

Buy (old: Buy)

27.03.2025

EUR 34.00 (old: EUR 34.00)

Solid FY24 numbers and promising mid-term outlook; chg.

Topic: INDUS released solid final FY24 numbers in line with prelims and presented its mid-term targets for 2030 at the CMD in Frankfurt. Here are our key takeaways:

To recap, **FY24 sales decreased 4.5% yoy to € 1,722m** due to macroeconomic headwinds especially in the construction industry and pricing pressure in Materials Solutions (former Materials). Q4 sales came in at € 440m, flat yoy. Order intake decreased across all segments to € 1,611 in total with a book-to-bill of 0.94x and 3.7% below last year due to a persistently weak economy. Consequently, the order backlog decreased 10.4% yoy to a low level of € 637m. **FY adj. EBITA came in at € 154m, -18.3% yoy** due to a top-line decrease and higher personnel expenses (+3% yoy) despite 161 fewer employees. This leads to a still solid 8.9% adj. EBITA margin (-1.5ppts) considering the current economic environment.

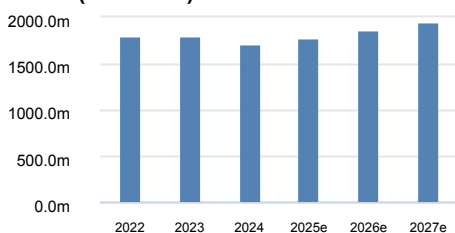
Engineering FY sales remained flat yoy (-0.5%) but adj. EBITA decreased by 21.5% due to an unfavorable product mix in H1. **Infrastructure** recorded a 3.9% decline in sales, however, with a 2.9% increase in adj. EBITA thanks to a reduction of 7.4% yoy in cost of materials and a positive one-time effect from the sale of a non-controlling interest in BETOMAX for € 2.6m. Sales in the **Materials Solutions** segment dropped by 8.9% and adj. EBITA disproportionately by 25.2% yoy due to a weak metals sector and pricing pressure. In particular suppliers of the construction and agricultural industry are currently facing low demand.

On a regional sales split, top-line in Germany decreased by 8.2% (48% of total sales), while sales in EU declined by only 4.5% and in third countries even increased by 1.8% yoy. The continued investment reluctance in Germany and a still muted GDP growth forecast of 0.3% for FY25e by the IMF, gave INDUS reason to expand its geographic M&A scope. **Growth acquisitions will be expanded to Europe** and add-on acquisitions are searched globally with a particular focus on North America. This is positive news in our view, as INDUS will become less dependent on the German economy and can now search more opportunistically in different geographies for value accretive M&A targets. *-to be continued -*

Y/E 31.12 (EUR m)	2022	2023	2024	2025e	2026e	2027e
Sales	1,804.1	1,802.4	1,721.8	1,790.0	1,865.0	1,948.9
Sales growth	3.6%	-0.1%	-4.5%	4.0%	4.2%	4.5%
EBITDA	262.4	258.1	226.1	238.8	258.1	272.9
Net debt (if net cash=0)	593.6	506.2	541.4	484.0	427.6	351.0
FCF	61.8	155.7	92.8	91.4	87.4	112.7
Net Debt/EBITDA	2.3	2.0	2.4	2.0	1.7	1.3
EPS pro forma	3.04	3.10	0.00	3.11	3.49	3.74
EBITDA margin	14.5%	14.3%	13.1%	13.3%	13.8%	14.0%
ROCE	11.8%	10.8%	9.1%	9.4%	10.6%	10.7%
EV/sales	0.7	0.7	0.8	0.7	0.6	0.6
EV/EBITDA	4.9	5.0	5.7	5.2	4.6	4.0
PER	9.2	9.0	n.a.	9.0	8.0	7.5
Adjusted FCF yield	7.9%	7.5%	6.7%	9.0%	10.6%	12.1%

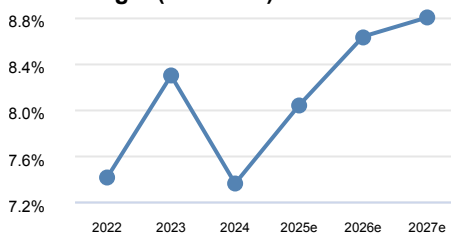
Source: Company data, NuWays, Close price as of 24.03.2025

Sales (2022-27e)



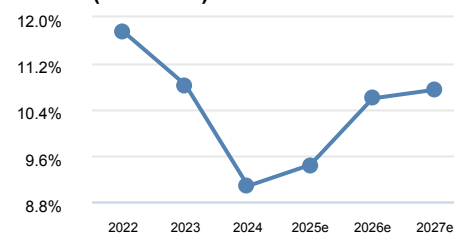
Source: NuWays Research

EBIT margin (2022-27e)



Source: NuWays Research

ROCE (2022-27e)



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.

Share Performance



High/low 52 weeks (€)	28.70 / 19.66
3m rel. performance	20.6%
6m rel. performance	3.3%
12m rel. performance	-11.9%

Market data

Share price (in €)	26.90
Market cap (in € m)	722.4
Number of shares (in m pcs)	25.8
Enterprise value (in € m)	1234.9
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	-1%	-1%	1%
EBIT	-4%	-0%	-0%
EPS	-10%	-6%	-6%

Comment on changes

- We finetuned our model based on the new insights at the CMD.

Guidance

- FY25 Sales: € 1.75-1.85bn
- FY25 adj. EBITA: € 150-175m
- FY25 FCF: > € 90m

INDUS Holding AG

Preview / Review - 27.03.2025



Ambitious mid-term target: Management aims for sales of € 3bn and adj. EBITA of € 330m until FY30e, not factoring in any potential impact of Germany's € 500bn infrastructure special fund. € 700m additional sales are expected to come from organic growth (implied 5.9% CAGR) and € 600m from acquisitions, for which the company plans to spend approximately € 500m. INDUS sees a huge market potential for succession solutions in Europe. Around 90% of family businesses in Europe see an external investor as a suitable succession option and long-term oriented investors such as INDUS who preserve the DNA of the target business are often preferred by Mittelstand companies. Although we believe the targeted 11% adj. EBITA margin is well in reach, we take a more conservative view on organic top-line growth. Thus, we estimate INDUS to reach c. € 500m organic sales growth until FY30e (implied 4.3% CAGR).

FY25e guidance in reach: INDUS expects sales between € 1.75-1.85bn (eNuW: € 1.79bn) and adj. EBITA in the range of € 150-175m (eNuW: € 164m) for the current year. Although a yoy decline in backlog, the guidance looks plausible in our view supported by € 28m annualized sales contribution from INDUS' acquisitions since the start of the year. Further, the acquisitions made in FY24 have an annualized sales contribution of c. € 35m (vs. € 18.4m recorded sales in FY24).

We reiterate BUY with unchanged PT of € 34, based on FCFY25e.

Financials

Profit and loss (EUR m)	2022	2023	2024	2025e	2026e	2027e
Net sales	1,804.1	1,802.4	1,721.8	1,790.0	1,865.0	1,948.9
<i>Sales growth</i>	3.6%	-0.1%	-4.5%	4.0%	4.2%	4.5%
Increase/decrease in finished goods and work-in-process	33.5	-11.7	-3.3	-1.1	4.1	4.1
Total sales	1,837.7	1,790.7	1,718.5	1,788.9	1,869.1	1,953.0
Other operating income	25.1	20.6	27.8	25.1	26.1	26.5
Material expenses	872.2	801.4	757.0	798.3	829.9	867.3
Personnel expenses	494.6	521.5	536.9	542.4	562.9	585.9
Other operating expenses	233.5	230.3	226.3	234.5	244.3	253.4
Total operating expenses	1,575.2	1,532.6	1,492.4	1,550.2	1,611.0	1,680.1
EBITDA	262.4	258.1	226.1	238.8	258.1	272.9
Depreciation	50.7	62.7	63.4	62.9	62.0	64.3
EBITA	211.8	195.4	162.7	175.9	196.1	208.6
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	143.9	161.1	171.6
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	116.4	130.4	139.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	115.9	139.7	96.1	116.4	130.4	139.9
Income tax expense	33.5	55.8	41.4	34.9	39.1	42.0
Net income from continuing operations	82.5	84.0	54.7	81.5	91.3	97.9
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	81.5	91.3	97.9
Minority interest	0.8	0.7	1.0	1.2	1.4	1.5
Net profit (reported)	-42.2	55.4	53.7	80.3	89.9	96.5
Average number of shares	26.9	26.9	26.0	25.8	25.8	25.8
EPS reported	-1.57	2.06	2.07	3.11	3.49	3.74

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%
<i>Sales growth</i>	3.6%	-0.1%	-4.5%	4.0%	4.2%	4.5%
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%	1.4%
Material expenses	48.3%	44.5%	44.0%	44.6%	44.5%	44.5%
Personnel expenses	27.4%	28.9%	31.2%	30.3%	30.2%	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%	86.6%	86.4%	86.2%
EBITDA	14.5%	14.3%	13.1%	13.3%	13.8%	14.0%
Depreciation	2.8%	3.5%	3.7%	3.5%	3.3%	3.3%
EBITA	11.7%	10.8%	9.5%	9.8%	10.5%	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%	8.0%	8.6%	8.8%
Interest income	0.1%	0.1%	0.3%	0.2%	0.2%	0.1%
Interest expenses	0.8%	1.2%	1.5%	1.5%	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%	6.5%	7.0%	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%	6.5%	7.0%	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%	4.6%	4.9%	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%	4.6%	4.9%	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%	4.5%	4.8%	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	336.5	329.5	320.1
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	987.0	956.0	920.6
Inventories	449.4	429.3	410.6	420.2	436.8	456.5
Accounts receivable	195.5	181.3	185.2	179.0	186.5	200.9
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	191.0	247.4	324.0
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	866.2	948.7	1,063.4
TOTAL ASSETS	1,889.9	1,928.8	1,806.8	1,853.1	1,904.7	1,984.0
SHAREHOLDERS EQUITY	692.8	717.9	697.5	747.2	817.5	889.6
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	29.7	31.0
Other provisions and accrued liabilities	43.4	42.3	43.3	35.7	34.0	35.5
NON-CURRENT LIABILITIES	647.6	687.4	611.7	614.2	613.7	616.5
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	71.6	74.6	78.0
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	489.3	471.0	475.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,889.9	1,928.8	1,806.8	1,853.1	1,904.7	1,984.0
Balance sheet (common size)	2022	2023	2024	2025e	2026e	2027e
Intangible assets	34.1%	32.9%	36.6%	34.6%	32.4%	29.8%
Property, plant and equipment	18.3%	18.4%	19.3%	18.2%	17.3%	16.1%
Financial assets	4.0%	0.9%	0.5%	0.5%	0.5%	0.5%
FIXED ASSETS	56.5%	52.1%	56.5%	53.3%	50.2%	46.4%
Inventories	23.8%	22.3%	22.7%	22.7%	22.9%	23.0%
Accounts receivable	10.3%	9.4%	10.3%	9.7%	9.8%	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%	13.0%	16.3%
Deferred taxes	1.1%	1.1%	0.8%	0.9%	0.9%	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%	46.7%	49.8%	53.6%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SHAREHOLDERS EQUITY	36.7%	37.2%	38.6%	40.3%	42.9%	44.8%
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%	29.7%	28.9%	27.7%
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%	1.5%	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%	33.1%	32.2%	31.1%
Short-term liabilities to banks	7.4%	8.0%	8.1%	6.7%	6.6%	6.3%
Accounts payable	3.9%	3.3%	4.1%	3.9%	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%	12.8%	11.3%	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%	26.4%	24.7%	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	81.5	91.3	97.9
Depreciation of fixed assets (incl. leases)	93.4	82.1	70.1	62.9	62.0	64.3
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	58.1	56.4	77.4
Increase/decrease in inventory	-45.5	20.1	18.7	-9.6	-16.6	19.7
Increase/decrease in accounts receivable	-26.6	14.2	-3.9	6.2	-7.5	-14.4
Increase/decrease in accounts payable	9.9	-10.6	11.2	-3.3	3.0	3.4
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	3.3	-6.1	8.6
Cash flow from operating activities	116.3	217.7	143.7	152.9	153.4	178.7
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	60.5	56.4	76.6
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	31.0	36.1
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	-31.0	-36.1
Increase/decrease in liquid assets	77.5	167.1	-120.7	45.8	56.4	76.6
Liquid assets at end of period	127.8	265.8	145.2	191.0	247.4	324.0

Key ratios (EUR m)	2022	2023	2024	2025e	2026e	2027e
P&L growth analysis						
Sales growth	3.6%	-0.1%	-4.5%	4.0%	4.2%	4.5%
EBITDA growth	66.4%	17.1%	-13.8%	-7.5%	-1.7%	5.7%
EBIT growth	475.8%	29.6%	-5.2%	-3.8%	20.5%	14.7%
EPS growth	33.1%	15.9%	-231.8%	50.9%	-321.9%	81.4%
Efficiency						
Sales per employee	173.6	193.5	196.4	202.1	202.1	202.1
EBITDA per employee	25.3	27.7	25.8	27.0	28.0	28.3
No. employees (average)	10,391	9,317	8,768	8,856	9,227	9,642
Balance sheet analysis						
Avg. working capital / sales	28.2%	29.3%	31.7%	30.0%	30.0%	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	91.4	87.4	112.7
Free cash flow/sales	3.4%	8.6%	5.4%	5.1%	4.7%	5.8%
FCF / net profit	74.9%	185.5%	169.6%	112.2%	95.7%	115.1%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	593.6	506.2	541.4	484.0	427.6	351.0
Net Debt/EBITDA	2.3	2.0	2.4	2.0	1.7	1.3
Dividend payout ratio	100.0%	58.2%	57.6%	38.6%	40.2%	40.1%
Interest paid / avg. debt	2.0%	3.0%	3.7%	3.7%	4.3%	4.3%
Returns						
ROCE	11.8%	10.8%	9.1%	9.4%	10.6%	10.7%
ROE	-6.1%	7.7%	7.7%	10.7%	11.0%	10.8%
Adjusted FCF yield	7.9%	7.5%	6.7%	9.0%	10.6%	12.1%
Dividend yield	2.9%	4.3%	4.3%	4.3%	5.0%	5.4%
DPS	0.8	1.2	1.2	1.2	1.4	1.5
EPS reported	-1.57	2.06	2.07	3.11	3.49	3.74
Average number of shares	26.9	26.9	26.0	25.8	25.8	25.8
Valuation ratios						
P/BV	1.1	1.0	1.0	1.0	0.9	0.8
EV/sales	0.7	0.7	0.8	0.7	0.6	0.6
EV/EBITDA	4.9	5.0	5.7	5.2	4.6	4.0
EV/EBIT	9.7	8.6	10.2	8.6	7.3	6.4

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

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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.

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 adjust-

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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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