: +49 40 360 995-23
E-Mail: sguenon@mwbfairtrade.com

JAN NEYNABER
Institutional Sales
Tel: +49 69 1387-1255
E-Mail: jneynaber@mwbfairtrade.com

DIRK WEYERHÄUSER
Corporate Finance
Tel: +49 69 1387-1250
E-Mail: dweyerhaeuser@mwbfairtrade.com

Locations

HAMBURG (Research)
Mittelweg 142
20148 Hamburg
+49 40 309 293-52

HAMBURG (Corporates & Markets)
Kleine Johannisstraße 4
20457 Hamburg
+49 40 360 995-0

FRANKFURT A.M.
Unterlindau 29
60323 Frankfurt am Main
+49 40 360 995-22

MUNICH
Rottenbucher Str. 28
82166 Gräfelfing
+49 89-85852-0

BERLIN
Kurfürstendamm 151
10709 Berlin

HANNOVER
An der Börse 2
30159 Hannover

Our research can be found at

ResearchHub
Bloomberg
FactSet
Thomson Reuters / Refinitiv
CapitalIQ

www.research-hub.de
www.bloomberg.com
www.factset.com
www.refinitiv.com
www.capitaliq.com