

Buy (old: Buy)

15.05.2025

EUR 34.00 (old: EUR 34.00)

Soft start into the year // order intake better than expected

Topic: INDUS released mixed Q1 figures with sales and adj. EBITA below our expectations. However, a soft start into the year was already largely anticipated and a solid order intake gives confidence for H2'25e.

Sales came in at € 402m (eNuW: € 409m), **1.9% below last year** due to a challenging economic environment. While sales in Infrastructure grew by 3.4% to € 136m partly due to the acquisition of GRID-COM, sales in Engineering declined by 4.8% to € 123m, primarily as a result of lower sales in sorting systems, clean room systems and measurement technology for vehicles. Materials Solutions sales decreased by 4.1% to € 143m mainly due to the discontinuation of IMECO.

Order intake increased 2.6% yoy to € 455m with a strong demand in Engineering (+19.5% yoy) thanks to major long-term plant engineering orders (automotive and logistics) compensating for a softer Infrastructure (-7.8% yoy) and Materials Solution segment (-2.9% yoy). Order backlog increased by 4.4% yoy to € 665m but remains at a relatively low level.

Adj. EBITA came in at € 24.9m (eNuW: € 28.8m), **a 21% decrease yoy with a 6.2% margin** (-1.5pp yoy) mainly due to a weak Engineering segment. Nonetheless, like last year, a gradual improvement throughout the year with a strong Q4 is expected for Engineering. Overall, higher personnel costs despite a lower number of employees as well as a slightly higher material cost ratio (44.4% of sales vs. 44.1% in Q1'24) weighed on profitability in the first quarter.

FCF decreased to € -23.6m from € 6.1m last year, due to a € 14.3m higher seasonal increase in working capital but also higher investments.

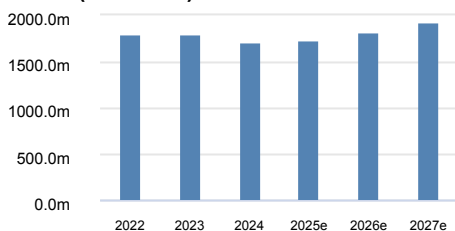
FY'25e outlook: Last week, INDUS reduced its FY'25e guidance, especially due to export controls on tungsten compounds from China, which puts pressure on the supply chain of INDUS' largest holding BETEK (16% of FY'24 sales). Management now expects sales in the range of € 1.70-1.85bn (eNuW: € 1.74bn) and adj. EBITA between € 130-165m (eNuW: € 143m), which looks plausible to us, as we already conservatively account for a tungsten carbide shortage in H2'25e.

Reiterate BUY with an unchanged PT of € 34 per share, based on FCFY'25e.

Y/E 31.12 (EUR m)	2022	2023	2024	2025e	2026e	2027e
Sales	1,804.1	1,802.4	1,721.8	1,740.0	1,830.0	1,941.6
Sales growth	3.6%	-0.1%	-4.5%	1.1%	5.2%	6.1%
EBITDA	262.4	258.1	226.1	216.1	240.2	271.6
Net debt (if net cash=0)	593.6	506.2	541.4	485.4	441.0	354.7
FCF	61.8	155.7	92.8	90.1	70.2	117.3
Net Debt/EBITDA	2.3	2.0	2.4	2.2	1.8	1.3
EPS pro forma	3.04	3.10	2.07	2.53	3.06	3.71
EBITDA margin	14.5%	14.3%	13.1%	12.4%	13.1%	14.0%
ROCE	11.8%	10.8%	9.1%	8.1%	9.6%	10.7%
EV/sales	0.7	0.6	0.7	0.6	0.6	0.5
EV/EBITDA	4.9	4.4	5.0	5.0	4.3	3.5
PER	7.2	7.1	10.6	8.7	7.2	5.9
Adjusted FCF yield	9.0%	8.6%	7.7%	8.9%	10.9%	14.0%

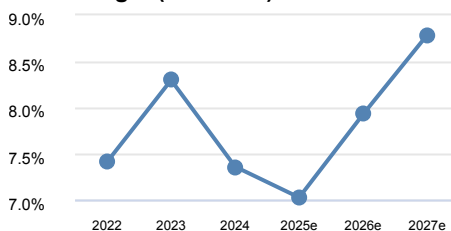
Source: Company data, NuWays, Close price as of 06.05.2025

Sales (2022-27e)



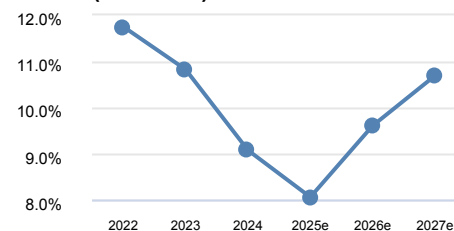
Source: NuWays Research

EBIT margin (2022-27e)



Source: NuWays Research

ROCE (2022-27e)



Source: NuWays Research

Share Performance



High/low 52 weeks (€) 28.05 / 19.66
3m rel. performance 9.6%
6m rel. performance 3.3%
12m rel. performance -17.0%

Market data

Share price (in €) 25.05
Market cap (in € m) 567.6
Number of shares (in m pcs) 25.8
Enterprise value (in € m) 1081.5
Ø trading volume (6 months) 15,657

Identifier

Bloomberg INH GR
Reuters INHG
WKN 620010
ISIN DE0006200108

Key shareholders

Versicherungskammer Bayern 10.3%
Hans Selzer et al. 5.8%
Protector Forsikring 5.6%
Treasury Shares 3.5%
Free Float 74.8%

Estimates changes

	2025e	2026e	2027e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	0%

Comment on changes

Company description

INDUS Holding AG is a leading specialist in the acquisition of and long-term support of small and medium-sized manufacturing companies in the DACH region. INDUS holds a diversified portfolio of key industries and specializes in the field of sustainable companies.

Guidance

- FY25 Sales: € 1.70-1.85bn
- FY25 adj. EBITA: € 130-165m
- FY25 FCF: > € 90m

Financials

Profit and loss (EUR m)	2022	2023	2024	2025e	2026e	2027e
Net sales	1,804.1	1,802.4	1,721.8	1,740.0	1,830.0	1,941.6
Sales growth	3.6%	-0.1%	-4.5%	1.1%	5.2%	6.1%
Increase/decrease in finished goods and work-in-process	33.5	-11.7	-3.3	-1.2	4.0	4.0
Total sales	1,837.7	1,790.7	1,718.5	1,738.8	1,834.0	1,945.7
Other operating income	25.1	20.6	27.8	24.4	25.6	26.0
Material expenses	872.2	801.4	757.0	776.0	814.4	864.0
Personnel expenses	494.6	521.5	536.9	543.1	565.3	583.6
Other operating expenses	233.5	230.3	226.3	227.9	239.7	252.4
Total operating expenses	1,575.2	1,532.6	1,492.4	1,522.7	1,593.8	1,674.1
EBITDA	262.4	258.1	226.1	216.1	240.2	271.6
Depreciation	50.7	62.7	63.4	62.0	60.2	64.0
EBITA	211.8	195.4	162.7	154.2	180.1	207.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	35.3	26.5	29.4	32.0	35.0	37.0
Impairment charges	42.8	19.3	6.7	0.0	0.0	0.0
EBIT (inc revaluation net)	133.7	149.6	126.7	122.2	145.1	170.6
Interest income	1.4	1.6	5.0	3.0	2.8	2.8
Interest expenses	14.5	21.2	26.4	27.0	30.0	31.0
Investment income	-4.6	9.8	-9.2	-3.5	-3.5	-3.5
Financial result	-17.7	-9.8	-30.6	-27.5	-30.7	-31.7
Recurring pretax income from continuing operations	115.9	139.7	96.1	94.7	114.4	138.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	115.9	139.7	96.1	94.7	114.4	138.9
Income tax expense	33.5	55.8	41.4	28.4	34.3	41.7
Net income from continuing operations	82.5	84.0	54.7	66.3	80.1	97.3
Income from discontinued operations (net of tax)	123.9	27.8	0.0	0.0	0.0	0.0
Net income	-41.4	56.1	54.7	66.3	80.1	97.3
Minority interest	0.8	0.7	1.0	1.0	1.2	1.5
Net profit (reported)	-42.2	55.4	53.7	65.3	78.9	95.8
Average number of shares	26.9	26.9	26.0	25.8	25.8	25.8
EPS reported	-1.57	2.06	2.07	2.53	3.06	3.71

Profit and loss (common size)	2022	2023	2024	2025e	2026e	2027e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sales growth	3.6%	-0.1%	-4.5%	1.1%	5.2%	6.1%
Increase/decrease in finished goods and work-in-process	1.9%	-0.6%	-0.2%	-0.1%	0.2%	0.2%
Total sales	101.9%	99.4%	99.8%	99.9%	100.2%	100.2%
Other operating income	1.4%	1.1%	1.6%	1.4%	1.4%	1.3%
Material expenses	48.3%	44.5%	44.0%	44.6%	44.5%	44.5%
Personnel expenses	27.4%	28.9%	31.2%	31.2%	30.9%	30.1%
Other operating expenses	12.9%	12.8%	13.1%	13.1%	13.1%	13.0%
Total operating expenses	87.3%	85.0%	86.7%	87.5%	87.1%	86.2%
EBITDA	14.5%	14.3%	13.1%	12.4%	13.1%	14.0%
Depreciation	2.8%	3.5%	3.7%	3.6%	3.3%	3.3%
EBITA	11.7%	10.8%	9.5%	8.9%	9.8%	10.7%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	2.0%	1.5%	1.7%	1.8%	1.9%	1.9%
Impairment charges	2.4%	1.1%	0.4%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	7.4%	8.3%	7.4%	7.0%	7.9%	8.8%
Interest income	0.1%	0.1%	0.3%	0.2%	0.2%	0.1%
Interest expenses	0.8%	1.2%	1.5%	1.6%	1.6%	1.6%
Investment income	-0.3%	0.5%	-0.5%	-0.2%	-0.2%	-0.2%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	6.4%	7.8%	5.6%	5.4%	6.2%	7.2%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	6.4%	7.8%	5.6%	5.4%	6.2%	7.2%
Tax rate	28.9%	39.9%	43.1%	30.0%	30.0%	30.0%
Net income from continuing operations	4.6%	4.7%	3.2%	3.8%	4.4%	5.0%
Income from discontinued operations (net of tax)	6.9%	1.5%	0.0%	0.0%	0.0%	0.0%
Net income	-2.3%	3.1%	3.2%	3.8%	4.4%	5.0%
Minority interest	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%
Net profit (reported)	-2.3%	3.1%	3.1%	3.8%	4.3%	4.9%

Source: Company data, NuWays

Balance sheet (EUR m)	2022	2023	2024	2025e	2026e	2027e
Intangible assets	645.1	633.9	661.8	641.2	617.2	591.2
Property, plant and equipment	346.5	354.4	349.3	337.4	332.2	323.3
Financial assets	76.1	17.0	9.2	9.2	9.2	9.2
FIXED ASSETS	1,067.7	1,005.3	1,020.3	987.9	958.7	923.7
Inventories	449.4	429.3	410.6	408.4	428.6	454.8
Accounts receivable	195.5	181.3	185.2	174.0	183.0	200.2
Other assets and short-term financial assets	29.4	25.8	31.6	59.0	60.0	62.0
Liquid assets	127.8	265.8	145.2	189.6	234.0	320.3
Deferred taxes	20.2	21.3	13.9	17.0	18.0	20.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	822.2	923.5	786.5	848.0	923.6	1,057.2
TOTAL ASSETS	1,889.9	1,928.8	1,806.8	1,835.9	1,882.3	1,980.9

SHAREHOLDERS EQUITY	692.8	717.9	697.5	732.0	796.3	885.5
MINORITY INTEREST	2.1	1.7	2.5	2.5	2.5	2.5
Long-term liabilities to banks	580.6	618.2	540.6	550.0	550.0	550.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	23.6	27.0	27.8	28.5	30.0	31.8
Other provisions and accrued liabilities	43.4	42.3	43.3	35.7	34.0	36.0
NON-CURRENT LIABILITIES	647.6	687.4	611.7	614.2	613.9	617.8
Short-term liabilities to banks	140.7	153.8	146.0	125.0	125.0	125.0
Accounts payable	74.3	63.7	74.9	69.6	73.2	77.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	278.4	248.8	220.0	237.7	214.5	214.5
Deferred taxes	54.0	55.4	54.4	55.0	57.0	58.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	547.4	521.7	495.2	487.3	469.7	475.1
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,889.9	1,928.8	1,806.8	1,835.9	1,882.3	1,980.9

Balance sheet (common size)	2022	2023	2024	2025e	2026e	2027e
Intangible assets	34.1%	32.9%	36.6%	34.9%	32.8%	29.8%
Property, plant and equipment	18.3%	18.4%	19.3%	18.4%	17.6%	16.3%
Financial assets	4.0%	0.9%	0.5%	0.5%	0.5%	0.5%
FIXED ASSETS	56.5%	52.1%	56.5%	53.8%	50.9%	46.6%
Inventories	23.8%	22.3%	22.7%	22.2%	22.8%	23.0%
Accounts receivable	10.3%	9.4%	10.3%	9.5%	9.7%	10.1%
Other assets and short-term financial assets	1.6%	1.3%	1.8%	3.2%	3.2%	3.1%
Liquid assets	6.8%	13.8%	8.0%	10.3%	12.4%	16.2%
Deferred taxes	1.1%	1.1%	0.8%	0.9%	1.0%	1.0%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	43.5%	47.9%	43.5%	46.2%	49.1%	53.4%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	36.7%	37.2%	38.6%	39.9%	42.3%	44.7%
MINORITY INTEREST	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Long-term liabilities to banks	30.7%	32.0%	29.9%	30.0%	29.2%	27.8%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions for pensions and similar obligations	1.2%	1.4%	1.5%	1.6%	1.6%	1.6%
Other provisions and accrued liabilities	2.3%	2.2%	2.4%	1.9%	1.8%	1.8%
NON-CURRENT LIABILITIES	34.3%	35.6%	33.9%	33.5%	32.6%	31.2%
Short-term liabilities to banks	7.4%	8.0%	8.1%	6.8%	6.6%	6.3%
Accounts payable	3.9%	3.3%	4.1%	3.8%	3.9%	3.9%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	14.7%	12.9%	12.2%	12.9%	11.4%	10.8%
Deferred taxes	2.9%	2.9%	3.0%	3.0%	3.0%	2.9%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	29.0%	27.0%	27.4%	26.5%	25.0%	24.0%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2022	2023	2024	2025e	2026e	2027e
Net profit/loss	82.5	84.0	54.7	66.3	80.1	97.3
Depreciation of fixed assets (incl. leases)	93.4	82.1	70.1	62.0	60.2	64.0
Amortisation of goodwill & intangible assets	35.3	26.5	29.4	32.0	35.0	37.0
Other costs affecting income / expenses	-17.7	-9.8	-30.6	-27.5	-30.7	-31.7
Cash flow from operating activities	-12.4	109.1	44.2	57.6	41.0	82.3
Increase/decrease in inventory	-45.5	20.1	18.7	2.1	-20.2	26.1
Increase/decrease in accounts receivable	-26.6	14.2	-3.9	11.2	-9.0	-17.2
Increase/decrease in accounts payable	9.9	-10.6	11.2	-5.3	3.6	4.5
Increase/decrease in other working capital positions	23.5	7.9	-6.6	10.0	15.0	0.0
Increase/decrease in working capital	-38.6	31.5	19.4	18.1	-10.6	13.4
Cash flow from operating activities	116.3	217.7	143.7	151.6	136.2	183.3
CAPEX	54.5	61.9	50.9	61.5	66.0	66.0
Payments for acquisitions	58.8	8.9	29.4	0.0	0.0	0.0
Financial investments	0.4	0.6	0.8	0.0	0.0	0.0
Income from asset disposals	19.3	21.3	15.7	0.0	0.0	0.0
Cash flow from investing activities	-94.4	-50.1	-65.4	-61.5	-66.0	-66.0
Cash flow before financing	-6.3	146.1	47.4	59.1	44.4	86.3
Increase/decrease in debt position	87.2	50.6	-99.8	-11.6	0.0	0.0
Purchase of own shares	0.0	0.0	41.7	3.1	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	28.2	21.5	31.0	31.0	25.8	31.0
Others	-3.1	-29.6	-27.4	0.0	0.0	0.0
Effects of exchange rate changes on cash	-0.3	0.0	0.9	0.0	0.0	0.0
Cash flow from financing activities	55.9	-0.5	-199.9	-45.6	-25.8	-31.0
Increase/decrease in liquid assets	77.5	167.1	-120.7	44.5	44.4	86.3
Liquid assets at end of period	127.8	265.8	145.2	189.6	234.0	320.3

Key ratios (EUR m)	2022	2023	2024	2025e	2026e	2027e
P&L growth analysis						
Sales growth	3.6%	-0.1%	-4.5%	1.1%	5.2%	6.1%
EBITDA growth	66.4%	17.1%	-13.8%	-16.3%	-8.5%	5.2%
EBIT growth	475.8%	29.6%	-5.2%	-18.3%	8.5%	14.1%
EPS growth	33.1%	15.9%	-231.8%	22.8%	-294.6%	80.1%
Efficiency						
Sales per employee	173.6	193.5	196.4	196.5	196.5	196.5
EBITDA per employee	25.3	27.7	25.8	24.4	25.8	27.5
No. employees (average)	10,391	9,317	8,768	8,856	9,314	9,882
Balance sheet analysis						
Avg. working capital / sales	28.2%	29.3%	31.7%	30.5%	30.3%	28.9%
Inventory turnover (sales/inventory)	2.0	1.8	1.8	1.9	1.9	1.9
Accounts receivable turnover	9.2	9.9		10.0	10.0	9.7
Accounts payable turnover	24.3	28.3	23.0	25.0	25.0	25.0
Cash flow analysis						
Free cash flow	61.8	155.7	92.8	90.1	70.2	117.3
Free cash flow/sales	3.4%	8.6%	5.4%	5.2%	3.8%	6.0%
FCF / net profit	74.9%	185.5%	169.6%	135.9%	87.7%	120.6%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	593.6	506.2	541.4	485.4	441.0	354.7
Net Debt/EBITDA	2.3	2.0	2.4	2.2	1.8	1.3
Dividend payout ratio	100.0%	58.2%	57.6%	39.5%	39.3%	40.4%
Interest paid / avg. debt	2.0%	3.0%	3.7%	3.7%	4.3%	4.3%
Returns						
ROCE	11.8%	10.8%	9.1%	8.1%	9.6%	10.7%
ROE	-6.1%	7.7%	7.7%	8.9%	9.9%	10.8%
Adjusted FCF yield	9.0%	8.6%	7.7%	8.9%	10.9%	14.0%
Dividend yield	3.6%	5.5%	5.5%	4.5%	5.5%	6.8%
DPS	0.8	1.2	1.2	1.0	1.2	1.5
EPS reported	-1.57	2.06	2.07	2.53	3.06	3.71
Average number of shares	26.9	26.9	26.0	25.8	25.8	25.8
Valuation ratios						
P/BV	0.9	0.8	0.8	0.8	0.7	0.6
EV/sales	0.7	0.6	0.7	0.6	0.6	0.5
EV/EBITDA	4.9	4.4	5.0	5.0	4.3	3.5
EV/EBIT	9.7	7.5	9.0	8.9	7.2	5.6

Source: Company data, NuWays

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

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Company	Disclosures
INDUS Holding AG	2

Historical target price and rating changes for INDUS Holding AG

Company	Date	Analyst	Rating	Target Price	Close
INDUS Holding AG	04.11.2024	Sandherr, Christian	Buy	EUR 34.00	EUR 20.45
	26.09.2024	Sandherr, Christian	Buy	EUR 34.00	EUR 22.15
	02.09.2024	Sandherr, Christian	Buy	EUR 34.00	EUR 22.40
	14.08.2024	Sandherr, Christian	Buy	EUR 34.00	EUR 20.50

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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 of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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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 under: www.nuways-ag.com

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