

Buy EUR 58.50 (EUR 57.00) Price EUR 39.80 Upside 47.0 %	Value Indicators: EUR DCF: 58.52 FCF-Value Potential: 56.90	Warburg Risk Score: 2.6 Balance Sheet Score: 3.8 Market Liquidity Score: 1.5	Description: Init provides hardware and software solutions to public transport companies worldwide
	Market Snapshot: EUR m Market cap: 396.3 No. of shares (m): 10.0 EV: 494.5 Freefloat MC: 205.3 Ø Trad. Vol. (30d): 133.39 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): 2025e Beta: 1.2 Price / Book: 2.7 x Equity Ratio: 45 % Net Fin. Debt / EBITDA: 1.7 x Net Debt / EBITDA: 1.9 x

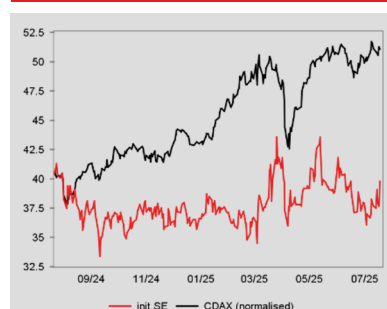
Guidance raised as Atlanta expands project volume

Init has announced that Metropolitan Atlanta Rapid Transit Authority (MARTA) extended the contract volume by USD 60m, increasing the total volume to approx. USD 180m. The additional hardware and software are scheduled before the original project, which will start towards the end of the year and will contribute notably to init's top line in the second half of this year. As a consequence, init has increased its sales outlook by EUR 40m from EUR 300-330m to EUR 340-370m. We expect that the remaining EUR 20m will be realised next year and we have adjusted our forecast for 2025 and 2026.

However, as the additional volume will, to a large extent, be provided by third parties and only supervised by init, the margin contribution should be low. While init increased its top-line outlook by 12-13%, the EBIT target range is up by only 6-7% from EUR 30-33m to EUR 32-35m. We have decreased our gross margin estimate for 2025 and 2026 to reflect the dilutive effect on the margins.

Despite the weaker profitability and the limited effect on the bottom line, we consider this good news. MARTA appears to be highly committed to its schedule and interested in a swift rollout. So far, init has been very cautious and only considered a minor contribution from the current major projects in Atlanta and London in its 2025 outlook, but we expect both projects to drive growth visibly over the next two to three years. In addition, as we have seen with the major contract in Houston, larger projects offer follow-up potential of significant size. After adjusting our estimates, we increase our target price from EUR 57.00 to EUR 58.50 and confirm our Buy recommendation.

Changes in Estimates:							Comment on Changes:
FY End: 31.12. in EUR m	2025e (old)	+ / -	2026e (old)	+ / -	2027e (old)	+ / -	
Sales	322.2	12.1 %	387.1	5.9 %	446.7	2.1 %	<ul style="list-style-type: none"> Sales and EBIT now include the additional contract volume from Atlanta The low margin contribution means that EBIT remains rather stable despite the higher top line Since init has received substantial upfront payments, we have reduced interest expenses, which resulted in higher EPS estimates
EBIT	32.9	2.2 %	46.5	0.6 %	59.6	0.2 %	
EPS	1.96	9.7 %	2.89	6.6 %	3.82	4.5 %	



Rel. Performance vs CDAX:

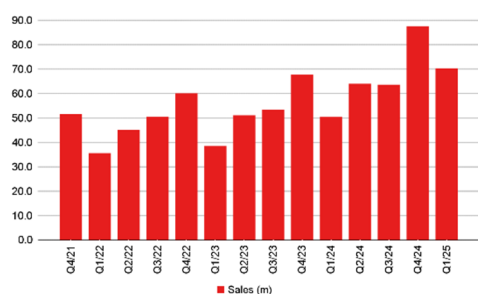
1 month:	3.4 %
6 months:	-7.0 %
Year to date:	-10.0 %
Trailing 12 months:	-29.7 %

Company events:

14.08.25	Q2
13.11.25	Q3

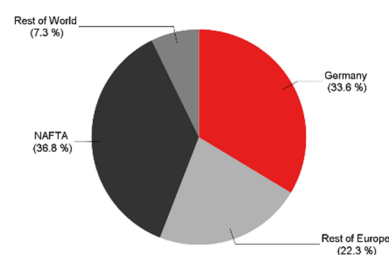
FY End: 31.12. in EUR m	CAGR (24-27e)	2021	2022	2023	2024	2025e	2026e	2027e
Sales	19.7 %	176.7	191.3	210.8	265.7	361.2	410.1	456.0
Change Sales yoy		-2.2 %	8.3 %	10.2 %	26.0 %	36.0 %	13.5 %	11.2 %
Gross profit margin		35.5 %	40.0 %	38.1 %	37.0 %	34.8 %	35.3 %	35.5 %
EBITDA	26.3 %	27.4	31.2	32.3	38.7	52.0	65.6	78.0
Margin		15.5 %	16.3 %	15.3 %	14.6 %	14.4 %	16.0 %	17.1 %
EBIT	34.5 %	17.6	21.0	21.0	24.5	33.6	46.8	59.7
Margin		9.9 %	11.0 %	10.0 %	9.2 %	9.3 %	11.4 %	13.1 %
Net income	36.6 %	12.4	16.5	15.2	15.5	21.2	30.4	39.4
EPS	36.5 %	1.25	1.66	1.54	1.57	2.15	3.08	3.99
EPS adj.	36.5 %	1.25	1.66	1.54	1.57	2.15	3.08	3.99
DPS	11.2 %	0.55	0.70	0.70	0.80	0.90	1.00	1.10
Dividend Yield		1.4 %	2.7 %	2.4 %	2.2 %	2.3 %	2.5 %	2.8 %
FCFPS		1.24	1.45	-0.46	-0.74	-0.69	2.33	3.30
FCF / Market cap		3.1 %	5.7 %	-1.6 %	-2.0 %	-1.7 %	5.9 %	8.3 %
EV / Sales		2.3 x	1.4 x	1.6 x	1.7 x	1.4 x	1.2 x	1.0 x
EV / EBITDA		14.9 x	8.3 x	10.4 x	11.5 x	9.4 x	7.3 x	5.8 x
EV / EBIT		23.2 x	12.4 x	16.0 x	18.1 x	14.6 x	10.2 x	7.6 x
P / E		31.6 x	15.5 x	18.8 x	23.3 x	18.5 x	12.9 x	10.0 x
P / E adj.		31.6 x	15.5 x	18.8 x	23.3 x	18.5 x	12.9 x	10.0 x
FCF Potential Yield		5.0 %	9.4 %	7.4 %	6.3 %	7.6 %	9.6 %	11.8 %
Net Debt		13.2	5.3	49.6	82.8	97.7	83.8	61.3
ROCE (NOPAT)		11.4 %	14.4 %	11.3 %	8.9 %	10.2 %	13.1 %	16.3 %
Guidance:		Sales: EUR 340-370m, EBIT: EUR 32-35m						

Sales development in EUR m



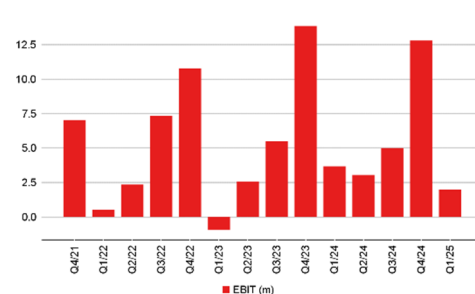
Source: Warburg Research

Sales by regions 2024; in %



Source: Warburg Research

EBIT development in EUR m



Source: Warburg Research

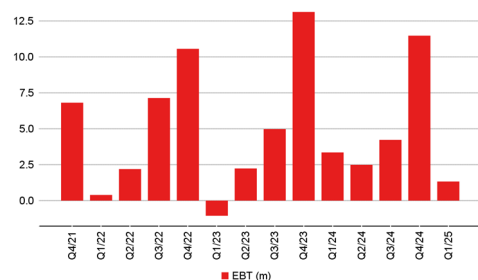
Company Background

- 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 1,400 public transport providers worldwide with >25 subsidiaries and offices and >1,400 employees
- 65-75% of group sales are usually generated with long-standing existing customers and projects and consist of spare part sales, maintenance and other after sales 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

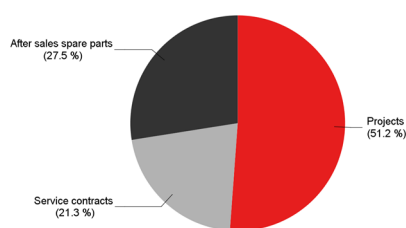
- Revenue growth is driven by structural mega-trends like smart city mobility concepts, urbanisation and growing environmental awareness.
- Focused business model with highly scalable modular platform solutions and low capex requirements
- Long-standing relationships with more than 1,400 customers worldwide yield significant cross-selling potential
- Large installed base includes >300 APC systems, >130 ICTS/RTPI, >120 personnel assignment, >100 planning, and >140 ticketing systems, while >200,000 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



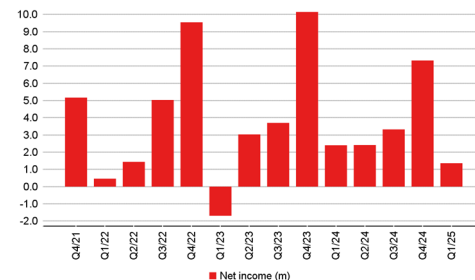
Source: Warburg Research

Sales by segments 2024



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
	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	
Sales	361.2	410.1	456.0	508.5	569.5	632.1	695.3	757.9	818.6	875.9	919.7	947.2	970.9	2.5 %
Sales change	36.0 %	13.5 %	11.2 %	11.5 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	7.0 %	5.0 %	3.0 %	2.5 %	
EBIT	33.6	46.8	59.7	66.1	71.2	75.9	80.0	83.4	85.9	87.6	92.0	94.7	97.1	10.0 %
EBIT-margin	9.3 %	11.4 %	13.1 %	13.0 %	12.5 %	12.0 %	11.5 %	11.0 %	10.5 %	10.0 %	10.0 %	10.0 %	10.0 %	
Tax rate (EBT)	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 %	68.0
NOPAT	23.5	32.7	41.8	46.3	49.8	53.1	56.0	58.4	60.2	61.3	64.4	66.3	68.0	
Depreciation	18.4	18.9	18.2	18.3	18.2	19.0	20.9	22.7	24.6	26.3	27.6	28.4	29.1	3.0 %
in % of Sales	5.1 %	4.6 %	4.0 %	3.6 %	3.2 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Changes in provisions	0.2	0.2	0.2	1.0	1.1	1.2	1.2	1.2	1.1	1.1	0.8	0.5	0.4	6.6
Change in Liquidity from														
- Working Capital	24.8	13.0	14.5	10.4	15.5	15.3	14.9	14.0	17.0	16.0	12.3	7.7	6.6	29.1
- Capex	18.3	13.5	10.8	11.2	13.7	16.4	20.9	22.7	24.6	26.3	27.6	28.4	29.1	
Capex in % of Sales	5.1 %	3.3 %	2.4 %	2.2 %	2.4 %	2.6 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	0.0
- Other	5.4	5.4	5.4	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)	-6.3	19.9	29.6	43.9	40.1	41.5	42.3	45.5	44.3	46.3	52.9	59.1	61.8	63
PV of FCF	-6.2	17.9	24.4	33.4	28.1	26.8	25.1	24.9	22.3	21.5	22.6	23.3	22.4	
share of PVs	5.42 %			37.61 %										56.97 %

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 2037e	287		
Terminal Value	379		
Financial liabilities	99		
Pension liabilities	8		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	0		
Liquidity	24	No. of shares (m)	10.0
Equity Value	583	Value per share (EUR)	58.52

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 %	45.08	45.95	46.89	47.89	48.96	50.11	51.36	1.36	9.6 %	38.03	41.32	44.60	47.89	51.17	54.46	57.74
1.26	9.1 %	49.37	50.43	51.57	52.79	54.10	55.53	57.08	1.26	9.1 %	42.12	45.67	49.23	52.79	56.34	59.90	63.45
1.21	8.8 %	51.76	52.92	54.18	55.53	57.00	58.60	60.33	1.21	8.8 %	44.41	48.12	51.83	55.53	59.24	62.95	66.66
1.16	8.6 %	54.32	55.61	57.01	58.52	60.16	61.94	63.90	1.16	8.6 %	46.90	50.77	54.64	58.52	62.39	66.26	70.14
1.11	8.3 %	57.08	58.52	60.07	61.76	63.60	65.61	67.82	1.11	8.3 %	49.60	53.65	57.71	61.76	65.81	69.87	73.92
1.06	8.1 %	60.08	61.67	63.41	65.30	67.37	69.64	72.15	1.06	8.1 %	52.55	56.80	61.05	65.30	69.55	73.80	78.05
0.96	7.6 %	66.85	68.85	71.05	73.45	76.11	79.06	82.35	0.96	7.6 %	59.35	64.05	68.75	73.45	78.15	82.85	87.56

- 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	2021	2022	2023	2024	2025e	2026e	2027e	
Net Income before minorities	12.4	16.5	15.2	15.2	21.2	30.4	39.4	
+ Depreciation + Amortisation	9.8	10.2	11.2	14.2	18.4	18.9	18.2	
- Net Interest Income	-1.0	-0.7	-1.7	-3.0	-3.2	-3.3	-3.4	
- Maintenance Capex	2.8	3.1	3.4	4.3	5.8	6.6	7.3	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	20.5	24.4	24.8	28.1	37.1	46.0	53.8	
FCF Potential Yield (on market EV)	5.0 %	9.4 %	7.4 %	6.3 %	7.6 %	9.6 %	11.8 %	
WACC	8.56 %	8.56 %	8.56 %	8.56 %	8.56 %	8.56 %	8.56 %	
= Enterprise Value (EV)	407.2	260.4	336.3	443.6	491.0	477.1	454.6	
= Fair Enterprise Value	239.4	284.7	289.2	328.6	433.8	537.8	628.4	
- Net Debt (Cash)	75.0	75.0	75.0	75.0	89.7	75.6	52.9	
- Pension Liabilities	7.8	7.8	7.8	7.8	8.0	8.2	8.4	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.5	0.5	0.5	0.5	0.5	0.5	0.5	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	156.0	201.3	205.8	245.3	335.5	453.4	566.6	
Number of shares, average	10.0	9.9	9.9	9.9	9.9	9.9	9.9	
= Fair value per share (EUR)	15.67	20.29	20.84	24.85	34.00	45.95	57.42	
premium (-) / discount (+) in %					-14.6 %	15.4 %	44.3 %	
Sensitivity Fair value per Share (EUR)								
WACC	11.56 %	9.43	12.80	13.14	16.07	22.39	31.52	40.53
	10.56 %	11.12	14.81	15.17	18.38	25.45	35.31	44.95
	9.56 %	13.16	17.23	17.63	21.18	29.14	39.89	50.30
	8.56 %	15.67	20.29	20.84	24.85	34.00	45.95	57.42
	7.56 %	18.85	24.00	24.51	29.00	39.46	52.68	65.25
	6.56 %	23.00	28.93	29.52	34.69	46.98	62.00	76.15
5.56 %	28.64	35.64	36.34	42.44	57.20	74.68	90.96	

- 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
- Cash payments of EUR 7.1m for the DILAX acquisition are included in the "Others" Line

Valuation	2021	2022	2023	2024	2025e	2026e	2027e
Price / Book	3.8 x	2.2 x	2.4 x	2.7 x	2.7 x	2.3 x	2.0 x
Book value per share ex intangibles	7.36	8.44	8.32	7.78	8.48	10.54	13.74
EV / Sales	2.3 x	1.4 x	1.6 x	1.7 x	1.4 x	1.2 x	1.0 x
EV / EBITDA	14.9 x	8.3 x	10.4 x	11.5 x	9.4 x	7.3 x	5.8 x
EV / EBIT	23.2 x	12.4 x	16.0 x	18.1 x	14.6 x	10.2 x	7.6 x
EV / EBIT adj.*	23.2 x	12.4 x	16.0 x	18.1 x	14.6 x	10.2 x	7.6 x
P / FCF	31.9 x	17.7 x	n.a.	n.a.	n.a.	17.1 x	12.1 x
P / E	31.6 x	15.5 x	18.8 x	23.3 x	18.5 x	12.9 x	10.0 x
P / E adj.*	31.6 x	15.5 x	18.8 x	23.3 x	18.5 x	12.9 x	10.0 x
Dividend Yield	1.4 %	2.7 %	2.4 %	2.2 %	2.3 %	2.5 %	2.8 %
FCF Potential Yield (on market EV)	5.0 %	9.4 %	7.4 %	6.3 %	7.6 %	9.6 %	11.8 %
*Adjustments made for: -							

Consolidated profit and loss

In EUR m	2021	2022	2023	2024	2025e	2026e	2027e
Sales	176.7	191.3	210.8	265.7	361.2	410.1	456.0
Change Sales yoy	-2.2 %	8.3 %	10.2 %	26.0 %	36.0 %	13.5 %	11.2 %
COGS	114.0	114.7	130.4	167.3	235.5	265.3	294.1
Gross profit	62.7	76.6	80.4	98.4	125.7	144.8	161.9
<i>Gross margin</i>	<i>35.5 %</i>	<i>40.0 %</i>	<i>38.1 %</i>	<i>37.0 %</i>	<i>34.8 %</i>	<i>35.3 %</i>	<i>35.5 %</i>
Research and development	12.6	13.5	13.0	13.9	19.1	19.7	20.1
Sales and marketing	19.7	24.1	26.1	31.3	36.1	40.2	42.9
Administration expenses	17.4	20.4	23.4	30.2	36.8	39.8	42.0
Other operating expenses	0.4	1.6	0.4	2.6	3.3	2.1	1.8
Other operating income	4.9	4.1	3.6	4.1	3.3	3.7	4.6
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	27.4	31.2	32.3	38.7	52.0	65.6	78.0
<i>Margin</i>	<i>15.5 %</i>	<i>16.3 %</i>	<i>15.3 %</i>	<i>14.6 %</i>	<i>14.4 %</i>	<i>16.0 %</i>	<i>17.1 %</i>
Depreciation of fixed assets	7.7	7.8	8.3	10.2	13.0	13.1	12.8
EBITA	19.7	23.4	24.0	28.5	39.0	52.5	65.2
Amortisation of intangible assets	2.1	2.4	3.0	4.0	5.4	5.7	5.5
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	17.6	21.0	21.0	24.5	33.6	46.8	59.7
<i>Margin</i>	<i>9.9 %</i>	<i>11.0 %</i>	<i>10.0 %</i>	<i>9.2 %</i>	<i>9.3 %</i>	<i>11.4 %</i>	<i>13.1 %</i>
EBIT adj.	17.6	21.0	21.0	24.5	33.6	46.8	59.7
Interest income	0.0	0.0	0.3	0.4	0.2	0.2	0.2
Interest expenses	1.0	0.8	2.0	3.4	3.4	3.5	3.6
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	16.5	20.3	19.3	21.5	30.3	43.4	56.3
<i>Margin</i>	<i>9.4 %</i>	<i>10.6 %</i>	<i>9.1 %</i>	<i>8.1 %</i>	<i>8.4 %</i>	<i>10.6 %</i>	<i>12.3 %</i>
Total taxes	4.1	3.8	4.1	6.4	9.1	13.0	16.9
Net income from continuing operations	12.4	16.5	15.2	15.2	21.2	30.4	39.4
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	12.4	16.5	15.2	15.2	21.2	30.4	39.4
Minority interest	0.0	0.0	0.0	-0.3	0.0	0.0	0.0
Net income	12.4	16.5	15.2	15.5	21.2	30.4	39.4
<i>Margin</i>	<i>7.0 %</i>	<i>8.6 %</i>	<i>7.2 %</i>	<i>5.8 %</i>	<i>5.9 %</i>	<i>7.4 %</i>	<i>8.6 %</i>
Number of shares, average	10.0	9.9	9.9	9.9	9.9	9.9	9.9
EPS	1.25	1.66	1.54	1.57	2.15	3.08	3.99
EPS adj.	1.25	1.66	1.54	1.57	2.15	3.08	3.99

*Adjustments made for:

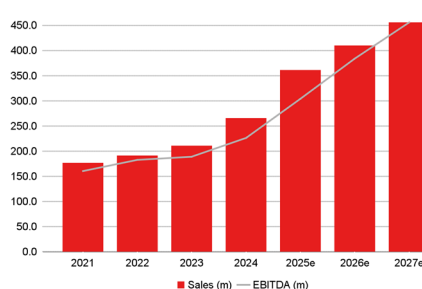
Guidance: Sales: EUR 340-370m, EBIT: EUR 32-35m

Financial Ratios

	2021	2022	2023	2024	2025e	2026e	2027e
Total Operating Costs / Sales	25.5 %	29.0 %	28.2 %	27.8 %	25.5 %	23.9 %	22.4 %
Operating Leverage	4.8 x	2.4 x	0.0 x	0.6 x	1.0 x	2.9 x	2.5 x
EBITDA / Interest expenses	26.2 x	41.6 x	16.0 x	11.5 x	15.1 x	18.5 x	21.4 x
Tax rate (EBT)	24.8 %	18.6 %	21.4 %	29.5 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	44.0 %	42.1 %	45.6 %	52.0 %	41.8 %	32.5 %	27.5 %
Sales per Employee	167,449	181,282	199,811	251,824	317,009	333,265	343,140

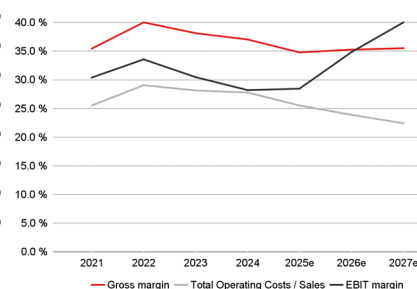
Sales, EBITDA

in EUR m

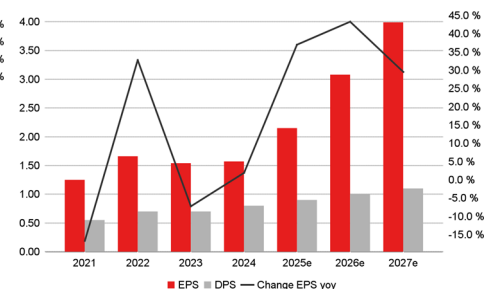


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

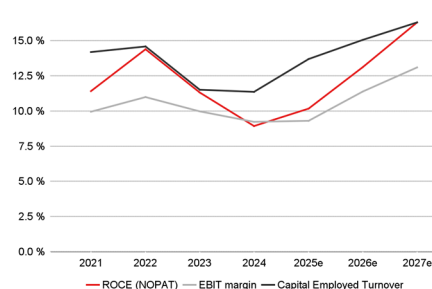
Consolidated balance sheet

In EUR m	2021	2022	2023	2024	2025e	2026e	2027e
Assets							
Goodwill and other intangible assets	29.3	32.5	38.0	57.4	63.8	65.0	63.0
thereof other intangible assets	16.8	17.3	15.8	19.8	26.2	27.4	25.4
thereof Goodwill	12.5	12.5	12.5	13.3	13.3	13.3	13.3
Property, plant and equipment	55.7	65.0	64.1	70.9	64.4	57.8	52.4
Financial assets	2.2	2.1	2.1	2.1	2.1	2.1	2.1
Other long-term assets	3.3	3.5	3.6	2.1	2.1	2.1	2.1
Fixed assets	90.4	103.2	107.8	132.5	132.4	127.0	119.6
Inventories	34.3	42.1	49.3	57.2	65.7	71.9	80.0
Accounts receivable	32.0	35.2	43.5	47.8	66.3	75.3	83.7
Liquid assets	28.2	40.1	27.3	23.6	8.9	23.0	45.6
Other short-term assets	31.9	25.1	32.6	51.9	51.9	51.9	51.9
Current assets	126.5	142.5	152.7	180.5	192.8	222.1	261.3
Total Assets	216.9	245.7	260.5	313.0	325.2	349.1	380.8
Liabilities and shareholders' equity							
Subscribed capital	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Capital reserve	7.6	6.6	6.9	7.7	7.7	7.7	7.7
Retained earnings	87.3	98.4	106.2	115.8	129.1	150.6	180.2
Other equity components	-2.6	1.4	-2.9	0.6	0.6	0.6	0.6
Shareholders' equity	102.4	116.4	120.2	134.2	147.5	169.0	198.6
Minority interest	0.2	0.2	0.4	0.1	0.1	0.1	0.1
Total equity	102.6	116.6	120.6	134.3	147.7	169.2	198.7
Provisions	21.8	16.3	13.4	13.9	14.1	14.3	14.5
thereof provisions for pensions and similar obligations	10.8	7.3	7.6	7.8	8.0	8.2	8.4
Financial liabilities (total)	30.6	38.0	69.3	98.6	98.6	98.6	98.6
Short-term financial liabilities	14.1	18.5	19.7	39.4	39.4	39.4	39.4
Accounts payable	6.9	9.7	12.0	13.6	15.8	18.0	20.0
Other liabilities	55.0	65.1	45.3	52.7	49.1	49.1	49.1
Liabilities	114.3	129.2	139.9	178.7	177.5	179.9	182.1
Total liabilities and shareholders' equity	216.9	245.7	260.5	313.0	325.2	349.1	380.8

Financial Ratios

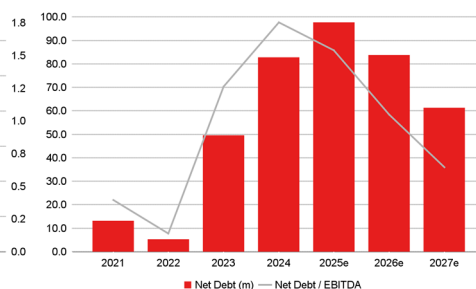
	2021	2022	2023	2024	2025e	2026e	2027e
Efficiency of Capital Employment							
Operating Assets Turnover	1.6 x	1.5 x	1.5 x	1.7 x	2.0 x	2.2 x	2.3 x
Capital Employed Turnover	1.5 x	1.6 x	1.2 x	1.2 x	1.5 x	1.6 x	1.8 x
ROA	13.7 %	16.0 %	14.1 %	11.7 %	16.0 %	23.9 %	33.0 %
Return on Capital							
ROCE (NOPAT)	11.4 %	14.4 %	11.3 %	8.9 %	10.2 %	13.1 %	16.3 %
ROE	12.9 %	15.1 %	12.8 %	12.2 %	15.1 %	19.2 %	21.4 %
Adj. ROE	12.9 %	15.1 %	12.8 %	12.2 %	15.1 %	19.2 %	21.4 %
Balance sheet quality							
Net Debt	13.2	5.3	49.6	82.8	97.7	83.8	61.3
Net Financial Debt	2.4	-2.0	42.0	75.0	89.7	75.6	52.9
Net Gearing	12.8 %	4.5 %	41.1 %	61.7 %	66.2 %	49.5 %	30.9 %
Net Fin. Debt / EBITDA	8.6 %	n.a.	130.1 %	193.6 %	172.5 %	115.2 %	67.9 %
Book Value / Share	10.3	11.7	12.2	13.6	14.9	17.1	20.1
Book value per share ex intangibles	7.4	8.4	8.3	7.8	8.5	10.5	13.7

ROCE Development



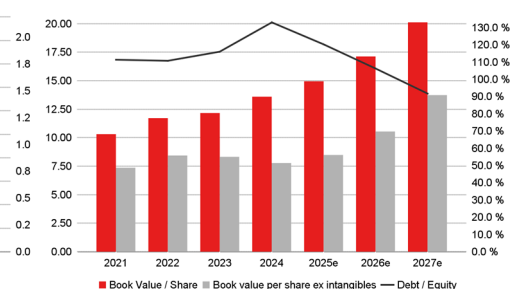
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

Consolidated cash flow statement

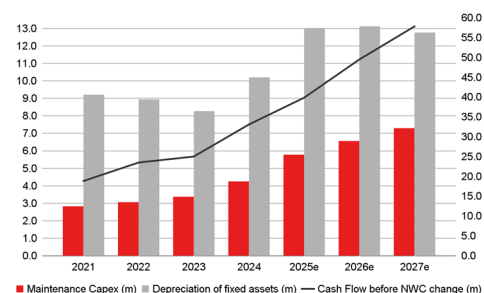
In EUR m	2021	2022	2023	2024	2025e	2026e	2027e
Net income	12.4	16.5	15.2	15.2	21.2	30.4	39.4
Depreciation of fixed assets	9.2	8.9	8.3	10.2	13.0	13.1	12.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.1	2.4	3.0	4.0	5.4	5.7	5.5
Increase/decrease in long-term provisions	-4.3	-5.7	-2.9	-2.0	0.2	0.2	0.2
Other non-cash income and expenses	-0.7	1.4	1.6	5.7	0.0	0.0	0.0
Cash Flow before NWC change	18.8	23.5	25.0	33.1	39.9	49.4	57.8
Increase / decrease in inventory	-0.7	-7.1	-7.8	-4.3	-8.5	-6.2	-8.1
Increase / decrease in accounts receivable	11.3	5.9	-16.6	-17.4	-18.5	-9.0	-8.4
Increase / decrease in accounts payable	-9.7	2.6	3.0	-2.2	2.2	2.2	2.0
Increase / decrease in other working capital positions	-3.7	-0.6	4.3	1.6	-3.6	0.0	0.0
Increase / decrease in working capital (total)	-2.8	0.9	-17.1	-22.3	-28.4	-13.0	-14.5
Net cash provided by operating activities [1]	16.0	24.4	8.0	10.8	11.5	36.4	43.3
Investments in intangible assets	-1.6	-5.6	-8.4	-11.5	-11.8	-6.9	-3.5
Investments in property, plant and equipment	-2.1	-16.6	-7.8	-10.7	-6.5	-6.6	-7.3
Payments for acquisitions	0.0	-1.1	-1.1	-7.1	0.0	0.0	0.0
Financial investments	0.0	-0.2	-0.1	0.0	0.0	0.0	0.0
Income from asset disposals	0.3	0.3	0.0	1.3	0.0	0.0	0.0
Net cash provided by investing activities [2]	-3.4	-10.5	-13.5	-24.0	-18.3	-13.5	-10.8
Change in financial liabilities	-8.1	8.6	7.3	20.6	0.0	0.0	0.0
Dividends paid	-5.5	-5.5	-6.9	-6.9	-7.9	-8.9	-9.9
Purchase of own shares	-0.7	-1.8	-2.7	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.2	0.0	0.0	0.0	0.0
Other	-3.5	-3.5	-4.7	-5.2	0.0	0.0	0.0
Net cash provided by financing activities [3]	-17.7	-2.2	-6.8	8.5	-7.9	-8.9	-9.9
Change in liquid funds [1]+[2]+[3]	-5.1	11.6	-12.3	-4.6	-14.7	14.1	22.7
Effects of exchange-rate changes on cash	1.1	0.3	-0.5	0.9	0.0	0.0	0.0
Cash and cash equivalent at end of period	28.2	40.1	27.3	23.5	8.8	22.9	45.6

Financial Ratios

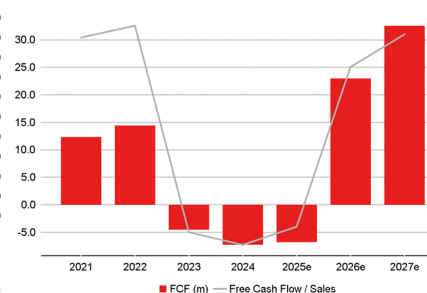
	2021	2022	2023	2024	2025e	2026e	2027e
Cash Flow							
FCF	12.3	14.4	-4.5	-7.3	-6.8	23.0	32.6
Free Cash Flow / Sales	7.0 %	7.5 %	-2.1 %	-2.7 %	-1.9 %	5.6 %	7.1 %
Free Cash Flow Potential	20.5	24.4	24.8	28.1	37.1	46.0	53.8
Free Cash Flow / Net Profit	99.3 %	87.5 %	-29.8 %	-47.0 %	-32.0 %	75.7 %	82.6 %
Interest Received / Avg. Cash	0.1 %	0.1 %	0.8 %	1.4 %	1.2 %	1.3 %	0.6 %
Interest Paid / Avg. Debt	2.7 %	2.2 %	3.8 %	4.0 %	3.5 %	3.6 %	3.7 %
Management of Funds							
Investment ratio	2.1 %	11.6 %	7.7 %	8.4 %	5.1 %	3.3 %	2.4 %
Maint. Capex / Sales	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %
Capex / Dep	37.4 %	217.8 %	144.8 %	156.4 %	99.4 %	71.4 %	59.2 %
Avg. Working Capital / Sales	33.8 %	32.3 %	34.2 %	31.5 %	28.3 %	29.5 %	29.6 %
Trade Debtors / Trade Creditors	462.2 %	361.4 %	363.6 %	352.0 %	419.6 %	418.3 %	418.5 %
Inventory Turnover	3.3 x	2.7 x	2.6 x	2.9 x	3.6 x	3.7 x	3.7 x
Receivables collection period (days)	66	67	75	66	67	67	67
Payables payment period (days)	22	31	33	30	24	25	25
Cash conversion cycle (Days)	146	166	171	157	142	139	139

CAPEX and Cash Flow

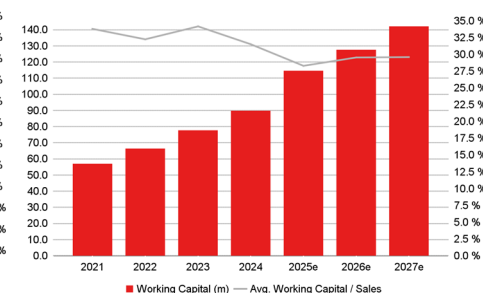
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It is intended solely for the recipient and may not be passed on to another company without their prior consent, regardless of whether the company is part of the same corporation or not. It contains selected information and does not purport to be complete. The investment recommendation is based on publicly available information and data ("information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these investment recommendations concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this investment recommendation, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this investment recommendation. Provided a investment recommendation is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This investment recommendation does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this investment recommendation are subject to change without notice. The views expressed in this research report accurately reflect the research analyst's personal views about the subject securities and issuers. Unless otherwise specified in the research report, no part of the research analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §85 OF THE GERMAN SECURITIES TRADING ACT (WPHG), MAR AND MIFID II INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958 AND (EU) 2017/565

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Value Potential, NAV, Peer Group Comparison or Sum of the Parts Model (see also <http://www.mmwarburg.de/disclaimer/disclaimer.htm#Valuation>). The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research GmbH in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg-Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All data and consensus estimates have been obtained from FactSet except where stated otherwise.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934 by CIC.
3. CIC (Crédit Industriel et Commercial) and M.M.Warburg & CO have concluded a Research Distribution Agreement that gives CIC Market Solutions exclusive distribution in France, the US and Canada of the Warburg Research GmbH research product.
4. The research reports are distributed in the United States of America by CIC ("CIC") pursuant to a SEC Rule 15a-6 agreement with CIC Market Solutions Inc ("CICI"), a U.S. registered broker-dealer and a related company of CIC, and are distributed solely to persons who qualify as "Major U.S. Institutional Investors" as defined in SEC Rule 15a-6 under the Securities Exchange Act of 1934.
5. Any person who is not a Major U.S. Institutional Investor must not rely on this communication. The delivery of this research report to any person in the United States of America is not a recommendation to effect any transactions in the securities discussed herein, or an endorsement of any opinion expressed herein.

Reference in accordance with section 85 of the German Securities Trading Act (WpHG) and Art. 20 MAR regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

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

INVESTMENT RECOMMENDATION

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.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

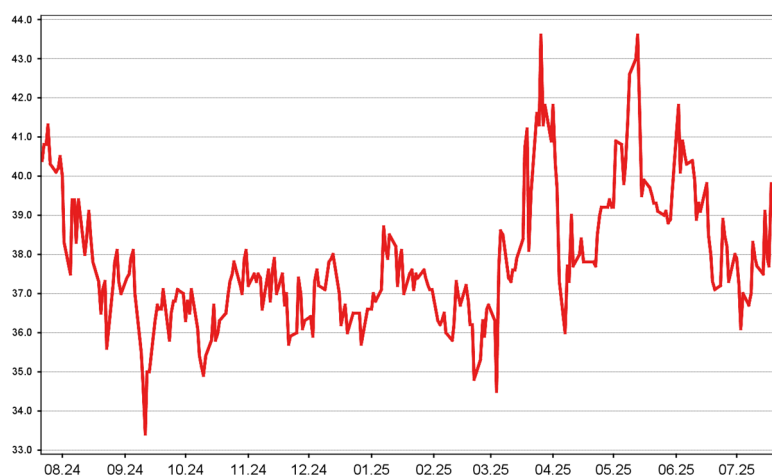
Rating	Number of stocks	% of Universe
Buy	141	69
Hold	52	25
Sell	6	3
Rating suspended	5	2
Total	204	100

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	38	73
Hold	10	19
Sell	1	2
Rating suspended	3	6
Total	52	100

PRICE AND RATING HISTORY INIT SE AS OF 21.07.2025



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

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

Stefan Augustin +49 40 309537-168
Cap. Goods, Engineering saugustin@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 aplaesier@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

Klaus Schilling +49 69 5050-7400
Head of Equity Sales, Germany kschilling@mmwarburg.com

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

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

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

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

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

Sascha Propp +49 40 3282-2656
France spropp@mmwarburg.com

Leyan Ilkbahar +49 40 3282-2695
Roadshow/Marketing lilkbahar@mmwarburg.com

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

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

Christian Salomon +49 40 3282-2685
Sales Trading csalomon@mmwarburg.com

DESIGNATED SPONSORING

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

Bloomberg RESP MMWA GO

FactSet www.factset.com

LSEG www.lseg.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