

Buy EUR 42.50 Price EUR 27.70 Upside 53.4 %	Value Indicators: EUR DCF: 42.63 FCF-Value Potential: 40.59	Warburg ESG Risk Score: 2.7 ESG Score (MSCI based): 3.0 Balance Sheet Score: 4.0 Market Liquidity Score: 1.0	Description: Init provides hardware and software solutions to public transport companies worldwide
	Market Snapshot: EUR m Market cap: 275.8 No. of shares (m): 10.0 EV: 286.3 Freefloat MC: 142.9 Ø Trad. Vol. (30d): 115.23 th	Shareholders: Freefloat 51.81 % Mr. & Mrs. Dr. G.Greschner 42.58 % Remaining board members 4.71 % Employee shares 0.53 % Own shares 0.37 %	Key Figures (WRe): 2023e Beta: 1.2 Price / Book: 2.2 x Equity Ratio: 46 % Net Fin. Debt / EBITDA: 0.1 x Net Debt / EBITDA: 0.3 x

Guidance confirmed in anticipation of seasonally strong Q4

Stated Figures Q3/2023:									
FY End: 31.12. in EUR m	Q3 23	Q3 23e	Q3 22	yoy	9M 23	9M 23e	9M 22	yoy	
Sales	53.4	54.6	50.5	6 %	143.0	144.2	131.1	9 %	
EBIT	5.5	6.4	7.3	-25 %	7.1	8.1	10.2	-30 %	
Margin	10.3 %	11.8 %	14.6 %		5.0 %	5.6 %	7.8 %		
EPS	0.37	0.44	0.51	-27 %	0.50	0.57	0.69	-28 %	

Comment on Figures:

- Growth momentum slowed in the third quarter, mainly due to last year's strong Q3 and project postponements.
- The margin decline resulted from a product mix effect compared to Q3 22, which benefitted from a catch-up effect in the profitable spare parts business after the shortages.

Init has published Q3 figures that were slightly below our expectations and confirmed its outlook for the full year. Sales increased by 5.8% in Q3 to EUR 53.4m (WRe EUR 54.6m) and were burdened by milestone postponements in the US. EBIT reached EUR 5.5m (WRe EUR 6.4m) after EUR 7.3m last year. The decline was mainly the result of a product mix effect, as last year's Q3 included a higher share of more profitable after-sales business as a catch-up effect from the shortages.

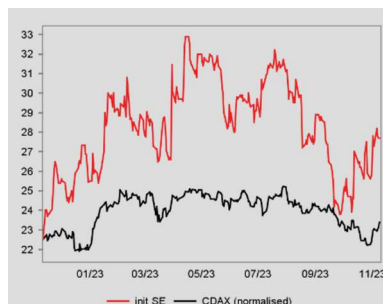
Q3 order intake increased to EUR 38.3m from EUR 33.8m last year. The order backlog increased from EUR 159m to EUR 166m and does not yet include the recently announced project with a volume of over EUR 100m. In view of the visibility provided by the order backlog and in expectation of the seasonally strong after-sales business in Q4, init has confirmed its outlook for the full year, targeting sales of EUR 200-220m and EBIT of EUR 20-25m. The lower end of the top-line target range implies a sales decline in Q4 of 5.2% yoy, which should be well within reach, especially as milestones have been shifted from Q3 to Q4. We have reduced our sales outlook and expect a growth rate at the level of Q3 for the last quarter (WRe 5.9%). Based on our top-line estimate, the lower end of the EBIT guidance implies a margin of 20.3%. The substantial qoq improvement should be driven by the usual Q4-heavy seasonality (Q4 22 margin 18.0%) as well as the postponed milestone payment for some of the associated costs already booked in Q3.

Despite the weaker Q3, we remain highly optimistic about init's mid-term prospects. The 13% increase in Q3 order intake and especially the tender from Atlanta with a projected initial project volume of more than USD 100m that the company won last month indicate, in our view, the end of the demand lull that init has been facing since the pandemic. Moreover, the company's return to its targeted growth path of 15% CAGR and the expected sustainable improvement in profitability have become more visible. We have slightly adjusted our estimates, but confirm our PT and our Buy recommendation.

Changes in Estimates:						
FY End: 31.12. in EUR m	2023e (old)	+ / -	2024e (old)	+ / -	2025e (old)	+ / -
Sales	211.2	-2.1 %	246.8	0.0 %	289.2	0.0 %
EBIT	20.9	-4.1 %	29.1	0.0 %	37.0	0.0 %
EPS	1.48	-10.8 %	1.97	-4.6 %	2.53	-4.0 %

Comment on Changes:

- 2023 estimates reduced after weaker Q3.
- EPS reduced for all years as our forecast incorporates higher debt and interest rates.

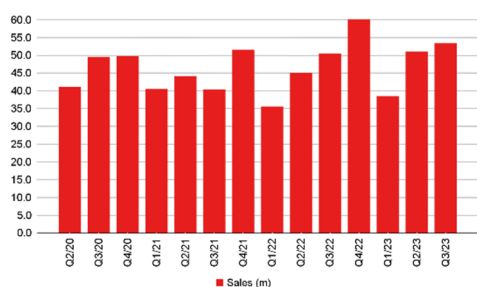


Rel. Performance vs CDAX:	
1 month:	16.3 %
6 months:	-8.0 %
Year to date:	2.6 %
Trailing 12 months:	19.8 %

Company events:	

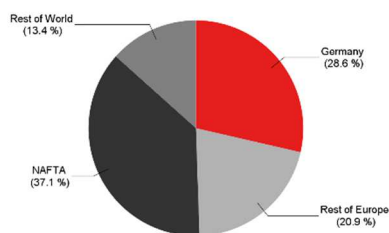
FY End: 31.12. in EUR m	CAGR (22-25e)	2019	2020	2021	2022	2023e	2024e	2025e
Sales	14.8 %	156.5	180.7	176.7	191.3	206.7	246.8	289.2
Change Sales yoy		15.3 %	15.5 %	-2.2 %	8.3 %	8.1 %	19.4 %	17.2 %
Gross profit margin		34.0 %	34.4 %	35.5 %	40.0 %	38.1 %	37.4 %	37.2 %
EBITDA	16.4 %	23.5	28.9	27.4	31.2	31.2	40.6	49.2
Margin		15.0 %	16.0 %	15.5 %	16.3 %	15.1 %	16.5 %	17.0 %
EBIT	20.8 %	16.2	19.6	17.6	21.0	20.0	29.1	37.0
Margin		10.4 %	10.9 %	9.9 %	11.0 %	9.7 %	11.8 %	12.8 %
Net income	13.6 %	11.3	14.9	12.4	16.5	13.1	18.6	24.2
EPS	13.5 %	1.13	1.50	1.25	1.66	1.32	1.88	2.43
EPS adj.	13.5 %	1.13	1.50	1.25	1.66	1.32	1.88	2.43
DPS	13.3 %	0.40	0.55	0.55	0.55	0.70	0.70	0.80
Dividend Yield		2.3 %	2.0 %	1.4 %	2.1 %	2.5 %	2.5 %	2.9 %
FCFPS		1.55	1.74	1.24	1.45	0.63	1.52	2.17
FCF / Market cap		8.8 %	6.3 %	3.1 %	5.7 %	2.3 %	5.5 %	7.8 %
EV / Sales		1.2 x	1.7 x	2.3 x	1.4 x	1.4 x	1.1 x	0.9 x
EV / EBITDA		8.2 x	10.4 x	14.9 x	8.4 x	9.1 x	6.9 x	5.5 x
EV / EBIT		11.8 x	15.4 x	23.2 x	12.4 x	14.2 x	9.7 x	7.3 x
P / E		15.6 x	18.5 x	31.6 x	15.5 x	21.0 x	14.7 x	11.4 x
P / E adj.		15.6 x	18.5 x	31.6 x	15.5 x	21.0 x	14.7 x	11.4 x
FCF Potential Yield		8.9 %	7.4 %	5.0 %	9.3 %	8.2 %	10.2 %	12.7 %
Net Debt		15.0	25.0	13.2	5.3	9.7	5.2	-5.7
ROCE (NOPAT)		12.0 %	14.5 %	11.4 %	14.4 %	11.7 %	15.0 %	18.1 %
Guidance:		Sales: EUR 200-220m, EBIT: EUR 20-25m						

Sales development in EUR m



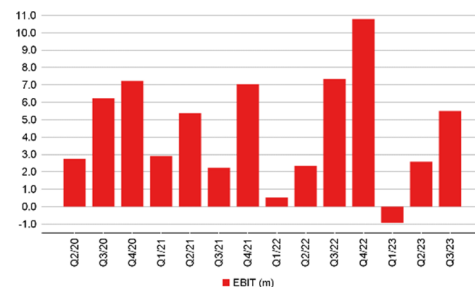
Source: Warburg Research

Sales by regions 2022; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

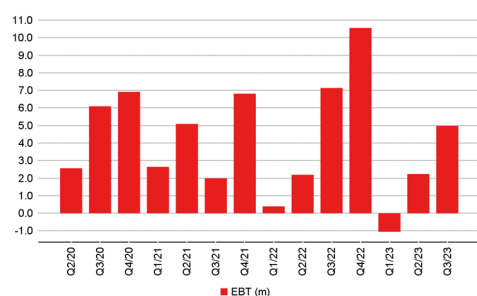
Company Background

- Init is a leading supplier of hardware and software solutions for public transportation and covers a vast part of the value creation of its customers.
- Founded in 1983 as a university spin-off, init provides its services to more than 700 customers worldwide with >25 subsidiaries and offices and >900 employees
- 55% of group sales are generated with new projects. The remaining 45% consists of recurring after-sales and service revenues, such as delivery, maintenance, follow-up orders and operational services.
- The product portfolio includes electronic ticketing (45% of sales), intermodal transport control systems (25%), automated passenger counting (20%) and timetable planning and dispatching (5%).

Competitive Quality

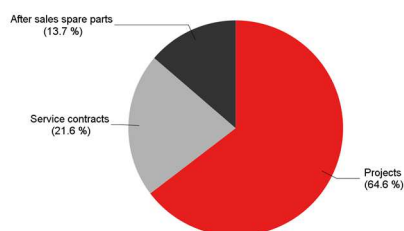
- Revenue growth is driven by structural mega-trends like smart city mobility concepts, urbanisation and growing environmental awareness.
- Focused business model with highly scalable modular platform solutions and low capex requirements
- Long-standing relationships with more than 700 customers worldwide yield significant cross-selling potential
- Large installed base includes >300 APC systems, >130 ICTS/RTPI, >120 personal assignment, >100 planning, and >130 ticketing systems, while >120,000 equipped vehicles generate a profitable stream of recurring revenues
- Deep integration into its clients' processes along the value chain creates significant switching costs for init's customers

EBT development in EUR m



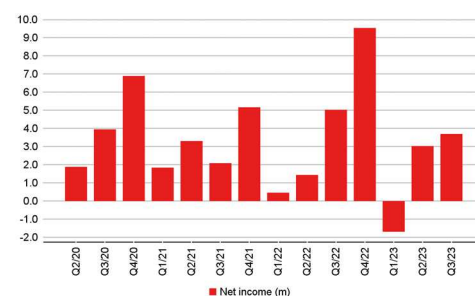
Source: Warburg Research

Sales by segments 2022



Source: Warburg Research

Net income development in EUR m



Source: Warburg Research

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	
Sales	206.7	246.8	289.2	329.6	369.2	409.8	450.8	491.4	530.7	567.8	596.2	614.1	629.4	2.5 %
Sales change	8.1 %	19.4 %	17.2 %	14.0 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	7.0 %	5.0 %	3.0 %	2.5 %	
EBIT	20.0	29.1	37.0	41.9	46.1	50.0	49.6	49.1	53.1	56.8	59.6	61.4	62.9	10.0 %
EBIT-margin	9.7 %	11.8 %	12.8 %	12.7 %	12.5 %	12.2 %	11.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	10.0 %	
Tax rate (EBT)	26.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %
NOPAT	14.8	20.4	25.9	29.3	32.3	35.0	34.7	34.4	37.1	39.7	41.7	43.0	44.1	
Depreciation	11.2	11.5	12.1	10.5	10.0	10.7	11.3	12.3	13.3	14.2	14.9	15.4	15.7	2.5 %
in % of Sales	5.4 %	4.7 %	4.2 %	3.2 %	2.7 %	2.6 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	
Changes in provisions	0.2	0.2	0.2	1.1	1.1	1.1	1.1	1.1	1.1	1.0	0.8	0.5	0.4	0.4
Change in Liquidity from														
- Working Capital	7.9	7.1	6.5	11.0	8.2	7.7	7.0	11.0	10.6	10.0	7.7	4.8	4.1	4.1
- Capex	11.4	9.2	9.5	9.9	10.7	11.7	12.2	12.8	13.3	14.2	14.9	15.4	15.7	
Capex in % of Sales	5.5 %	3.7 %	3.3 %	3.0 %	2.9 %	2.9 %	2.7 %	2.6 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %	2.5 %
- Other	11.1	4.2	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	-4.2	11.5	18.0	20.1	24.5	27.4	28.0	24.1	27.6	30.7	34.8	38.6	40.3	41
PV of FCF	-4.2	10.6	15.2	15.6	17.5	18.1	17.0	13.4	14.2	14.6	15.2	15.6	15.0	
share of PVs	5.00 %			36.26 %										58.74 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	9.00 %	Financial Strength	1.20
Cost of debt (after tax)	2.8 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	0.90
Risk free rate	2.75 %	Transparency	1.20
		Others	1.20
WACC	8.56 %	Beta	1.16

Valuation (m)

Present values 2035e	178		
Terminal Value	253		
Financial liabilities	38		
Pension liabilities	7		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	0		
Liquidity	40	No. of shares (m)	10.0
Equity Value	424	Value per share (EUR)	42.63

Sensitivity Value per Share (EUR)

		Terminal Growth									Delta EBIT-margin						
Beta	WACC	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %	Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp
1.36	9.6 %	33.80	34.38	35.01	35.67	36.39	37.16	37.99	1.36	9.6 %	29.18	31.34	33.51	35.67	37.84	40.00	42.17
1.26	9.1 %	36.60	37.31	38.06	38.88	39.76	40.71	41.74	1.26	9.1 %	31.85	34.19	36.54	38.88	41.22	43.56	45.91
1.21	8.8 %	38.16	38.93	39.77	40.68	41.65	42.72	43.88	1.21	8.8 %	33.35	35.79	38.23	40.68	43.12	45.56	48.00
1.16	8.6 %	39.83	40.69	41.62	42.63	43.72	44.91	46.21	1.16	8.6 %	34.98	37.53	40.08	42.63	45.18	47.73	50.28
1.11	8.3 %	41.64	42.59	43.63	44.75	45.97	47.31	48.79	1.11	8.3 %	36.75	39.42	42.08	44.75	47.42	50.08	52.75
1.06	8.1 %	43.59	44.65	45.81	47.07	48.45	49.96	51.63	1.06	8.1 %	38.68	41.48	44.27	47.07	49.86	52.66	55.45
0.96	7.6 %	48.02	49.35	50.81	52.41	54.18	56.14	58.33	0.96	7.6 %	43.14	46.23	49.32	52.41	55.50	58.59	61.68

- The minority interest in CarMediaLab, TQA and SQM has not played a significant role in recent years
- To calculate the minorities, we multiplied the current book value with our target P/B 2022 of 4.0x
- Adjustments for the IFRS 16 effect are included in the "other" line
- Depreciation of usage rights is excluded from our D&A estimates in the transitional period

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2019	2020	2021	2022	2023e	2024e	2025e	
Net Income before minorities	11.3	14.9	12.4	16.5	13.1	18.6	24.2	
+ Depreciation + Amortisation	7.2	9.2	9.8	10.2	11.2	11.5	12.1	
- Net Interest Income	-1.0	-0.9	-1.0	-0.7	-2.3	-2.5	-2.5	
- Maintenance Capex	2.5	2.9	2.8	3.1	3.3	3.9	4.6	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	17.0	22.2	20.5	24.4	23.3	28.7	34.2	
FCF Potential Yield (on market EV)	8.9 %	7.4 %	5.0 %	9.3 %	8.2 %	10.2 %	12.7 %	
WACC	8.56 %	8.56 %	8.56 %	8.56 %	8.56 %	8.56 %	8.56 %	
= Enterprise Value (EV)	192.3	301.7	407.5	260.7	285.5	281.1	270.2	
= Fair Enterprise Value	199.1	259.4	239.4	284.7	272.2	334.8	399.3	
- Net Debt (Cash)	-2.0	-2.0	-2.0	-2.0	2.1	-2.5	-13.6	
- Pension Liabilities	7.3	7.3	7.3	7.3	7.5	7.7	7.9	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.8	0.8	0.8	0.8	0.8	0.8	0.8	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	193.1	253.3	233.3	278.6	261.8	328.8	404.2	
Number of shares, average	10.0	10.0	10.0	9.9	9.9	9.9	9.9	
= Fair value per share (EUR)	19.29	25.44	23.43	28.07	26.37	33.13	40.72	
premium (-) / discount (+) in %					-4.8 %	19.6 %	47.0 %	
Sensitivity Fair value per Share (EUR)								
WACC	11.56 %	14.20	18.68	17.19	20.56	19.19	24.30	30.18
	10.56 %	15.60	20.51	18.88	22.56	21.11	26.66	33.00
	9.56 %	17.30	22.72	20.91	24.99	23.43	29.51	36.40
	8.56 %	19.29	25.44	23.43	28.07	26.37	33.13	40.72
	7.56 %	22.03	28.89	26.61	31.76	29.90	37.47	45.89
	6.56 %	25.49	33.39	30.76	36.69	34.62	43.28	52.81
	5.56 %	30.18	39.50	36.40	43.40	41.04	51.17	62.22

- Maintenance capex is estimated at 1.6% of sales, reflecting low level of production equipment required
- The minority interest in iris, CarMediaLab, TQA and SQM has not played a significant role in recent years
- To calculate the minorities, we multiplied the current book value with our target P/B 2019 of 5.5x
- WACC is assumed at 7.4% consistent with cost of capital calculated in our DCF model

Valuation	2019	2020	2021	2022	2023e	2024e	2025e
Price / Book	2.1 x	3.1 x	3.8 x	2.2 x	2.2 x	2.0 x	1.8 x
Book value per share ex intangibles	6.75	5.97	7.36	8.44	8.78	10.00	11.86
EV / Sales	1.2 x	1.7 x	2.3 x	1.4 x	1.4 x	1.1 x	0.9 x
EV / EBITDA	8.2 x	10.4 x	14.9 x	8.4 x	9.1 x	6.9 x	5.5 x
EV / EBIT	11.8 x	15.4 x	23.2 x	12.4 x	14.2 x	9.7 x	7.3 x
EV / EBIT adj.*	11.8 x	15.4 x	23.2 x	12.4 x	14.2 x	9.7 x	7.3 x
P / FCF	11.4 x	16.0 x	31.9 x	17.7 x	43.9 x	18.2 x	12.8 x
P / E	15.6 x	18.5 x	31.6 x	15.5 x	21.0 x	14.7 x	11.4 x
P / E adj.*	15.6 x	18.5 x	31.6 x	15.5 x	21.0 x	14.7 x	11.4 x
Dividend Yield	2.3 %	2.0 %	1.4 %	2.1 %	2.5 %	2.5 %	2.9 %
FCF Potential Yield (on market EV)	8.9 %	7.4 %	5.0 %	9.3 %	8.2 %	10.2 %	12.7 %

*Adjustments made for: -

Consolidated profit and loss

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Sales	156.5	180.7	176.7	191.3	206.7	246.8	289.2
Change Sales yoy	15.3 %	15.5 %	-2.2 %	8.3 %	8.1 %	19.4 %	17.2 %
COGS	103.2	118.5	114.0	114.7	127.9	154.5	181.6
Gross profit	53.2	62.2	62.7	76.6	78.8	92.3	107.6
<i>Gross margin</i>	<i>34.0 %</i>	<i>34.4 %</i>	<i>35.5 %</i>	<i>40.0 %</i>	<i>38.1 %</i>	<i>37.4 %</i>	<i>37.2 %</i>
Research and development	10.4	11.0	12.6	13.5	13.0	14.8	17.6
Sales and marketing	16.7	18.0	19.7	24.1	24.8	28.6	31.2
Administration expenses	13.3	16.8	17.4	20.4	23.2	23.2	25.4
Other operating expenses	0.5	0.3	0.4	1.6	1.2	1.0	0.9
Other operating income	4.0	3.5	4.9	4.1	3.5	4.4	4.6
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	23.5	28.9	27.4	31.2	31.2	40.6	49.2
<i>Margin</i>	<i>15.0 %</i>	<i>16.0 %</i>	<i>15.5 %</i>	<i>16.3 %</i>	<i>15.1 %</i>	<i>16.5 %</i>	<i>17.0 %</i>
Depreciation of fixed assets	5.8	7.1	7.7	7.8	8.1	8.4	9.0
EBITA	17.6	21.8	19.7	23.4	23.2	32.2	40.2
Amortisation of intangible assets	1.4	2.1	2.1	2.4	3.1	3.1	3.2
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	16.2	19.6	17.6	21.0	20.0	29.1	37.0
<i>Margin</i>	<i>10.4 %</i>	<i>10.9 %</i>	<i>9.9 %</i>	<i>11.0 %</i>	<i>9.7 %</i>	<i>11.8 %</i>	<i>12.8 %</i>
EBIT adj.	16.2	19.6	17.6	21.0	20.0	29.1	37.0
Interest income	0.1	0.1	0.0	0.0	0.3	0.2	0.2
Interest expenses	1.1	1.0	1.0	0.8	2.6	2.7	2.7
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	15.2	18.7	16.5	20.3	17.7	26.6	34.5
<i>Margin</i>	<i>9.7 %</i>	<i>10.4 %</i>	<i>9.4 %</i>	<i>10.6 %</i>	<i>8.6 %</i>	<i>10.8 %</i>	<i>11.9 %</i>
Total taxes	3.9	3.8	4.1	3.8	4.6	8.0	10.4
Net income from continuing operations	11.3	14.9	12.4	16.5	13.1	18.6	24.2
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	11.3	14.9	12.4	16.5	13.1	18.6	24.2
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	11.3	14.9	12.4	16.5	13.1	18.6	24.2
<i>Margin</i>	<i>7.2 %</i>	<i>8.3 %</i>	<i>7.0 %</i>	<i>8.6 %</i>	<i>6.3 %</i>	<i>7.6 %</i>	<i>8.4 %</i>
Number of shares, average	10.0	10.0	10.0	9.9	9.9	9.9	9.9
EPS	1.13	1.50	1.25	1.66	1.32	1.88	2.43
EPS adj.	1.13	1.50	1.25	1.66	1.32	1.88	2.43

*Adjustments made for:

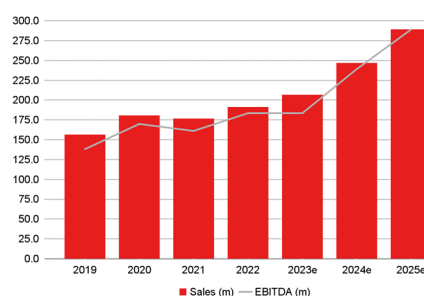
Guidance: Sales: EUR 200-220m, EBIT: EUR 20-25m

Financial Ratios

	2019	2020	2021	2022	2023e	2024e	2025e
Total Operating Costs / Sales	23.6 %	23.5 %	25.5 %	29.0 %	28.4 %	25.6 %	24.4 %
Operating Leverage	10.1 x	1.4 x	4.8 x	2.4 x	-0.6 x	2.3 x	1.6 x
EBITDA / Interest expenses	21.2 x	28.9 x	26.2 x	41.6 x	12.0 x	15.0 x	18.2 x
Tax rate (EBT)	25.6 %	20.2 %	24.8 %	18.6 %	26.0 %	30.0 %	30.0 %
Dividend Payout Ratio	35.3 %	36.6 %	44.0 %	33.1 %	53.0 %	37.3 %	32.9 %
Sales per Employee	180,674	179,056	167,449	181,282	181,411	200,560	217,576

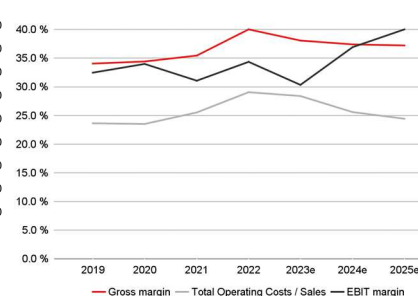
Sales, EBITDA

in EUR m

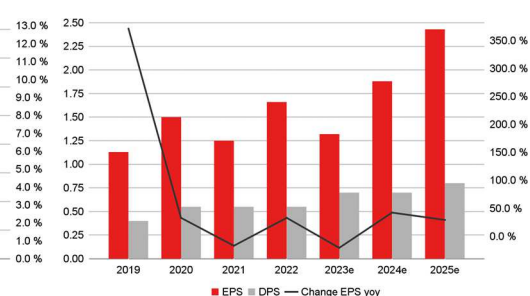


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

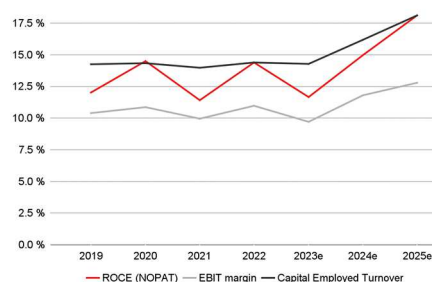
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Assets							
Goodwill and other intangible assets	17.8	31.1	29.3	32.5	35.4	35.1	34.0
thereof other intangible assets	8.8	18.6	16.8	20.0	22.9	22.7	21.5
thereof Goodwill	9.0	12.5	12.5	12.5	12.5	12.5	12.5
Property, plant and equipment	50.8	57.4	55.7	65.0	62.3	60.4	58.9
Financial assets	1.9	2.0	2.2	2.1	2.1	2.1	2.1
Other long-term assets	3.2	3.1	3.3	3.5	3.5	3.5	3.5
Fixed assets	73.7	93.5	90.4	103.2	103.4	101.2	98.6
Inventories	27.8	32.6	34.3	42.1	47.0	49.4	50.7
Accounts receivable	43.0	38.7	32.0	35.2	37.9	45.3	53.1
Liquid assets	26.2	32.3	28.2	40.1	51.9	56.6	67.7
Other short-term assets	29.7	29.6	31.9	25.1	25.1	25.1	25.1
Current assets	126.7	133.2	126.5	142.5	162.0	176.4	196.6
Total Assets	200.4	226.6	216.9	245.7	265.4	277.6	295.2
Liabilities and shareholders' equity							
Subscribed capital	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Capital reserve	5.7	6.6	7.6	6.6	6.6	6.6	6.6
Retained earnings	70.5	80.3	87.3	98.4	104.6	116.2	133.4
Other equity components	-0.9	-6.7	-2.6	1.4	1.5	1.6	1.7
Shareholders' equity	85.4	90.3	102.4	116.4	122.6	134.4	151.7
Minority interest	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Total equity	85.5	90.5	102.6	116.6	122.8	134.6	151.9
Provisions	22.6	25.8	21.8	16.3	16.5	16.7	16.9
thereof provisions for pensions and similar obligations	11.1	11.8	10.8	7.3	7.5	7.7	7.9
Financial liabilities (total)	30.1	45.5	30.6	38.0	54.0	54.0	54.0
Short-term financial liabilities	17.8	17.5	14.1	18.5	24.5	24.5	24.5
Accounts payable	8.6	7.5	6.9	9.7	7.4	10.1	12.7
Other liabilities	53.6	57.2	55.0	65.1	64.6	62.1	59.6
Liabilities	114.9	136.1	114.3	129.2	142.5	142.9	143.2
Total liabilities and shareholders' equity	200.4	226.6	216.9	245.7	265.4	277.6	295.2

Financial Ratios

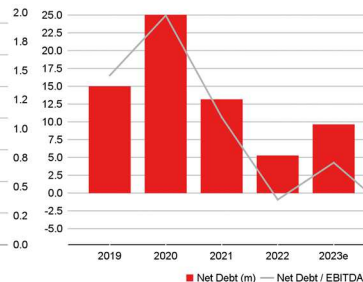
	2019	2020	2021	2022	2023e	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	1.4 x	1.5 x	1.6 x	1.5 x	1.5 x	1.7 x	2.0 x
Capital Employed Turnover	1.6 x	1.6 x	1.5 x	1.6 x	1.6 x	1.8 x	2.0 x
ROA	15.4 %	16.0 %	13.7 %	16.0 %	12.7 %	18.4 %	24.5 %
Return on Capital							
ROCE (NOPAT)	12.0 %	14.5 %	11.4 %	14.4 %	11.7 %	15.0 %	18.1 %
ROE	14.1 %	17.0 %	12.9 %	15.1 %	11.0 %	14.5 %	16.9 %
Adj. ROE	14.1 %	17.0 %	12.9 %	15.1 %	11.0 %	14.5 %	16.9 %
Balance sheet quality							
Net Debt	15.0	25.0	13.2	5.3	9.7	5.2	-5.7
Net Financial Debt	3.9	13.3	2.4	-2.0	2.1	-2.5	-13.6
Net Gearing	17.5 %	27.7 %	12.8 %	4.5 %	7.9 %	3.9 %	-3.7 %
Net Fin. Debt / EBITDA	16.5 %	45.9 %	8.6 %	n.a.	6.8 %	n.a.	n.a.
Book Value / Share	8.5	9.1	10.3	11.7	12.3	13.5	15.3
Book value per share ex intangibles	6.8	6.0	7.4	8.4	8.8	10.0	11.9

ROCE Development



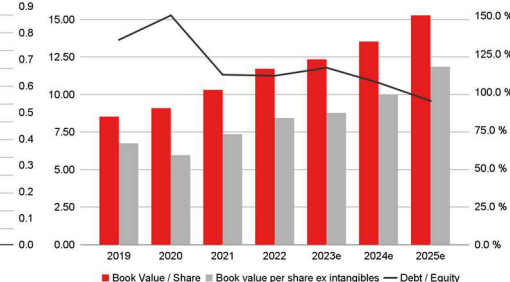
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

Consolidated cash flow statement

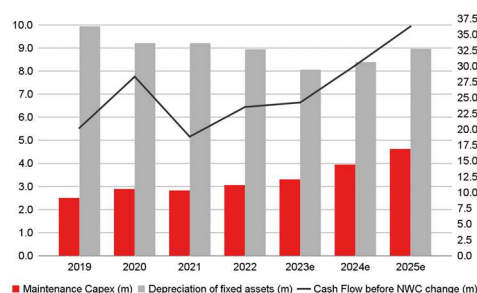
In EUR m	2019	2020	2021	2022	2023e	2024e	2025e
Net income	11.3	14.9	12.4	16.5	13.1	18.6	24.2
Depreciation of fixed assets	9.9	9.2	9.2	8.9	8.1	8.4	9.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.4	2.1	2.1	2.4	3.1	3.1	3.2
Increase/decrease in long-term provisions	2.4	2.7	-4.3	-5.7	0.2	0.2	0.2
Other non-cash income and expenses	-4.8	-0.7	-0.7	1.4	-0.2	-0.2	-0.2
Cash Flow before NWC change	20.2	28.3	18.8	23.5	24.3	30.1	36.3
Increase / decrease in inventory	0.4	-4.1	-0.7	-7.1	-4.9	-2.4	-1.3
Increase / decrease in accounts receivable	-11.5	1.7	11.3	5.9	-2.7	-7.4	-7.8
Increase / decrease in accounts payable	8.0	-0.5	-9.7	2.6	-0.3	2.7	2.6
Increase / decrease in other working capital positions	4.0	-1.0	-3.7	-0.6	1.3	1.3	1.3
Increase / decrease in working capital (total)	0.9	-3.9	-2.8	0.9	-6.6	-5.8	-5.2
Net cash provided by operating activities [1]	21.1	24.4	16.0	24.4	17.6	24.3	31.1
Investments in intangible assets	-0.4	-1.6	-1.6	-5.6	-6.0	-2.8	-2.0
Investments in property, plant and equipment	-5.3	-5.5	-2.1	-4.3	-5.4	-6.4	-7.5
Payments for acquisitions	0.0	-7.8	0.0	-1.1	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	-0.2	0.0	0.0	0.0
Income from asset disposals	0.1	0.3	0.3	0.3	0.0	0.0	0.0
Net cash provided by investing activities [2]	-5.6	-14.6	-3.4	-10.5	-11.4	-9.2	-9.5
Change in financial liabilities	-5.8	7.4	-8.1	8.6	16.0	0.0	0.0
Dividends paid	-1.3	-4.0	-5.5	-5.5	-6.9	-7.0	-7.0
Purchase of own shares	-0.2	-2.2	-0.7	-1.8	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-2.8	-3.9	-3.5	-3.5	-3.5	-3.5	-3.5
Net cash provided by financing activities [3]	-10.1	-2.8	-17.7	-2.2	5.6	-10.5	-10.5
Change in liquid funds [1]+[2]+[3]	5.4	7.0	-5.1	11.6	11.8	4.6	11.1
Effects of exchange-rate changes on cash	0.1	-1.0	1.1	0.3	0.0	0.0	0.0
Cash and cash equivalent at end of period	26.2	32.2	28.2	40.1	51.9	56.5	67.6

Financial Ratios

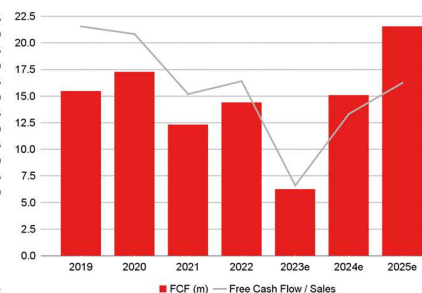
	2019	2020	2021	2022	2023e	2024e	2025e
Cash Flow							
FCF	15.5	17.3	12.3	14.4	6.3	15.1	21.6
Free Cash Flow / Sales	9.9 %	9.6 %	7.0 %	7.5 %	3.0 %	6.1 %	7.5 %
Free Cash Flow Potential	17.0	22.2	20.5	24.4	23.3	28.7	34.2
Free Cash Flow / Net Profit	136.6 %	115.8 %	99.3 %	87.5 %	47.7 %	81.0 %	89.2 %
Interest Received / Avg. Cash	0.4 %	0.3 %	0.1 %	0.1 %	0.5 %	0.4 %	0.3 %
Interest Paid / Avg. Debt	3.4 %	2.6 %	2.7 %	2.2 %	5.6 %	5.0 %	5.0 %
Management of Funds							
Investment ratio	3.6 %	4.0 %	2.1 %	5.2 %	5.5 %	3.7 %	3.3 %
Maint. Capex / Sales	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %
Capex / Dep	78.4 %	77.3 %	37.4 %	97.8 %	101.9 %	80.3 %	78.6 %
Avg. Working Capital / Sales	33.5 %	34.3 %	33.8 %	32.3 %	34.0 %	31.6 %	29.3 %
Trade Debtors / Trade Creditors	502.6 %	512.5 %	462.2 %	361.4 %	512.2 %	448.5 %	418.1 %
Inventory Turnover	3.7 x	3.6 x	3.3 x	2.7 x	2.7 x	3.1 x	3.6 x
Receivables collection period (days)	100	78	66	67	67	67	67
Payables payment period (days)	30	23	22	31	21	24	26
Cash conversion cycle (Days)	166	151	146	166	171	152	137

CAPEX and Cash Flow

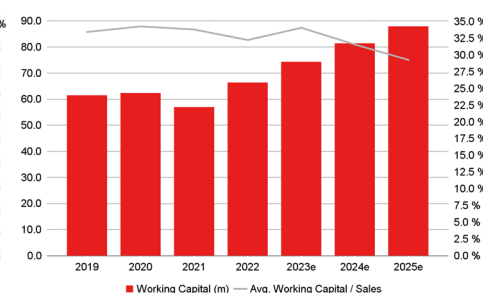
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
init SE	3, 5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005759807.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

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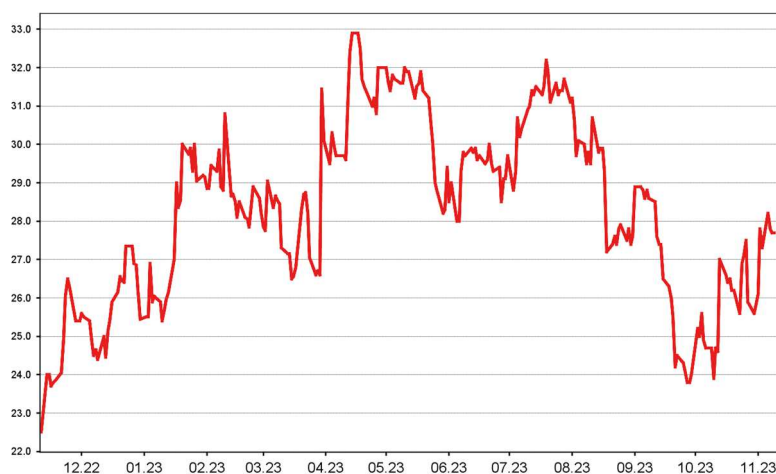
Rating	Number of stocks	% of Universe
Buy	155	73
Hold	46	22
Sell	6	3
Rating suspended	6	3
Total	213	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	44	83
Hold	7	13
Sell	0	0
Rating suspended	2	4
Total	53	100

PRICE AND RATING HISTORY INIT SE AS OF 10.11.2023



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

EQUITIES

Matthias Rode +49 40 3282-2678
Head of Equities mrode@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rueschmeier +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@warburg-research.com

Jan Bauer +49 40 309537-155
Renewables jbauer@warburg-research.com

Christian Cohrs +49 40 309537-175
Industrials & Transportation ccohrs@warburg-research.com

Dr. Christian Ehmann +49 40 309537-167
BioTech, Life Science cehmann@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marius Fuhrberg +49 40 309537-185
Financial Services mfuhrberg@warburg-research.com

Fabio Hölscher +49 40 309537-240
Automobiles, Car Suppliers fhoelscher@warburg-research.com

Philipp Kaiser +49 40 309537-260
Real Estate, Construction pkaiser@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Hannes Müller +49 40 309537-255
Software, IT hmueller@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplasier@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Simon Stippig +49 40 309537-265
Real Estate, Telco sstippig@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Robert-Jan van der Horst +49 40 309537-290
Technology rvanderhorst@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Marc Niemann +49 40 3282-2660
Head of Equity Sales, Germany mniemann@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lea Bogdanova +49 69 5050-7411
United Kingdom, Ireland lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Maximilian Martin +49 69 5050-7413
Austria, Poland mmartin@mmwarburg.com

Rudolf Alexander Michaelis +49 40 3282-2649
Germany rmichaelis@mmwarburg.com

Roman Alexander Niklas +49 69 5050-7412
Switzerland rniklas@mmwarburg.com

Antonia Möller +49 69 5050-7417
Roadshow/Marketing amoeller@mmwarburg.com

Charlotte Wernicke +49 40 3282-2669
Roadshow/Marketing cwernicke@mmwarburg.com

Juliane Niemann +49 40 3282-2694
Roadshow/Marketing jniemann@mmwarburg.com

SALES TRADING

Oliver Merckel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Rico Müller +49 40 3282-2685
Sales Trading rmueller@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

DESIGNATED SPONSORING

Marcel Magiera +49 40 3282-2662
Designated Sponsoring mmagiera@mmwarburg.com

Sebastian Schulz +49 40 3282-2631
Designated Sponsoring sschulz@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Designated Sponsoring jtreptow@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html

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FactSet www.factset.com

Refinitiv www.refinitiv.com

Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com