init SE

(CDAX, Other, IXX GR)

Buy	
EUR 60.00	
Price	EUR 46.00
Upside	30.4 %

Value Indicators:	EUR
DCF:	59.84
FCF-Value Potential 28e:	52.87

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:	507.8
No. of shares (m):	11.0
EV:	516.7
Freefloat MC:	283.3
Ø Trad. Vol. (30d):	221.75 th

Shareholders:	
Freefloat	55.78 %
Dr. G. Greschner & Family	38.99 %
Corporate Bodies	3.95 %
Treasury & Employee Shares	1.28 %

Key Figures (WRe):	2026e
Beta:	1.1
Price / Book:	2.5 x
Equity Ratio:	52 %
Net Fin. Debt / EBITDA:	0.1 x
Net Debt / EBITDA:	0.2 x

Solid delivery underpins growth story

Strong start to the year continued in Q2. Group revenue rose by a further 44% yoy to EUR 103m, comfortably ahead of our EUR 94m estimate, with the Integrated Systems division once again being the key driver of turnover growth. The one soft spot was gross margin, which came in at 29.6%, below our expectation and the prior-year level. We attribute this to effects arising from the business mix and a higher proportion of pass-through items in connection with the MARTA project in Atlanta, rather than to any fundamental deterioration. Opex were well under control and lower than anticipated, which largely offset the weaker gross profit performance. Quarterly EBIT increased 28% yoy to EUR 5.8m (WRe: EUR 6.4m); on a half-year basis, this represents almost a doubling and underlines the strong operating earnings trend. Quarterly net income eased 26% yoy, weighed down by a temporarily higher tax rate tied to the current US-heavy business mix, a headwind that should fade once the London and Sydney projects begin contributing to group earnings; nevertheless, profit for H1 is still significantly up 52%. Free cash flow (according to our definition) since the start of the year was firmly in positive territory at EUR 6m, albeit admittedly below the exceptionally high level of the previous year, when the company recorded substantial advance payments. Capex was down 40% as the investment phase in the development of a new stack runs towards completion.

Order intake developed encouragingly in the quarter and was up 147% to EUR 186m. The New South Wales contract win accounted for roughly 60% of the Q2 total. Meanwhile, the company is pursuing several other large-scale projects in North America and other regions to further strengthen its order book. The good operational track record at MARTA in Atlanta and at Houston, both of which performed reliably under the peak passenger loads of the football World Cup, is certainly a positive reference.

Management confirmed the full year guidance, which comprises revenue of EUR 380-410m, EBIT of EUR 38-42m and operating cash flow of EUR 32-38m. Set against this, LTM sales of EUR 389m and LTM EBIT of EUR 38m, a 9.9% margin, already sit comfortably at the low to mid-point of the respective ranges with more growth to come in the remainder of the year. Thus, we deem the upper end within reach; apart from this year's tax-rate, our forecasts have hardly changed.

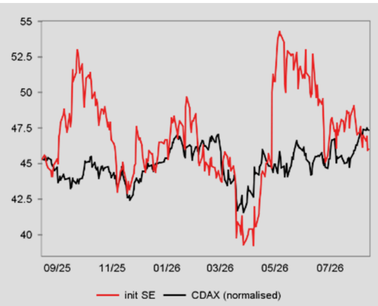
Buy rating reiterated. Overall, we view the company's H1 performance positively from both a financial and an operational perspective, thus validating our investment thesis. In terms of valuation, we consider the shares attractive, our unchanged DCF-based price target of EUR 60 translates into 30% upside potential.

Changes in Estimates:

FY End: 31.12. in EUR m	2026e (old)	+ / -	2027e (old)	+ / -	2028e (old)	+ / -
Sales	403.4	1.2 %	459.7	0.4 %	512.6	0.7 %
EBIT	42.5	-2.2 %	54.3	-0.5 %	64.9	-0.6 %
EPS	2.58	-6.1 %	3.27	1.2 %	3.96	0.9 %

Comment on Changes:

- Only minor changes to our operational forecasts: softer (gross) margin assumptions offset by slightly higher revenues and lower opex.
- EPS estimate 2026 reduced on a temporarily higher tax-rate, reflecting geographic mix effects.



Rel. Performance vs CDAX:	
1 month:	-8.3 %
6 months:	-0.4 %
Year to date:	-5.8 %
Trailing 12 months:	-3.6 %

Company events:	
12.11.26	Q3

FY End: 31.12. in EUR m	CAGR (25-28e)	2022	2023	2024	2025	2026e	2027e	2028e
Sales	16.1 %	191.3	210.8	265.7	329.7	408.1	461.6	516.0
Change Sales yoy		8.3 %	10.2 %	26.0 %	24.1 %	23.8 %	13.1 %	11.8 %
Gross profit margin		*40.0 %*	*38.1 %*	*37.0 %*	*36.6 %*	*34.7 %*	*35.7 %*	*35.9 %*
EBITDA	19.2 %	31.2	32.3	38.7	49.2	60.5	73.0	83.4
Margin		*16.3 %*	*15.3 %*	*14.6 %*	*14.9 %*	*14.8 %*	*15.8 %*	*16.2 %*
EBIT	25.6 %	21.0	21.0	24.5	32.5	41.5	54.0	64.5
Margin		*11.0 %*	*10.0 %*	*9.2 %*	*9.9 %*	*10.2 %*	*11.7 %*	*12.5 %*
Net income	30.8 %	16.5	15.2	15.5	19.6	25.3	36.2	43.8
EPS	26.5 %	1.67	1.54	1.57	1.97	2.42	3.31	4.00
EPS adj.	26.5 %	1.67	1.54	1.57	1.97	2.42	3.31	4.00
DPS	18.6 %	0.70	0.70	0.80	0.90	1.00	1.20	1.50
Dividend Yield		2.7 %	2.4 %	2.2 %	2.1 %	2.2 %	2.6 %	3.3 %
FCFPS		1.09	-0.94	-1.26	2.38	1.49	2.00	2.62
FCF / Market cap		4.2 %	-3.2 %	-3.5 %	5.7 %	3.1 %	4.3 %	5.7 %
EV / Sales		1.5 x	1.6 x	1.7 x	1.5 x	1.3 x	1.1 x	1.0 x
EV / EBITDA		9.0 x	10.3 x	11.4 x	9.8 x	8.5 x	7.0 x	5.9 x
EV / EBIT		13.4 x	15.8 x	17.9 x	14.8 x	12.4 x	9.4 x	7.7 x
P / E		15.4 x	18.8 x	23.3 x	21.3 x	19.0 x	13.9 x	11.5 x
P / E adj.		15.4 x	18.8 x	23.3 x	21.3 x	19.0 x	13.9 x	11.5 x
FCF Potential Yield		6.8 %	5.7 %	4.6 %	5.2 %	6.0 %	8.2 %	9.9 %
Net Debt		29.8	49.6	82.8	66.3	12.6	1.3	-13.9
ROCE (NOPAT)		12.4 %	10.4 %	8.9 %	10.3 %	12.8 %	16.9 %	19.0 %
Guidance:	FY 2026: Sales EUR 380-410m; EBIT EUR 38-42m; opCF EUR 32-38m							

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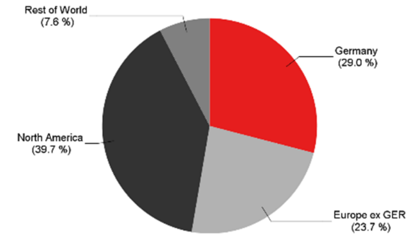
Sales development
in EUR m

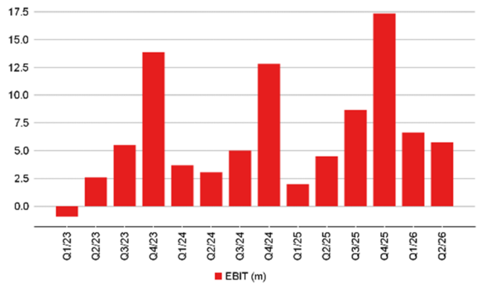
Source: Warburg Research

Sales by regions
2025; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

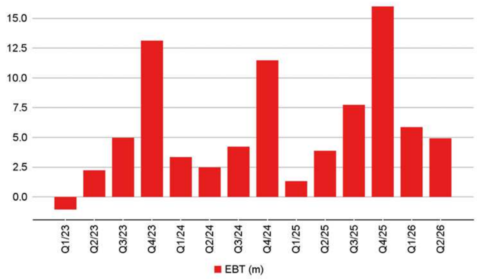
Company Background

- 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 >1,400 public transport providers worldwide with ~40 locations and ~1,600 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

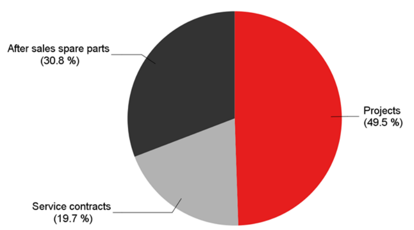
- Revenue growth is driven by structural mega-trends like smart city mobility concepts, urbanisation and growing environmental awareness.
- Focused business model with highly scalable modular platform solutions and low capex requirements.
- Long-standing relationships with more than 1,400 customers worldwide yield significant cross-selling potential.
- Large installed base generates a profitable stream of recurring revenues: >300 APC systems, >130 ICTS/RTPI, >120 personnel assignments, >100 planning and >140 ticketing systems, more than 200,000 equipped vehicles.
- Deep integration into its clients' processes along the value chain creates significant switching costs for init's customers.

EBT development
in EUR m



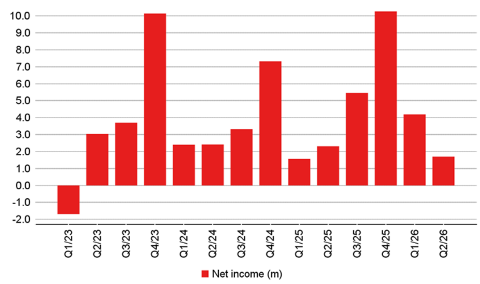
Source: Warburg Research

Sales by segments
2025



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
	2026e	**2027e**	**2028e**	**2029e**	**2030e**	**2031e**	**2032e**	**2033e**	**2034e**	**2035e**	**2036e**	**2037e**	**2038e**	
Sales	408.1	461.6	516.0	567.7	619.9	671.9	723.0	772.2	818.5	861.1	899.0	931.3	957.4	
Sales change	*23.8 %*	*13.1 %*	*11.8 %*	*10.0 %*	*9.2 %*	*8.4 %*	*7.6 %*	*6.8 %*	*6.0 %*	*5.2 %*	*4.4 %*	*3.6 %*	*2.8 %*	*2.0 %*
EBIT	41.5	54.0	64.5	73.8	79.5	85.0	90.1	94.7	98.7	101.9	104.2	105.6	105.9	
EBIT-margin	*10.2 %*	*11.7 %*	*12.5 %*	*13.0 %*	*12.8 %*	*12.7 %*	*12.5 %*	*12.3 %*	*12.1 %*	*11.8 %*	*11.6 %*	*11.3 %*	*11.1 %*	
Tax rate (EBT)	*35.0 %*	*30.0 %*	*30.0 %*	*30.0 %*	*30.5 %*	*31.0 %*	*31.5 %*	*32.0 %*	*32.5 %*	*33.0 %*	*33.5 %*	*34.0 %*	*34.5 %*	
NOPAT	27.0	37.8	45.2	51.7	55.3	58.7	61.7	64.4	66.6	68.3	69.3	69.7	69.3	
Depreciation	19.0	19.0	18.9	19.8	21.5	23.2	24.8	26.5	28.2	29.9	31.5	33.2	34.9	
in % of Sales	*4.7 %*	*4.1 %*	*3.7 %*	*3.5 %*	*3.5 %*	*3.4 %*	*3.4 %*	*3.4 %*	*3.4 %*	*3.5 %*	*3.5 %*	*3.6 %*	*3.6 %*	
Changes in provisions	0.4	0.3	0.3	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	
Change in Liquidity from														
- Working Capital	7.3	15.7	16.3	14.7	13.6	13.5	13.3	12.8	12.0	11.1	9.9	8.4	6.8	
- Capex	20.8	17.7	18.1	20.8	22.4	24.1	25.7	27.3	29.0	30.6	32.2	33.9	35.5	
Capex in % of Sales	*5.1 %*	*3.8 %*	*3.5 %*	*3.7 %*	*3.6 %*	*3.6 %*	*3.6 %*	*3.5 %*	*3.5 %*	*3.6 %*	*3.6 %*	*3.6 %*	*3.7 %*	
- Other	0.0	0.0	0.0	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)	18.4	23.7	30.0	35.5	40.3	43.7	47.1	50.3	53.3	56.0	58.3	60.1	61.5	62
PV of FCF	18.4	21.8	25.4	27.7	28.9	28.9	28.6	28.1	27.4	26.5	25.4	24.1	22.7	346
share of PVs	**9.65 %**			**39.48 %**										**50.87 %**

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	6.30 %	Financial Strength	1.10
Cost of debt (after tax)	3.2 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	0.90
Risk free rate	2.75 %	Transparency	1.20
		Others	1.20
WACC	**8.65 %**	**Beta**	**1.14**

Valuation (m)

Present values 2038e	334		
Terminal Value	346		
Financial liabilities	85		
Pension liabilities	7		
Hybrid capital	-47		
Minority interest	0		
Market val. of investments	0		
Liquidity	25	No. of shares (m)	11.0
Equity Value	**661**	**Value per share (EUR)**	**59.84**

Sensitivity Value per Share (EUR)

		Terminal Growth						
Beta	WACC	1.25 %	1.50 %	1.75 %	**2.00 %**	2.25 %	2.50 %	2.75 %
1.33	9.7 %	49.10	49.78	50.51	51.28	52.10	52.99	53.93
1.24	9.2 %	52.64	53.45	54.32	55.25	56.25	57.33	58.49
1.19	8.9 %	54.58	55.48	56.44	57.46	58.57	59.76	61.04
1.14	8.7 %	56.66	57.65	58.70	**59.84**	61.06	62.39	63.82
1.09	8.4 %	58.89	59.98	61.14	62.40	63.76	65.24	66.85
1.04	8.2 %	61.29	62.49	63.78	65.18	66.70	68.35	70.15
0.95	7.7 %	66.65	68.13	69.73	71.48	73.39	75.48	77.79

		Delta EBIT-margin						
Beta	WACC	-1.5 pp	-1.0 pp	-0.5 pp	**+0.0 pp**	+0.5 pp	+1.0 pp	+1.5 pp
1.33	9.7 %	42.80	45.62	48.45	51.28	54.11	56.94	59.76
1.24	9.2 %	46.16	49.19	52.22	55.25	58.29	61.32	64.35
1.19	8.9 %	48.03	51.17	54.32	57.46	60.61	63.75	66.90
1.14	8.7 %	50.04	53.30	56.57	**59.84**	63.10	66.37	69.64
1.09	8.4 %	52.21	55.61	59.00	62.40	65.80	69.20	72.60
1.04	8.2 %	54.56	58.10	61.64	65.18	68.72	72.26	75.80
0.95	7.7 %	59.89	63.76	67.62	71.48	75.34	79.21	83.07

- Peak EBIT(DA) margin factored in for 2029.
- Thereafter, we assume a slowdown in sales momentum and a moderate margin erosion.
- Cost of debt set at 4.5% (pre-tax)
- Hybrid Capital - cash inflow from capital increase

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	2022	2023	2024	2025	2026e	2027e	2028e
	Net Income before minorities	16.5	15.2	15.2	19.4	25.1	36.2	43.8
+	Depreciation + Amortisation	10.2	11.2	14.2	16.7	19.0	19.0	18.9
-	Net Interest Income	-0.7	-1.7	-3.0	-3.6	-3.0	-2.2	-1.9
-	Maintenance Capex	8.2	9.0	11.4	13.4	15.2	15.2	15.1
+	Other	-0.1	-0.4	-0.9	-1.2	-1.1	-0.7	-0.6
=	**Free Cash Flow Potential**	**19.1**	**18.8**	**20.1**	**25.1**	**30.8**	**41.6**	**48.9**
	FCF Potential Yield (on market EV)	6.8 %	5.7 %	4.6 %	5.2 %	6.0 %	8.2 %	9.9 %
	WACC	8.65 %	8.65 %	8.65 %	8.65 %	8.65 %	8.65 %	8.65 %
=	**Enterprise Value (EV)**	**280.7**	**331.6**	**440.3**	**480.4**	**516.7**	**509.1**	**494.0**
=	**Fair Enterprise Value**	**221.2**	**216.9**	**232.8**	**290.5**	**356.3**	**481.0**	**565.7**
-	Net Debt (Cash)	59.3	59.3	59.3	59.3	5.8	-5.3	-20.3
-	Pension Liabilities	7.0	7.0	7.0	7.0	6.8	6.6	6.4
-	Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0
-	Market value of minorities	-3.1	-3.1	-3.1	-3.1	-3.7	0.0	0.0
+	Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
=	**Fair Market Capitalisation**	**158.0**	**153.7**	**169.6**	**227.3**	**347.4**	**479.8**	**579.5**
	Number of shares, average	9.9	9.8	9.9	9.9	10.5	11.0	11.0
=	**Fair value per share (EUR)**	**15.96**	**15.62**	**17.17**	**22.89**	**33.21**	**43.77**	**52.87**
	premium (-) / discount (+) in %					-27.8 %	-4.9 %	14.9 %

Sensitivity Fair value per Share (EUR)

	11.65 %	10.20	9.95	11.10	15.36	24.44	32.47	39.58
	10.65 %	11.76	11.48	12.75	17.40	26.81	35.53	43.18
	9.65 %	13.64	13.34	14.73	19.86	29.68	39.22	47.52
WACC	**8.65 %**	**15.96**	**15.62**	**17.17**	**22.89**	**33.21**	**43.77**	**52.87**
	7.65 %	18.88	18.50	20.25	26.72	37.66	49.50	59.61
	6.65 %	22.68	22.25	24.26	31.69	43.45	56.96	68.39
	5.65 %	27.82	27.33	29.69	38.43	51.29	67.07	80.27

- The line "Others" in the calculation of FCF covers the tax shield on net interest result.
- Maintenance capex estimates 2026-28e: 20% below D&A.

Valuation

	2022	2023	2024	2025	2026e	2027e	2028e
Price / Book	2.2 x	2.4 x	2.7 x	3.0 x	2.5 x	2.2 x	2.0 x
Book value per share ex intangibles	8.35	8.18	7.64	7.28	12.06	14.51	17.42
EV / Sales	1.5 x	1.6 x	1.7 x	1.5 x	1.3 x	1.1 x	1.0 x
EV / EBITDA	9.0 x	10.3 x	11.4 x	9.8 x	8.5 x	7.0 x	5.9 x
EV / EBIT	13.4 x	15.8 x	17.9 x	14.8 x	12.4 x	9.4 x	7.7 x
EV / EBIT adj.*	13.4 x	15.8 x	17.9 x	14.8 x	12.4 x	9.4 x	7.7 x
P / FCF	23.6 x	n.a.	n.a.	17.7 x	30.9 x	23.0 x	17.6 x
P / E	15.4 x	18.8 x	23.3 x	21.3 x	19.0 x	13.9 x	11.5 x
P / E adj.*	15.4 x	18.8 x	23.3 x	21.3 x	19.0 x	13.9 x	11.5 x
Dividend Yield	2.7 %	2.4 %	2.2 %	2.1 %	2.2 %	2.6 %	3.3 %
FCF Potential Yield (on market EV)	6.8 %	5.7 %	4.6 %	5.2 %	6.0 %	8.2 %	9.9 %

*Adjustments made for: -

Consolidated profit and loss

In EUR m	2022	2023	2024	2025	2026e	2027e	2028e
Sales	**191.3**	**210.8**	**265.7**	**329.7**	**408.1**	**461.6**	**516.0**
Change Sales yoy	8.3 %	10.2 %	26.0 %	24.1 %	23.8 %	13.1 %	11.8 %
COGS	114.7	130.4	167.3	208.9	266.4	296.8	330.8
Gross profit	**76.6**	**80.4**	**98.4**	**120.8**	**141.7**	**164.8**	**185.3**
Gross margin	*40.0 %*	*38.1 %*	*37.0 %*	*36.6 %*	*34.7 %*	*35.7 %*	*35.9 %*
Research and development	13.5	13.0	13.9	18.5	21.3	22.3	23.5
Sales and marketing	24.1	26.1	31.3	34.8	36.5	40.9	45.0
Administration expenses	20.4	23.4	30.2	36.5	44.2	49.5	54.5
Other operating expenses	-1.6	-0.3	-2.6	-1.0	-1.8	-2.0	-2.1
Other operating income	4.1	3.4	4.1	2.6	3.7	4.0	4.3
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	**31.2**	**32.3**	**38.7**	**49.2**	**60.5**	**73.0**	**83.4**
Margin	*16.3 %*	*15.3 %*	*14.6 %*	*14.9 %*	*14.8 %*	*15.8 %*	*16.2 %*
Depreciation of fixed assets	7.8	8.3	10.2	10.9	10.5	10.7	10.8
EBITA	**23.4**	**24.0**	**28.5**	**38.3**	**50.1**	**62.3**	**72.6**
Amortisation of intangible assets	2.4	3.0	4.0	5.8	8.5	8.3	8.1
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**21.0**	**21.0**	**24.5**	**32.5**	**41.5**	**54.0**	**64.5**
Margin	*11.0 %*	*10.0 %*	*9.2 %*	*9.9 %*	*10.2 %*	*11.7 %*	*12.5 %*
EBIT adj.	**21.0**	**21.0**	**24.5**	**32.5**	**41.5**	**54.0**	**64.5**
Interest income	0.0	0.3	0.4	0.2	0.7	1.5	1.8
Interest expenses	0.8	2.0	3.4	3.8	3.7	3.7	3.7
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	**20.3**	**19.3**	**21.5**	**28.9**	**38.5**	**51.8**	**62.6**
Margin	*10.6 %*	*9.1 %*	*8.1 %*	*8.8 %*	*9.4 %*	*11.2 %*	*12.1 %*
Total taxes	3.8	4.1	6.4	9.6	13.5	15.5	18.8
Net income from continuing operations	**16.5**	**15.2**	**15.2**	**19.4**	**25.1**	**36.2**	**43.8**
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	**16.5**	**15.2**	**15.2**	**19.4**	**25.1**	**36.2**	**43.8**
Minority interest	0.0	0.0	-0.3	-0.2	-0.2	0.0	0.0
Net income	**16.5**	**15.2**	**15.5**	**19.6**	**25.3**	**36.2**	**43.8**
Margin	*8.6 %*	*7.2 %*	*5.8 %*	*5.9 %*	*6.2 %*	*7.9 %*	*8.5 %*
Number of shares, average	9.9	9.8	9.9	9.9	10.5	11.0	11.0
EPS	**1.67**	**1.54**	**1.57**	**1.97**	**2.42**	**3.31**	**4.00**
EPS adj.	1.67	1.54	1.57	1.97	2.42	3.31	4.00

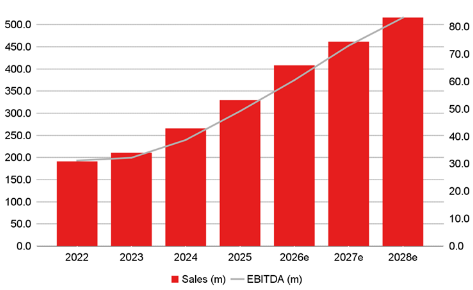
*Adjustments made for:

Guidance: FY 2026: Sales EUR 380-410m; EBIT EUR 38-42m; opCF EUR 32-38m

Financial Ratios

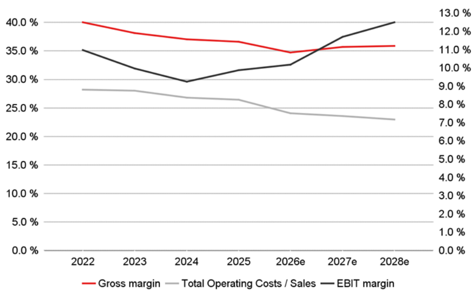
	2022	2023	2024	2025	2026e	2027e	2028e
Total Operating Costs / Sales	28.2 %	28.0 %	26.8 %	26.5 %	24.1 %	23.6 %	23.0 %
Operating Leverage	2.4 x	0.0 x	0.6 x	1.4 x	1.2 x	2.3 x	1.6 x
EBITDA / Interest expenses	41.6 x	16.0 x	11.5 x	12.9 x	16.4 x	19.7 x	22.5 x
Tax rate (EBT)	18.6 %	21.4 %	29.5 %	33.0 %	35.0 %	30.0 %	30.0 %
Dividend Payout Ratio	42.0 %	45.5 %	52.0 %	46.1 %	41.7 %	36.3 %	37.5 %
Sales per Employee	174,182	184,913	195,205	211,599	n.a.	n.a.	n.a.

Sales, EBITDA
in EUR m



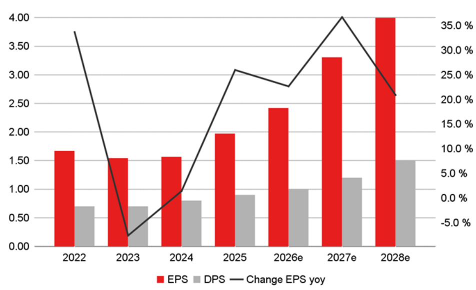
Source: Warburg Research

Operating Performance
in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

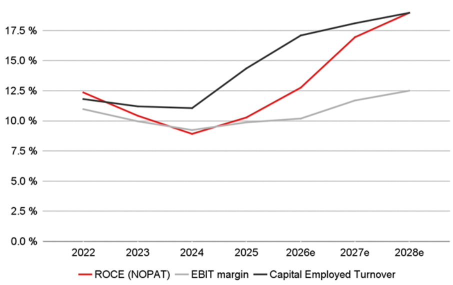
Consolidated balance sheet

In EUR m	2022	2023	2024	2025	2026e	2027e	2028e
Assets							
Goodwill and other intangible assets	32.5	38.0	57.4	68.1	70.3	69.0	67.6
thereof other intangible assets	20.0	25.5	44.1	52.6	54.8	53.5	52.1
thereof Goodwill	12.5	12.5	13.3	15.5	15.5	15.5	15.5
Property, plant and equipment	65.0	64.1	70.9	66.0	64.5	64.4	65.1
Financial assets	2.1	2.1	2.1	1.8	1.8	1.8	1.8
Other long-term assets	8.4	8.4	4.7	7.8	9.6	10.9	12.2
Fixed assets	**108.1**	**112.6**	**135.1**	**143.6**	**146.2**	**146.1**	**146.6**
Inventories	42.1	49.3	57.2	48.9	53.6	60.6	67.7
Accounts receivable	50.0	65.1	87.7	81.9	98.4	111.3	124.4
Liquid assets	40.1	27.3	23.5	25.5	76.2	87.7	103.2
Other short-term assets	5.6	6.2	9.5	11.4	14.1	16.0	17.9
Current assets	**137.7**	**147.9**	**178.0**	**167.7**	**242.3**	**275.5**	**313.3**
Total Assets	**245.8**	**260.5**	**313.0**	**311.4**	**388.5**	**421.7**	**459.9**
Liabilities and shareholders' equity							
Subscribed capital	10.0	10.0	10.0	10.0	11.0	11.0	11.0
Capital reserve	6.6	6.9	7.7	7.3	52.2	52.2	52.2
Retained earnings	103.3	108.7	120.9	126.8	143.1	168.9	199.6
Other equity components	-3.5	-5.4	-4.5	-3.0	-3.0	-3.0	-3.0
Shareholders' equity	116.4	120.2	134.2	141.1	203.4	229.2	259.9
Minority interest	0.2	0.4	0.1	0.0	-0.2	-0.2	-0.2
Total equity	**116.6**	**120.6**	**134.3**	**141.2**	**203.2**	**229.0**	**259.7**
Provisions	16.3	13.4	13.9	11.7	12.1	12.5	12.8
thereof provisions for pensions and similar obligations	7.3	7.6	7.8	7.0	6.8	6.6	6.4
Financial liabilities (total)	62.5	69.3	98.6	84.7	82.0	82.3	82.9
Short-term financial liabilities	21.8	23.4	44.4	37.9	35.4	35.5	35.6
Accounts payable	19.5	28.3	34.0	33.9	46.9	50.6	54.1
Other liabilities	29.7	25.8	30.7	36.6	40.1	42.6	45.2
Liabilities	**129.2**	**139.9**	**178.7**	**170.2**	**185.3**	**192.7**	**200.2**
Total liabilities and shareholders' equity	**245.8**	**260.5**	**313.0**	**311.4**	**388.5**	**421.7**	**459.9**

Financial Ratios

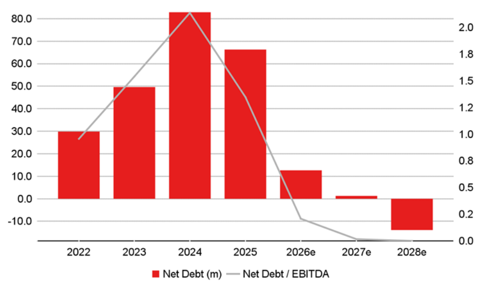
	2022	2023	2024	2025	2026e	2027e	2028e
Efficiency of Capital Employment							
Operating Assets Turnover	1.4 x	1.4 x	1.5 x	2.1 x	2.5 x	2.5 x	2.6 x
Capital Employed Turnover	1.3 x	1.2 x	1.2 x	1.6 x	1.9 x	2.0 x	2.1 x
ROA	15.3 %	13.5 %	11.4 %	13.6 %	17.3 %	24.8 %	29.9 %
Return on Capital							
ROCE (NOPAT)	12.4 %	10.4 %	8.9 %	10.3 %	12.8 %	16.9 %	19.0 %
ROE	15.1 %	12.8 %	12.2 %	14.2 %	14.7 %	16.8 %	17.9 %
Adj. ROE	15.1 %	12.8 %	12.2 %	14.2 %	14.7 %	16.8 %	17.9 %
Balance sheet quality							
Net Debt	29.8	49.6	82.8	66.3	12.6	1.3	-13.9
Net Financial Debt	22.5	42.0	75.0	59.3	5.8	-5.3	-20.3
Net Gearing	25.6 %	41.2 %	61.7 %	47.0 %	6.2 %	0.6 %	-5.3 %
Net Fin. Debt / EBITDA	72.1 %	130.2 %	193.7 %	120.4 %	9.6 %	n.a.	n.a.
Book Value / Share	11.6	12.0	13.4	14.1	18.4	20.8	23.5
Book value per share ex intangibles	8.3	8.2	7.6	7.3	12.1	14.5	17.4

ROCE Development



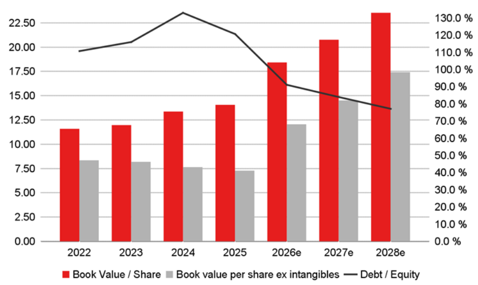
Source: Warburg Research

Net debt
in EUR m



Source: Warburg Research

Book Value per Share
in EUR



Source: Warburg Research

Consolidated cash flow statement

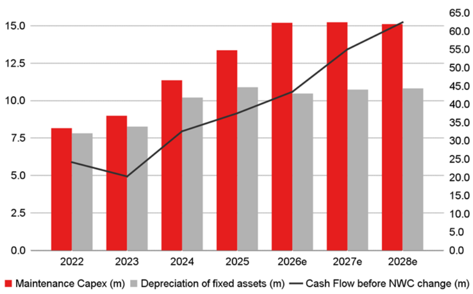
In EUR m	2022	2023	2024	2025	2026e	2027e	2028e
Net income	15.5	16.3	18.6	20.6	26.6	37.3	44.9
Depreciation of fixed assets	7.8	8.3	10.2	10.9	10.5	10.7	10.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.4	3.0	4.0	5.8	8.5	8.3	8.1
Increase/decrease in long-term provisions	-3.5	-0.4	0.2	-1.0	0.2	0.0	0.1
Other non-cash income and expenses	2.0	-6.9	-0.4	1.3	-2.3	-1.3	-1.3
Cash Flow before NWC change	**24.1**	**20.3**	**32.7**	**37.6**	**43.4**	**55.1**	**62.5**
Increase / decrease in inventory	-7.8	-7.2	-7.9	8.3	-4.6	-7.0	-7.2
Increase / decrease in accounts receivable	3.7	-15.1	-22.7	5.8	-16.5	-12.9	-13.1
Increase / decrease in accounts payable	5.5	8.8	5.6	-0.1	13.1	3.6	3.5
Increase / decrease in other working capital positions	-1.3	0.9	2.7	-3.3	0.8	0.5	0.6
Increase / decrease in working capital (total)	0.1	-12.6	-22.3	10.7	-7.3	-15.7	-16.3
Net cash provided by operating activities [1]	**24.3**	**7.7**	**10.4**	**48.2**	**36.1**	**39.3**	**46.2**
Investments in intangible assets	-5.6	-8.4	-11.5	-14.4	-10.8	-7.0	-6.7
Investments in property, plant and equipment	-4.3	-4.1	-6.6	-4.4	-4.7	-5.0	-5.4
Payments for acquisitions	-0.9	-1.1	-7.1	-0.9	0.0	0.0	0.0
Financial investments	0.0	0.1	0.2	0.3	0.0	0.0	0.0
Income from asset disposals	0.3	0.0	1.1	0.3	1.1	0.0	0.0
Net cash provided by investing activities [2]	**-10.5**	**-13.5**	**-24.0**	**-19.1**	**-14.4**	**-12.0**	**-12.0**
Change in financial liabilities	8.7	7.3	24.0	-11.5	-2.9	0.0	0.0
Dividends paid	-5.5	-6.9	-6.9	-7.9	-9.0	-10.5	-13.2
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	-2.1	-1.6	1.8	1.0	46.0	0.0	0.0
Other	-3.3	-5.3	-10.0	-6.9	-5.1	-5.4	-5.5
Net cash provided by financing activities [3]	**-2.1**	**-6.5**	**8.9**	**-25.3**	**29.0**	**-15.9**	**-18.6**
Change in liquid funds [1]+[2]+[3]	**11.6**	**-12.3**	**-4.6**	**3.9**	**50.8**	**11.4**	**15.6**
Effects of exchange-rate changes on cash	0.3	-0.5	0.9	-1.9	0.0	0.0	0.0
Cash and cash equivalent at end of period	40.1	27.3	23.5	25.5	76.2	87.7	103.2

Financial Ratios

	2022	2023	2024	2025	2026e	2027e	2028e
Cash Flow							
FCF	10.8	-9.2	-12.5	23.6	15.6	21.9	28.7
Free Cash Flow / Sales	5.6 %	-4.4 %	-4.7 %	7.2 %	3.8 %	4.7 %	5.6 %
Free Cash Flow Potential	19.1	18.8	20.1	25.1	30.8	41.6	48.9
Free Cash Flow / Net Profit	65.2 %	-60.6 %	-80.5 %	120.6 %	61.5 %	60.4 %	65.5 %
Interest Received / Avg. Cash	0.1 %	0.8 %	1.4 %	1.0 %	1.3 %	1.8 %	1.9 %
Interest Paid / Avg. Debt	1.4 %	3.1 %	4.0 %	4.2 %	4.4 %	4.5 %	4.5 %
Management of Funds							
Investment ratio	5.2 %	5.9 %	6.8 %	5.7 %	3.8 %	2.6 %	2.3 %
Maint. Capex / Sales	4.3 %	4.3 %	4.3 %	4.1 %	3.7 %	3.3 %	2.9 %
Capex / Dep	97.8 %	111.4 %	127.6 %	112.4 %	81.5 %	63.3 %	63.8 %
Avg. Working Capital / Sales	37.4 %	36.6 %	36.2 %	30.8 %	23.8 %	23.6 %	24.2 %
Trade Debtors / Trade Creditors	256.4 %	229.7 %	258.2 %	241.8 %	209.6 %	220.0 %	230.2 %
Inventory Turnover	2.7 x	2.6 x	2.9 x	4.3 x	5.0 x	4.9 x	4.9 x
Receivables collection period (days)	95	113	121	91	88	88	88
Payables payment period (days)	62	79	74	59	64	62	60
Cash conversion cycle (Days)	164	163	168	111	91	95	97

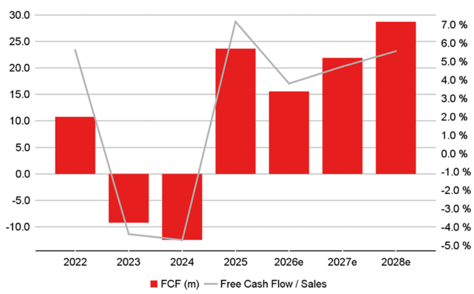
CAPEX and Cash Flow

in EUR m



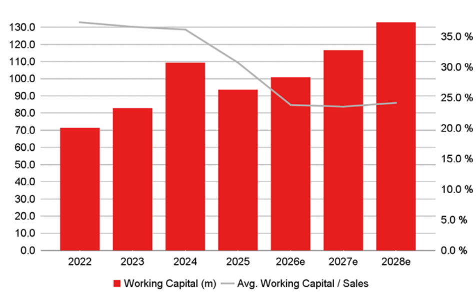
Source: Warburg Research

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	4, 5	https://disclaimer.mp-capitalmarkets.com/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	135	74
Hold	37	20
Sell	4	2
Rating suspended	7	4
Total	**183**	**100**

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING …

… taking into account only those companies for which affiliated companies provided major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	4	100
Hold	0	0
Sell	0	0
Rating suspended	0	0
Total	**4**	**100**

PRICE AND RATING HISTORY INIT SE AS OF 14.08.2026

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.

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