

Buy (old: Buy)

21.02.2025

EUR 34.00 (old: EUR 34.00)

Solid preliminary FY24 // Acquisition pipeline in full swing; chg.

Topic: INDUS released solid preliminary FY24 numbers with sales in line and EBIT slightly above our estimates and the company's guidance range. Further, with already three acquisitions, INDUS' M&A pipeline is in full swing.

Preliminary FY24 sales came in at € 1.72bn (eNuW: € 1.72bn; guidance € 1.70-1.80bn), 4.5% below last year due to the challenging macro environment. However, compared to H1'24, the topline already improved notably with € 882m sales in H2'24 vs. € 839m in H1'24. Q4'24 stayed flat yoy at € 439m.

Preliminary FY24 EBIT decreased 15.3% yoy to € 127m (eNuW: € 121m; guidance € 115-125m) due to negative economies of scale and price pressure in Materials. Q4'24 EBIT dropped 5.6% to € 30.8m. Nevertheless, despite the difficult economic environment, INDUS could still achieve a solid **FY24 EBIT margin of 7.4%** (-0.9pp yoy; c. 7.0% in Q4).

Engineering sales remained roughly unchanged yoy at € 597m (eNuW: € 580m) while EBIT declined 20% yoy to € 46m (7.7% margin) due to an unfavorable product mix in H1. **Materials** sales came in at € 565m (eNuW: € 570m), 8.9% below last year affected by price pressure and volume decline in particular in the agricultural and construction technology field. EBIT dropped by 20% yoy to € 46m with a still solid 8.2% margin. **Infrastructure** sales declined slightly by 3.9% to € 560m (eNuW: € 567m) and EBIT rose by 6.1% yoy to € 52m (9.4% margin) despite a subdued housing construction supply sector.

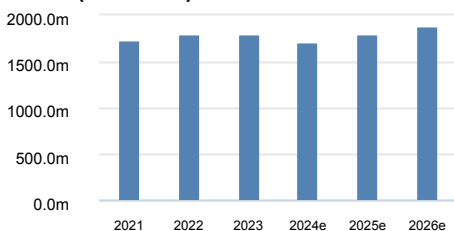
Strong acquisition side: INDUS has already announced three add-on acquisitions this year all with closing date on 01.01.2025. Two of them, the Swedish Electro Trading ET AB (c. € 5m sales) and the German Kettler GmbH (c. € 9m sales) were acquired by Hauff-Technik, which belongs to the Infrastructure segment. The third company HBS Bolzenschweiss-Systeme GmbH & CO. KG (c. € 13m sales) was acquired by Peiseler group, which is part of Engineering. All companies show solid profitability with **EBIT margins above 10%** and we estimate the acquisition multiples to be in the range of 5.5-6.5 EV/EBIT. Hence, the purchase price should be around € 21m in total (eNuW). INDUS is showing a disciplined and thoughtful approach to M&A in our opinion by acquiring established niche players at reasonable multiples.

Reiterate **BUY** with an unchanged **PT of € 34** based on FCFY'24e.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	1,741.5	1,804.1	1,802.4	1,721.0	1,810.0	1,890.0
Sales growth	11.7%	3.6%	-0.1%	-4.5%	5.2%	4.4%
EBITDA	220.4	262.4	258.1	223.6	241.2	254.1
Net debt (if net cash=0)	504.1	593.6	506.2	501.3	437.5	401.9
FCF	105.8	61.8	155.7	113.7	96.3	70.7
Net Debt/EBITDA	2.3	2.3	2.0	2.2	1.8	1.6
EPS pro forma	1.78	3.04	3.10	2.90	3.59	3.84
EBITDA margin	12.7%	14.5%	14.3%	13.0%	13.3%	13.4%
ROCE	7.5%	11.8%	10.8%	8.9%	9.7%	10.5%
EV/sales	0.8	0.7	0.6	0.6	0.6	0.5
EV/EBITDA	6.5	4.9	4.3	4.8	4.1	3.8
PER	12.0	7.0	6.9	7.3	5.9	5.5
Adjusted FCF yield	5.9%	9.2%	8.7%	9.2%	11.6%	13.0%

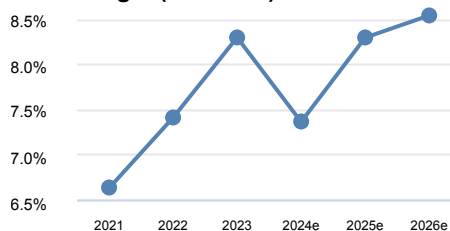
Source: Company data, NuWays, Close price as of 03.02.2025

Sales (2021-26e)



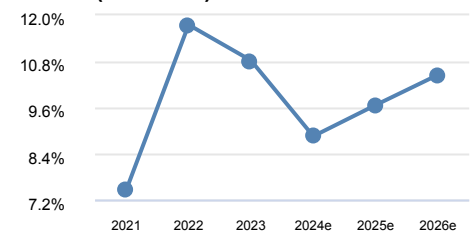
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

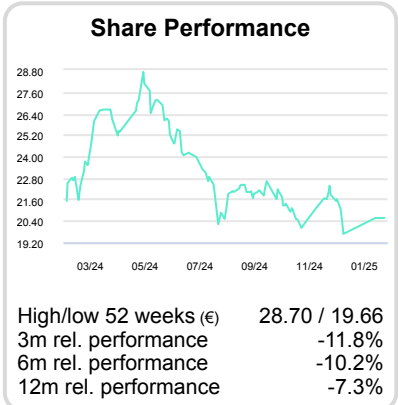
ROCE (2021-26e)



Source: NuWays Research

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.



Market data

Share price (in €)	20.55
Market cap (in € m)	533.4
Number of shares (in m pcs)	24.9
Enterprise value (in € m)	999.9
Ø trading volume (6 months)	15,657

Identifier

Bloomberg	INH GR
Reuters	INHG
WKN	620010
ISIN	DE0006200108

Key shareholders

Versicherungskammer Bayern	13.0%
Hans Selzer et al.	5.6%
Protector Forsikring	5.4%
Treasury Shares	7.3%
Free Float	68.7%

Estimates changes

	2024e	2025e	2026e
Sales	0%	0%	0%
EBIT	5%	0%	0%
EPS	9%	4%	4%

Comment on changes

- We slightly changed our estimates due to the release of preliminary FY24 numbers and the recent share buybacks.

Guidance

- FY24 Sales: € 1.70-1.80bn
- FY24 EBIT: € 115-125m
- FY24 FCF: > € 110m

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	1,741.5	1,804.1	1,802.4	1,721.0	1,810.0	1,890.0
<i>Sales growth</i>	11.7%	3.6%	-0.1%	-4.5%	5.2%	4.4%
Increase/decrease in finished goods and work-in-process	29.7	33.5	-11.7	-0.7	1.0	4.2
Total sales	1,771.2	1,837.7	1,790.7	1,720.3	1,811.0	1,894.2
Other operating income	28.4	25.1	20.6	18.1	25.3	26.5
Material expenses	817.6	872.2	801.4	755.8	818.1	858.1
Personnel expenses	529.1	494.6	521.5	531.8	543.6	566.6
Other operating expenses	232.5	233.5	230.3	227.2	233.5	241.9
Total operating expenses	1,550.8	1,575.2	1,532.6	1,496.7	1,569.8	1,640.1
EBITDA	220.4	262.4	258.1	223.6	241.2	254.1
Depreciation	83.9	50.7	62.7	72.7	72.6	74.2
EBITA	136.5	211.8	195.4	150.9	168.6	179.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	21.1	35.3	26.5	17.5	18.4	18.4
Impairment charges	0.0	42.8	19.3	6.7	0.0	0.0
EBIT (inc revaluation net)	115.4	133.7	149.6	126.7	150.2	161.4
Interest income	0.2	1.4	1.6	3.5	4.0	4.0
Interest expenses	14.7	14.5	21.2	22.2	23.5	25.7
Investment income	-1.8	-4.6	9.8	-4.0	-3.0	-3.0
Financial result	-16.3	-17.7	-9.8	-22.8	-22.5	-24.7
Recurring pretax income from continuing operations	99.1	115.9	139.7	103.9	127.7	136.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	99.1	115.9	139.7	103.9	127.7	136.7
Income tax expense	51.5	33.5	55.8	31.2	38.3	41.0
Net income from continuing operations	47.6	82.5	84.0	72.7	89.4	95.7
Income from discontinued operations (net of tax)	0.0	123.9	27.8	0.0	0.0	0.0
Net income	47.6	-41.4	56.1	72.7	89.4	95.7
Minority interest	0.8	0.8	0.7	1.0	0.8	0.8
Net profit (reported)	46.8	-42.2	55.4	71.7	88.6	94.9
Average number of shares	26.3	26.9	26.9	25.0	24.9	24.9
EPS reported	1.78	-1.57	2.06	2.86	3.55	3.81

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	11.7%	3.6%	-0.1%	-4.5%	5.2%	4.4%
Increase/decrease in finished goods and work-in-process	1.7%	1.9%	-0.6%	-0.0%	0.1%	0.2%
Total sales	101.7%	101.9%	99.4%	100.0%	100.1%	100.2%
Other operating income	1.6%	1.4%	1.1%	1.1%	1.4%	1.4%
Material expenses	46.9%	48.3%	44.5%	43.9%	45.2%	45.4%
Personnel expenses	30.4%	27.4%	28.9%	30.9%	30.0%	30.0%
Other operating expenses	13.4%	12.9%	12.8%	13.2%	12.9%	12.8%
Total operating expenses	89.1%	87.3%	85.0%	87.0%	86.7%	86.8%
EBITDA	12.7%	14.5%	14.3%	13.0%	13.3%	13.4%
Depreciation	4.8%	2.8%	3.5%	4.2%	4.0%	3.9%
EBITA	7.8%	11.7%	10.8%	8.8%	9.3%	9.5%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	1.2%	2.0%	1.5%	1.0%	1.0%	1.0%
Impairment charges	0.0%	2.4%	1.1%	0.4%	0.0%	0.0%
EBIT (inc revaluation net)	6.6%	7.4%	8.3%	7.4%	8.3%	8.5%
Interest income	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%
Interest expenses	0.8%	0.8%	1.2%	1.3%	1.3%	1.4%
Investment income	-0.1%	-0.3%	0.5%	-0.2%	-0.2%	-0.2%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	5.7%	6.4%	7.8%	6.0%	7.1%	7.2%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	5.7%	6.4%	7.8%	6.0%	7.1%	7.2%
Tax rate	52.0%	28.9%	39.9%	30.0%	30.0%	30.0%
Net income from continuing operations	2.7%	4.6%	4.7%	4.2%	4.9%	5.1%
Income from discontinued operations (net of tax)	0.0%	6.9%	1.5%	0.0%	0.0%	0.0%
Net income	2.7%	-2.3%	3.1%	4.2%	4.9%	5.1%
Minority interest	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%
Net profit (reported)	2.7%	-2.3%	3.1%	4.2%	4.9%	5.0%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	646.0	645.1	633.9	651.9	645.5	639.1
Property, plant and equipment	422.4	346.5	354.4	369.9	357.3	343.1
Financial assets	13.4	76.1	17.0	10.1	10.1	10.1
FIXED ASSETS	1,081.8	1,067.7	1,005.3	1,031.9	1,012.9	992.3
Inventories	403.9	449.4	429.3	408.5	409.1	429.0
Accounts receivable	168.9	195.5	181.3	191.2	181.0	189.0
Other assets and short-term financial assets	52.8	29.4	25.8	41.4	41.7	41.7
Liquid assets	136.3	127.8	265.8	213.7	237.5	273.1
Deferred taxes	13.8	20.2	21.3	21.0	21.5	21.5
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	775.6	822.2	923.5	875.9	890.7	954.4
TOTAL ASSETS	1,857.4	1,889.9	1,928.8	1,907.8	1,903.7	1,946.7
SHAREHOLDERS EQUITY	785.6	692.8	717.9	749.1	805.2	865.1
MINORITY INTEREST	1.8	2.1	1.7	1.7	1.7	1.7
Long-term liabilities to banks	477.3	580.6	618.2	560.0	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	41.3	23.6	27.0	29.0	29.0	30.3
Other provisions and accrued liabilities	89.8	43.4	42.3	36.0	35.7	34.0
NON-CURRENT LIABILITIES	608.4	647.6	687.4	625.0	614.7	614.2
Short-term liabilities to banks	163.2	140.7	153.8	155.0	125.0	125.0
Accounts payable	62.2	74.3	63.7	71.7	62.4	68.2
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)	187.6	278.4	248.8	245.2	237.7	214.5
Deferred taxes	48.6	54.0	55.4	60.0	57.0	58.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	461.5	547.4	521.7	532.0	482.1	465.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,857.4	1,889.9	1,928.8	1,907.8	1,903.7	1,946.7
Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	34.8%	34.1%	32.9%	34.2%	33.9%	32.8%
Property, plant and equipment	22.7%	18.3%	18.4%	19.4%	18.8%	17.6%
Financial assets	0.7%	4.0%	0.9%	0.5%	0.5%	0.5%
FIXED ASSETS	58.2%	56.5%	52.1%	54.1%	53.2%	51.0%
Inventories	21.7%	23.8%	22.3%	21.4%	21.5%	22.0%
Accounts receivable	9.1%	10.3%	9.4%	10.0%	9.5%	9.7%
Other assets and short-term financial assets	2.8%	1.6%	1.3%	2.2%	2.2%	2.1%
Liquid assets	7.3%	6.8%	13.8%	11.2%	12.5%	14.0%
Deferred taxes	0.7%	1.1%	1.1%	1.1%	1.1%	1.1%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	41.8%	43.5%	47.9%	45.9%	46.8%	49.0%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SHAREHOLDERS EQUITY	42.3%	36.7%	37.2%	39.3%	42.3%	44.4%
MINORITY INTEREST	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Long-term liabilities to banks	25.7%	30.7%	32.0%	29.4%	28.9%	28.3%
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	2.2%	1.2%	1.4%	1.5%	1.5%	1.6%
Other provisions and accrued liabilities	4.8%	2.3%	2.2%	1.9%	1.9%	1.7%
NON-CURRENT LIABILITIES	32.8%	34.3%	35.6%	32.8%	32.3%	31.6%
Short-term liabilities to banks	8.8%	7.4%	8.0%	8.1%	6.6%	6.4%
Accounts payable	3.3%	3.9%	3.3%	3.8%	3.3%	3.5%
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)	10.1%	14.7%	12.9%	12.9%	12.5%	11.0%
Deferred taxes	2.6%	2.9%	2.9%	3.1%	3.0%	3.0%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	24.8%	29.0%	27.0%	27.9%	25.3%	23.9%
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)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	47.6	82.5	84.0	72.7	89.4	95.7
Depreciation of fixed assets (incl. leases)	83.9	93.4	82.1	79.4	72.6	74.2
Amortisation of goodwill & intangible assets	21.1	35.3	26.5	17.5	18.4	18.4
Other costs affecting income / expenses	37.5	-17.7	-9.8	-22.8	-22.5	-24.7
Cash flow from operating activities	53.4	-12.4	109.1	80.8	77.3	50.1
Increase/decrease in inventory	-71.4	-45.5	20.1	20.7	-0.5	-20.0
Increase/decrease in accounts receivable	-6.9	-26.6	14.2	-9.9	10.2	-8.0
Increase/decrease in accounts payable	13.3	9.9	-10.6	8.0	-9.3	5.8
Increase/decrease in other working capital positions	0.0	23.5	7.9	10.0	10.0	0.0
Increase/decrease in working capital	-65.1	-38.6	31.5	28.9	10.4	-22.2
Cash flow from operating activities	158.4	116.3	217.7	177.7	168.3	142.7
CAPEX	52.6	54.5	61.9	64.0	72.0	72.0
Payments for acquisitions	67.3	58.8	8.9	36.2	0.0	0.0
Financial investments	0.7	0.4	0.6	0.0	0.0	0.0
Income from asset disposals	14.6	19.3	21.3	0.0	0.0	0.0
Cash flow from investing activities	-106.0	-94.4	-50.1	-100.2	-72.0	-72.0
Cash flow before financing	30.8	-6.3	146.1	46.5	66.2	35.6
Increase/decrease in debt position	-73.2	87.2	50.6	-57.0	-40.0	0.0
Purchase of own shares	0.0	0.0	0.0	41.6	2.4	0.0
Capital measures	84.8	0.0	0.0	0.0	0.0	0.0
Dividends paid	21.5	28.2	21.5	31.0	30.0	35.1
Others	-31.0	-3.1	-29.6	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.2	-0.3	0.0	0.0	0.0	0.0
Cash flow from financing activities	-40.8	55.9	-0.5	-129.6	-72.5	-35.1
Increase/decrease in liquid assets	11.7	77.5	167.1	-52.1	23.8	35.6
Liquid assets at end of period	136.3	127.8	265.8	213.7	237.5	273.1

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	11.7%	3.6%	-0.1%	-4.5%	5.2%	4.4%
EBITDA growth	-2.4%	66.4%	17.1%	-14.8%	-6.6%	-3.2%
EBIT growth	-2.1%	475.8%	29.6%	-5.2%	0.4%	20.8%
EPS growth	-26.9%	33.1%	15.9%	-282.4%	72.4%	-342.5%
Efficiency						
Sales per employee	159.6	173.6	193.5	182.3	189.9	189.9
EBITDA per employee	20.2	25.3	27.7	23.7	25.3	25.5
No. employees (average)	10,910	10,391	9,317	9,438	9,533	9,954
Balance sheet analysis						
Avg. working capital / sales	29.8%	28.2%	29.3%	31.9%	29.7%	29.6%
Inventory turnover (sales/inventory)	2.2	2.0	1.8	1.8	2.0	2.0
Accounts receivable turnover	10.3	9.2	9.9	9.0	10.0	10.0
Accounts payable turnover	28.0	24.3	28.3	24.0	29.0	29.0
Cash flow analysis						
Free cash flow	105.8	61.8	155.7	113.7	96.3	70.7
Free cash flow/sales	6.1%	3.4%	8.6%	6.6%	5.3%	3.7%
FCF / net profit	222.4%	74.9%	185.5%	156.3%	107.7%	73.9%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	504.1	593.6	506.2	501.3	437.5	401.9
Net Debt/EBITDA	2.3	2.3	2.0	2.2	1.8	1.6
Dividend payout ratio	59.1%	100.0%	58.2%	41.9%	39.6%	42.2%
Interest paid / avg. debt	2.2%	2.0%	3.0%	3.1%	3.2%	3.7%
Returns						
ROCE	7.5%	11.8%	10.8%	8.9%	9.7%	10.5%
ROE	6.0%	-6.1%	7.7%	9.6%	11.0%	11.0%
Adjusted FCF yield	5.9%	9.2%	8.7%	9.2%	11.6%	13.0%
Dividend yield	4.9%	3.8%	5.6%	5.6%	6.6%	7.5%
DPS	1.0	0.8	1.2	1.2	1.4	1.6
EPS reported	1.78	-1.57	2.06	2.86	3.55	3.81
Average number of shares	26.3	26.9	26.9	25.0	24.9	24.9
Valuation ratios						
P/BV	0.7	0.8	0.8	0.7	0.7	0.6
EV/sales	0.8	0.7	0.6	0.6	0.6	0.5
EV/EBITDA	6.5	4.9	4.3	4.8	4.1	3.8
EV/EBIT	12.5	9.7	7.4	8.4	6.7	6.0

Source: Company data, NuWays

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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
	21.03.2024	Sandherr, Christian	Buy	EUR 36.00	EUR 24.75
	22.02.2024	Sandherr, Christian	Buy	EUR 36.00	EUR 21.50

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The determination of the fair value per share, i.e. the price target, and the relevant 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 of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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8. 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 under: www.nuways-ag.com

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