init SE

(CDAX, Other, IXX GR)

WARBURG RESEARCH

Buy	
EUR 58.50	
Price	EUR 45.70
Upside	28.0 %

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:	455.0
No. of shares (m):	10.0
EV:	553.3
Freefloat MC:	235.8
Ø Trad. Vol. (30d):	272.47 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:	3.1 x
Equity Ratio:	45 %
Net Fin. Debt / EBITDA:	1.7 x
Net Debt / EBITDA:	1.9 x

High order backlog provides solid visibility for growth acceleration

Stated Figures Q2/2025:

FY End: 31.12. in EUR m	Q2 25	Q2 25e	Q2 24	yoy	6M 25	6M 25e	6M 24	yoy
Sales	**71.4**	71.1	64.0	11 %	**141.8**	141.5	114.5	24 %
EBIT	**4.5**	2.4	3.0	48 %	**6.5**	4.4	6.7	-3 %
Margin	*6.3 %*	*3.4 %*	*4.8 %*		*4.6 %*	*3.1 %*	*5.9 %*	
EPS	**0.25**	0.18	0.24	4 %	**0.39**	0.32	0.49	-20 %

Comment on Figures:

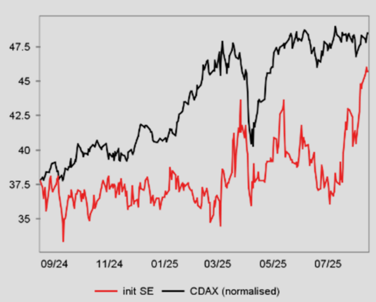
- Sales remained roughly at the Q1 level (EUR 70.4m) as expected
- EBIT exceeded our estimate supported by FX gains of EUR 1.3m that we had not anticipated
- Despite the higher EBIT, EPS remained stable because of a temporary increase in the quarterly tax rate and higher interest payments

Init has published Q2 figures, which exceeded our expectations, and confirmed the recently increased targets for the full year. While sales of EUR 71.4m were roughly at the Q1 level (EUR 70.4m) as we anticipated (WRe EUR 71.1m), the EBIT margin of 6.3% was notably higher than our estimate of 3.4%. DILAX still burdened the EBIT with an operating loss of a low single-digit million, but after a negative FX effect in Q1 of EUR -0.5m, init booked currency gains of EUR 1.3m, which we were not anticipating. Despite an EBIT increase of 48% yoy to EUR 4.5m, the EPS of EUR 0.25 was flat (Q2 EUR 0.24) due to a higher quarterly tax rate (EBT) of 38% compared to 8.8% in Q2 24.

The solid order intake of EUR 75.2m was up 54% yoy and driven by a larger number of smaller projects especially from major clients in North America. These orders should have shorter lead times and help init to accelerate the growth momentum in H2 together with the highly profitable and Q4-heavy after-sales and service revenues. The order intake does not include the additional USD 60m, which was added to the project volume in Atlanta. Due to the nature of additional hard- and software order, we are not expecting the full volume to be ordered in bulk in Q3, but smaller call-off orders with short lead-times spread over the next three quarters. However, if we add the awarded additional project volume to the order backlog of EUR 370m, the backlog would increase to roughly EUR 420m, which would mark a new record high for init.

Based on this visibility provided by the backlog, init confirmed its recently increased guidance and expects FY sales of EUR 340-370m and EBIT of EUR 32-35m. For H2, this implies top-line growth of 32-52% (H2 sales EUR 200-230m), which would be a notable acceleration from 23.8% growth in H1. The implied EBIT margin of roughly 12-13% is a solid improvement compared to H1 (4.6%) due to Q4 heaviness of the highly profitable after-sales and service revenues. However, it's also slightly above last year's EBIT margin (H2 2024 11.8%), despite the expected gross-margin dilution of the additional project revenues from Atlanta, which include a larger portion of pass-through items. We expect that this negative effect will be compensated for on the EBIT line by the operating leverage of the high sales volume and decreasing losses from DILAX.

After the solid H1 report, we maintain our estimates. The solid order momentum and the large projects in London and Atlanta should drive growth in the next two years. With the high sales volume and the turnaround of DILAX next year, we remain confident that init will increase its EBIT margin despite the higher revenue share from major projects. With the high visibility of the business model and its strong mid-term prospects, we consider a PE 27e of 11x highly attractive and confirm our target price of EUR 58.50 and our Buy recommendation.



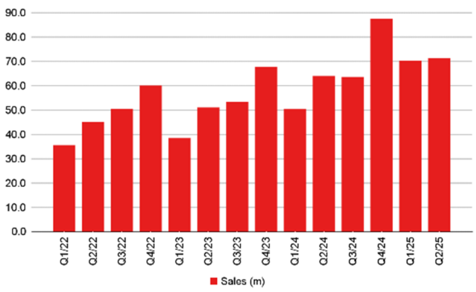
Rel. Performance vs CDAX:	
1 month:	15.9 %
6 months:	18.8 %
Year to date:	5.8 %
Trailing 12 months:	-10.4 %

Company events:	
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 %	2.0 %	2.2 %	2.4 %
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 %	-1.5 %	5.1 %	7.2 %
EV / Sales		2.3 x	1.4 x	1.6 x	1.7 x	1.5 x	1.3 x	1.1 x
EV / EBITDA		14.9 x	8.3 x	10.4 x	11.5 x	10.6 x	8.2 x	6.6 x
EV / EBIT		23.2 x	12.4 x	16.0 x	18.1 x	16.3 x	11.5 x	8.6 x
P / E		31.6 x	15.5 x	18.8 x	23.3 x	21.3 x	14.8 x	11.5 x
P / E adj.		31.6 x	15.5 x	18.8 x	23.3 x	21.3 x	14.8 x	11.5 x
FCF Potential Yield		5.0 %	9.4 %	7.4 %	6.3 %	6.8 %	8.6 %	10.5 %
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							

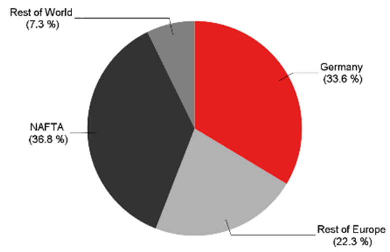
Analyst
Robert-Jan van der Horst
rvanderhorst@warburg-research.com
+49 40 309537-290

Sales development
in EUR m



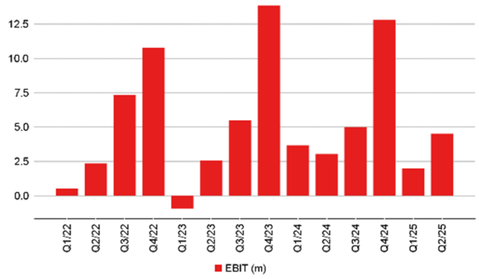
Source: Warburg Research

Sales by regions
2024; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

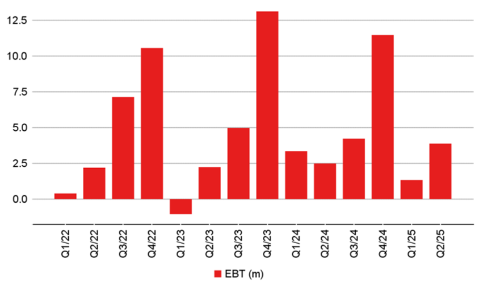
Company Background

- 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

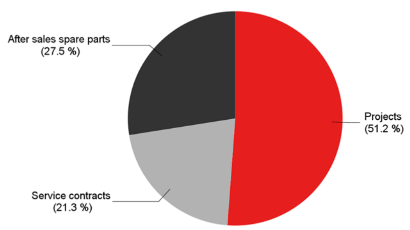
- Revenue growth is driven by structural mega-trends like smart city mobility concepts, urbanisation and growing environmental awareness.
- Focused business model with highly scalable modular platform solutions and low capex requirements
- Long-standing relationships with more than 1,400 customers worldwide 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



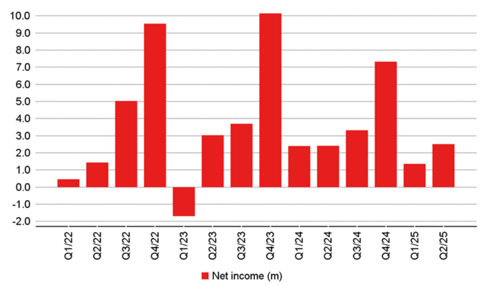
Source: Warburg Research

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 2025e	2026e	2027e	Transitional period 2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	2037e	Term. Value
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	
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 %*	*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	
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 %*	
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	
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	
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	
- 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 %*	
- 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	379
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)

Beta	WACC	Terminal Growth 1.75 %	2.00 %	2.25 %	**2.50 %**	2.75 %	3.00 %	3.25 %
1.36	9.6 %	45.08	45.95	46.89	47.89	48.96	50.11	51.36
1.26	9.1 %	49.37	50.43	51.57	52.79	54.10	55.53	57.08
1.21	8.8 %	51.76	52.92	54.18	55.53	57.00	58.60	60.33
1.16	8.6 %	54.32	55.61	57.01	**58.52**	60.16	61.94	63.90
1.11	8.3 %	57.08	58.52	60.07	61.76	63.60	65.61	67.82
1.06	8.1 %	60.08	61.67	63.41	65.30	67.37	69.64	72.15
0.96	7.6 %	66.85	68.85	71.05	73.45	76.11	79.06	82.35

Beta	WACC	Delta EBIT-margin -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 %	38.03	41.32	44.60	47.89	51.17	54.46	57.74
1.26	9.1 %	42.12	45.67	49.23	52.79	56.34	59.90	63.45
1.21	8.8 %	44.41	48.12	51.83	55.53	59.24	62.95	66.66
1.16	8.6 %	46.90	50.77	54.64	**58.52**	62.39	66.26	70.14
1.11	8.3 %	49.60	53.65	57.71	61.76	65.81	69.87	73.92
1.06	8.1 %	52.55	56.80	61.05	65.30	69.55	73.80	78.05
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 %	6.8 %	8.6 %	10.5 %
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**	**549.2**	**535.3**	**512.8**
= 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 %					-25.6 %	0.5 %	25.6 %

Sensitivity Fair value per Share (EUR)

	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
WACC	**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	3.1 x	2.7 x	2.3 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	1.5 x	1.3 x	1.1 x
EV / EBITDA	14.9 x	8.3 x	10.4 x	11.5 x	10.6 x	8.2 x	6.6 x
EV / EBIT	23.2 x	12.4 x	16.0 x	18.1 x	16.3 x	11.5 x	8.6 x
EV / EBIT adj.*	23.2 x	12.4 x	16.0 x	18.1 x	16.3 x	11.5 x	8.6 x
P / FCF	31.9 x	17.7 x	n.a.	n.a.	n.a.	19.6 x	13.9 x
P / E	31.6 x	15.5 x	18.8 x	23.3 x	21.3 x	14.8 x	11.5 x
P / E adj.*	31.6 x	15.5 x	18.8 x	23.3 x	21.3 x	14.8 x	11.5 x
Dividend Yield	1.4 %	2.7 %	2.4 %	2.2 %	2.0 %	2.2 %	2.4 %
FCF Potential Yield (on market EV)	5.0 %	9.4 %	7.4 %	6.3 %	6.8 %	8.6 %	10.5 %

*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**
Gross margin	*35.5 %*	*40.0 %*	*38.1 %*	*37.0 %*	*34.8 %*	*35.3 %*	*35.5 %*
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**
Margin	*15.5 %*	*16.3 %*	*15.3 %*	*14.6 %*	*14.4 %*	*16.0 %*	*17.1 %*
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**
Margin	*9.9 %*	*11.0 %*	*10.0 %*	*9.2 %*	*9.3 %*	*11.4 %*	*13.1 %*
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**
Margin	*9.4 %*	*10.6 %*	*9.1 %*	*8.1 %*	*8.4 %*	*10.6 %*	*12.3 %*
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**
Margin	*7.0 %*	*8.6 %*	*7.2 %*	*5.8 %*	*5.9 %*	*7.4 %*	*8.6 %*
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:

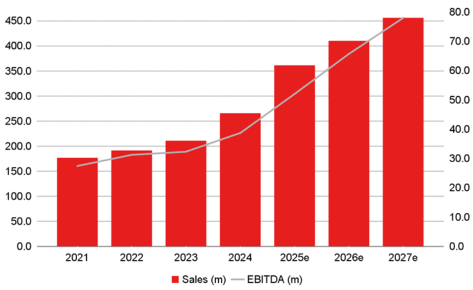
Guidance: Sales: EUR 340-370m, EBIT: EUR 32-35m

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

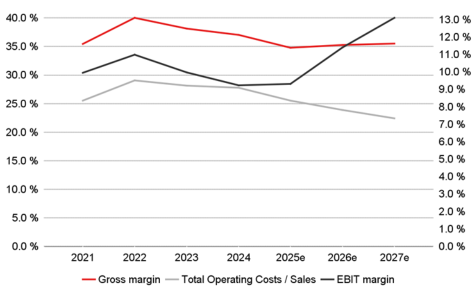
in EUR m



Source: Warburg Research

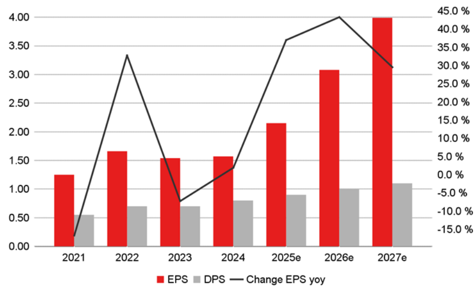
Operating Performance

in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

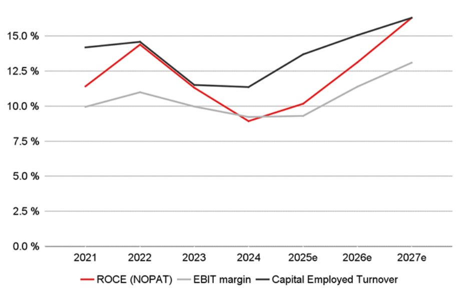
Consolidated balance sheet

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

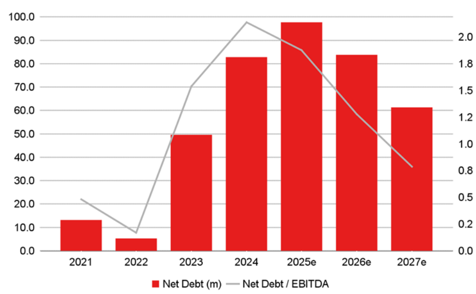
	2021	2022	2023	2024	2025e	2026e	2027e
Efficiency of Capital Employment							
Operating Assets Turnover	1.6 x	1.5 x	1.5 x	1.7 x	2.0 x	2.2 x	2.3 x
Capital Employed Turnover	1.5 x	1.6 x	1.2 x	1.2 x	1.5 x	1.6 x	1.8 x
ROA	13.7 %	16.0 %	14.1 %	11.7 %	16.0 %	23.9 %	33.0 %
Return on Capital							
ROCE (NOPAT)	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



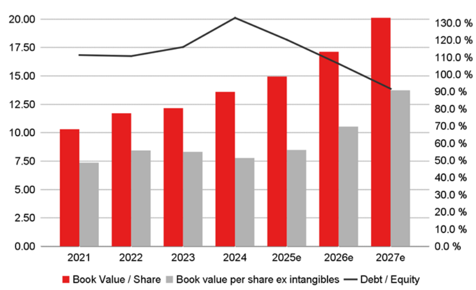
Source: Warburg Research

Net debt
in EUR m



Source: Warburg Research

Book Value per Share
in EUR



Source: Warburg Research

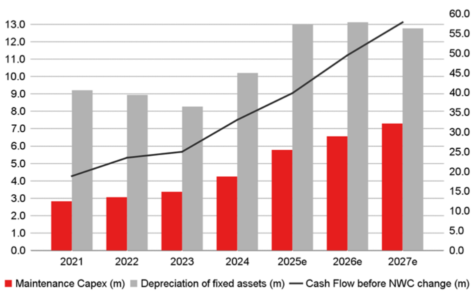
Consolidated cash flow statement

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

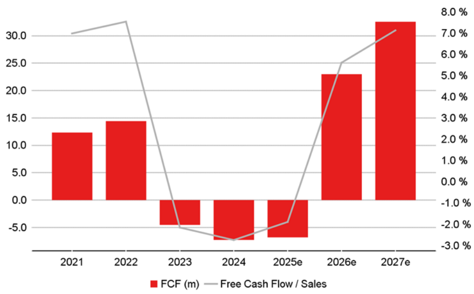
	2021	2022	2023	2024	2025e	2026e	2027e
Cash Flow							
FCF	12.3	14.4	-4.5	-7.3	-6.8	23.0	32.6
Free Cash Flow / Sales	7.0 %	7.5 %	-2.1 %	-2.7 %	-1.9 %	5.6 %	7.1 %
Free Cash Flow Potential	20.5	24.4	24.8	28.1	37.1	46.0	53.8
Free Cash Flow / Net Profit	99.3 %	87.5 %	-29.8 %	-47.0 %	-32.0 %	75.7 %	82.6 %
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



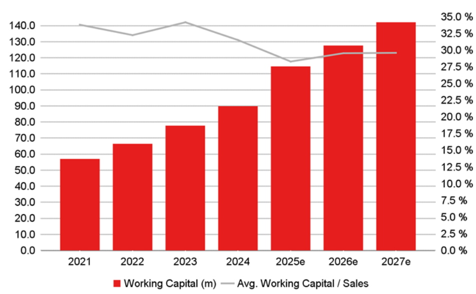
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



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.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

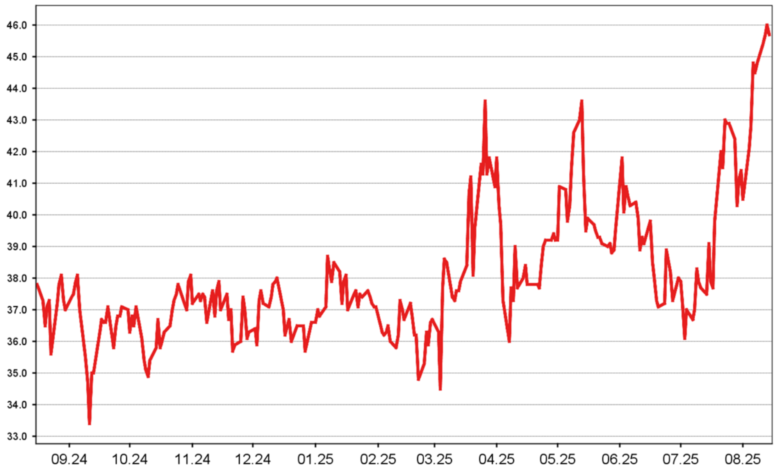
Rating	Number of stocks	% of Universe
Buy	141	71
Hold	50	25
Sell	5	3
Rating suspended	4	2
Total	**200**	**100**

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	75
Hold	10	20
Sell	1	2
Rating suspended	2	4
Total	**51**	**100**

PRICE AND RATING HISTORY INIT SE AS OF 15.08.2025



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

RESEARCH

Henner Rüschmeier Head of Research	+49 40 309537-270 hrueschmeier@warburg-research.com	**Malte Schaumann** Technology	+49 40 309537-170 mschaumann@warburg-research.com
Stefan Augustin Cap. Goods, Engineering	+49 40 309537-168 saugustin@warburg-research.com	**Oliver Schwarz** Chemicals, Agriculture	+49 40 309537-250 oschwarz@warburg-research.com
Christian Cohrs Industrials & Transportation	+49 40 309537-175 ccohrs@warburg-research.com	**Simon Stippig** Real Estate, Telco	+49 40 309537-265 sstippig@warburg-research.com
Dr. Christian Ehmann BioTech, Life Science	+49 40 309537-167 cehmann@warburg-research.com	**Marc-René Tonn** Automobiles, Car Suppliers	+49 40 309537-259 mtonn@warburg-research.com
Felix Ellmann Software, IT	+49 40 309537-120 fellmann@warburg-research.com	**Robert-Jan van der Horst** Technology	+49 40 309537-290 rvanderhorst@warburg-research.com
Jörg Philipp Frey Retail, Consumer Goods	+49 40 309537-258 jfrey@warburg-research.com	**Andreas Wolf** Software, IT	+49 40 309537-140 awolf@warburg-research.com
Marius Fuhrberg Financial Services	+49 40 309537-185 mfuhrberg@warburg-research.com		
Fabio Hölscher Automobiles, Car Suppliers	+49 40 309537-240 fhoelscher@warburg-research.com		
Philipp Kaiser Real Estate, Construction	+49 40 309537-260 pkaiser@warburg-research.com		
Thilo Kleibauer Retail, Consumer Goods	+49 40 309537-257 tkleibauer@warburg-research.com		
Hannes Müller Software, IT	+49 40 309537-255 hmueller@warburg-research.com		
Andreas Pläsier Banks, Financial Services	+49 40 309537-246 aplaesier@warburg-research.com		

INSTITUTIONAL EQUITY SALES

Klaus Schilling Head of Equity Sales, Germany	+49 69 5050-7400 kschilling@mmwarburg.com		
Tim Beckmann United Kingdom	+49 40 3282-2665 tbeckmann@mmwarburg.com		
Jens Buchmüller Scandinavia, Austria	+49 69 5050-7415 jbuchmueller@mmwarburg.com		
Matthias Fritsch United Kingdom, Ireland	+49 40 3282-2696 mfritsch@mmwarburg.com	**Leyan Ilkbahar** Roadshow/Marketing	+49 40 3282-2695 lilkbahar@mmwarburg.com
Roman Alexander Niklas Switzerland, Poland, Italy	+49 69 5050-7412 rniklas@mmwarburg.com	**Antonia Möller** Roadshow/Marketing	+49 69 5050-7417 amoeller@mmwarburg.com
Sascha Propp France	+49 40 3282-2656 spropp@mmwarburg.com	**Juliane Niemann** Roadshow/Marketing	+49 40 3282-2694 jniemann@mmwarburg.com

SALES TRADING / DESIGNATED SPONSORING

SALES TRADING		DESIGNATED SPONSORING	
Oliver Merckel Head of Sales Trading	+49 40 3282-2634 omerckel@mmwarburg.com	**Sebastian Schulz** Designated Sponsoring	+49 40 3282-2631 sschulz@mmwarburg.com
Bastian Quast Sales Trading	+49 40 3282-2701 bquast@mmwarburg.com	**Jörg Treptow** Designated Sponsoring	+49 40 3282-2658 jtreptow@mmwarburg.com
Christian Salomon Sales Trading	+49 40 3282-2685 csalomon@mmwarburg.com		

MACRO RESEARCH

Carsten Klude Macro Research	+49 40 3282-2572 cklude@mmwarburg.com	**Dr. Christian Jasperneite** Investment Strategy	+49 40 3282-2439 cjasperneite@mmwarburg.com

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For access please contact:

Andrea Schaper Sales Assistance	+49 40 3282-2632 aschaper@mmwarburg.com	**Kerstin Muthig** Sales Assistance	+49 40 3282-2703 kmuthig@mmwarburg.com