

Buy EUR 53.00 (EUR 49.50) Price EUR 36.80 Upside 44.0 %	Value Indicators: EUR DCF: 52.95 FCF-Value Potential: 53.64	Warburg Risk Score: 2.5 Balance Sheet Score: 4.0 Market Liquidity Score: 1.0	Description: Init provides hardware and software solutions to public transport companies worldwide
	Market Snapshot: EUR m Market cap: 366.4 No. of shares (m): 10.0 EV: 395.2 Freefloat MC: 189.8 Ø Trad. Vol. (30d): 93.33 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): 2024e Beta: 1.2 Price / Book: 2.8 x Equity Ratio: 47 % Net Fin. Debt / EBITDA: 0.5 x Net Debt / EBITDA: 0.7 x

Order intake gains momentum in Q3

Stated Figures Q3/2024:										Comment on Figures:	
FY End: 31.12. in EUR m	Q3 24	Q3 24e	Q3 23	yoy	9M 24	9M 24e	9M 23	yoy			
Sales	63.6	60.4	53.4	19 %	178.1	174.9	143.0	25 %			Q3 sales includes a first-time consolidation effect approx. EUR 1.7m from the DILAX acquisition in September
EBIT	5.0	4.8	5.5	-9 %	11.7	11.5	7.1	64 %			Q3 EBIT declined as a result of product-mix effects and higher costs associated with the large delivery planned
Margin	7.9 %	8.0 %	10.3 %		6.6 %	6.6 %	5.0 %				9M EBIT was still up 64% yoy and the confirmed FY target range of EUR 24-28m should be well within reach
EPS	0.34	0.37	0.37	-8 %	0.81	0.85	0.50	62 %			

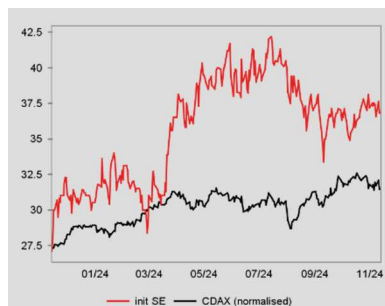
Init has published its Q3 figures, which were slightly above our expectations. Sales increased by 19.1% to EUR 63.6m (WRe EUR 60.4m), but was roughly in line with Q2 (EUR 64.0m). While Q2 benefitted from final deliveries for the large Houston project, Q3 included a minor first-time consolidation effect from DILAX (WRe EUR 1.7m). EBIT of EUR 5.0m was slightly above our estimate of EUR 4.8m, but below last year's figure of EUR 5.5m, due to product-mix effects and higher costs associated with the large delivery planned for the coming years.

The Q3 order intake was solid at EUR 57.3m after EUR 38.3m last year. While no major orders have been acquired yet, init has not lost any tender in its well-filled pipeline and we expect an additional major order in the coming quarter that should significantly increase the visibility for the coming years. The company has also gained new customers in Europe outside Germany. This confirms our expectation that, as well as the increased number of major projects in the tender pipeline, the market for smaller single-digit-million-volume projects has also recovered.

The FY guidance was confirmed (sales: EUR 240-260m, EBIT: EUR 24-28m). With 9M sales of EUR 178.1m and EBIT of only EUR 11.7m, this implies a notable increase in profitability in Q4 but this would not be uncommon considering the Q4 heavy seasonality of the high-margin after-sales business. Last year, init earned more than 65% of its annual EBIT in Q4. Even flat EBIT yoy would be sufficient to reach the lower end of the target range.

In addition, DILAX (annual sales approx. EUR 20m) was acquired in September (Q3 cash outflow for acquisitions EUR 7.1m) and should contribute fully to Q4 sales, although we are not yet expecting a notable EBIT contribution. We have now included DILAX in our forecast. As a result, we increase our DCF-based target to EUR 53 (from EUR 49.50) and confirm our Buy recommendation.

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -		
Sales	254.3	2.2 %	295.4	7.4 %	351.1	7.1 %		We have included the DILAX acquisition in our estimates with an estimated annual revenue of EUR 20m
EBIT	26.7	-0.8 %	37.5	4.1 %	47.7	5.5 %		While the target should regain and increase profitability quickly, we expect a slightly dilutive effect on the group's margins
EPS	1.74	-1.1 %	2.48	4.4 %	3.19	5.6 %		

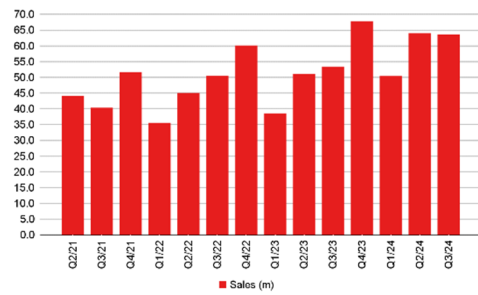


Rel. Performance vs CDAX:	
1 month:	6.2 %
6 months:	-4.8 %
Year to date:	11.9 %
Trailing 12 months:	17.0 %

Company events:
13.11.24 Q3

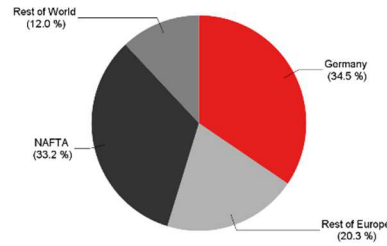
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	21.3 %	180.7	176.7	191.3	210.8	259.8	317.4	376.1
Change Sales yoy		15.5 %	-2.2 %	8.3 %	10.2 %	23.2 %	22.2 %	18.5 %
Gross profit margin		34.4 %	35.5 %	40.0 %	38.1 %	36.7 %	37.1 %	36.4 %
EBITDA	28.0 %	28.9	27.4	31.2	32.3	39.2	54.0	67.6
Margin		16.0 %	15.5 %	16.3 %	15.3 %	15.1 %	17.0 %	18.0 %
EBIT	33.8 %	19.6	17.6	21.0	21.0	26.5	39.0	50.3
Margin		10.9 %	9.9 %	11.0 %	10.0 %	10.2 %	12.3 %	13.4 %
Net income	30.1 %	14.9	12.4	16.5	15.2	17.1	25.7	33.5
EPS	30.1 %	1.50	1.25	1.66	1.53	1.72	2.59	3.37
EPS adj.	30.1 %	1.50	1.25	1.66	1.53	1.72	2.59	3.37
DPS	12.6 %	0.55	0.55	0.70	0.70	0.75	0.85	1.00
Dividend Yield		2.0 %	1.4 %	2.7 %	2.4 %	2.0 %	2.3 %	2.7 %
FCFPS		1.74	1.24	1.45	-0.46	1.04	1.33	2.33
FCF / Market cap		6.3 %	3.1 %	5.7 %	-1.6 %	2.8 %	3.6 %	6.3 %
EV / Sales		1.7 x	2.3 x	1.4 x	1.5 x	1.5 x	1.2 x	1.0 x
EV / EBITDA		10.5 x	14.9 x	8.4 x	9.8 x	10.0 x	7.3 x	5.7 x
EV / EBIT		15.4 x	23.2 x	12.4 x	15.0 x	14.9 x	10.1 x	7.6 x
P / E		18.5 x	31.6 x	15.5 x	18.9 x	21.4 x	14.2 x	10.9 x
P / E adj.		18.5 x	31.6 x	15.5 x	18.9 x	21.4 x	14.2 x	10.9 x
FCF Potential Yield		7.3 %	5.0 %	9.3 %	7.9 %	7.0 %	9.6 %	12.3 %
Net Debt		25.0	13.2	5.3	25.6	27.1	26.2	16.4
ROCE (NOPAT)		14.5 %	11.4 %	14.4 %	12.3 %	12.3 %	16.7 %	20.0 %
Guidance:		Sales: EUR 240-260m, EBIT: EUR 24-28m						

Sales development
in EUR m



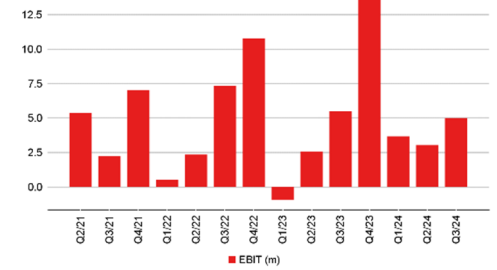
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

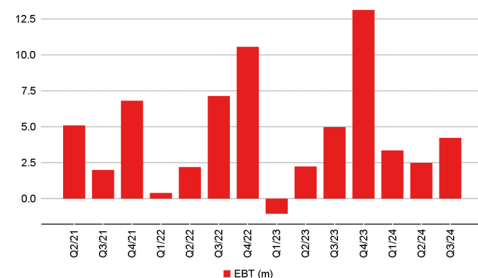
Company Background

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

Competitive Quality

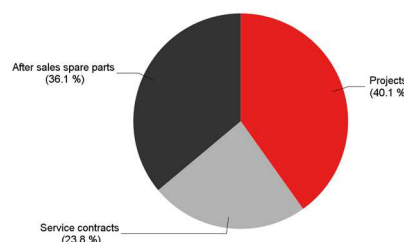
- Revenue growth is driven by structural mega-trends like smart city mobility concepts, urbanisation and growing environmental awareness.
- Focused business model with highly scalable modular platform solutions and low capex requirements
- Long-standing relationships with more than 700 customers worldwide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

EBT development
in EUR m



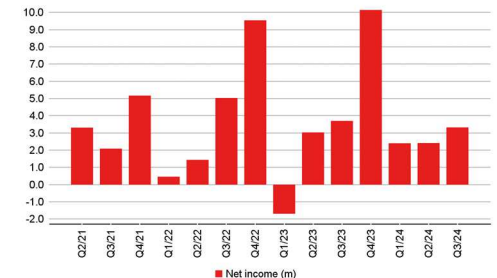
Source: Warburg Research

Sales by segments
2023



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
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	259.8	317.4	376.1	428.8	480.2	533.0	586.3	639.1	690.2	738.5	775.5	798.7	818.7	
Sales change	23.2 %	22.2 %	18.5 %	14.0 %	12.0 %	11.0 %	10.0 %	9.0 %	8.0 %	7.0 %	5.0 %	3.0 %	2.5 %	2.5 %
EBIT	26.5	39.0	50.3	55.7	60.0	64.0	67.4	70.3	72.5	73.9	77.5	79.9	81.9	
EBIT-margin	10.2 %	12.3 %	13.4 %	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	18.5	27.3	35.2	39.0	42.0	44.8	47.2	49.2	50.7	51.7	54.3	55.9	57.3	
Depreciation	12.7	14.9	17.3	13.7	15.4	17.1	17.6	19.2	20.7	22.2	23.3	24.0	24.6	
in % of Sales	4.9 %	4.7 %	4.6 %	3.2 %	3.2 %	3.2 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
Changes in provisions	0.2	0.2	0.2	1.2	1.1	1.2	1.2	1.2	1.1	1.1	0.8	0.5	0.4	
Change in Liquidity from														
- Working Capital	6.8	14.5	16.4	13.2	13.0	12.9	12.5	11.8	14.3	13.5	10.3	6.5	5.6	
- Capex	14.0	14.2	12.5	14.6	15.4	16.0	17.6	19.2	20.7	22.2	23.3	24.0	24.6	
Capex in % of Sales	5.4 %	4.5 %	3.3 %	3.4 %	3.2 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	3.0 %	
- Other	11.9	4.7	4.7	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)	-1.2	9.1	19.1	26.1	30.1	34.1	35.8	38.5	37.5	39.2	44.8	49.9	52.2	53
PV of FCF	-1.2	8.3	16.1	20.2	21.5	22.4	21.7	21.5	19.3	18.6	19.5	20.1	19.3	327
share of PVs	4.18 %			36.86 %										58.97 %

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 2036e	228		
Terminal Value	327		
Financial liabilities	45		
Pension liabilities	8		
Hybrid capital	0		
Minority interest	2		
Market val. of investments	0		
Liquidity	27	No. of shares (m)	10.0
Equity Value	527	Value per share (EUR)	52.95

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	Delta EBIT-margin						
		1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	3.00 %	3.25 %			-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 %	41.53	42.28	43.09	43.95	44.88	45.87	46.95	1.36	9.6 %	35.53	38.34	41.14	43.95	46.76	49.56	52.37
1.26	9.1 %	45.15	46.07	47.04	48.10	49.23	50.47	51.80	1.26	9.1 %	38.99	42.02	45.06	48.10	51.13	54.17	57.21
1.21	8.8 %	47.17	48.17	49.26	50.42	51.69	53.06	54.56	1.21	8.8 %	40.93	44.09	47.26	50.42	53.59	56.76	59.92
1.16	8.6 %	49.33	50.45	51.65	52.95	54.36	55.90	57.59	1.16	8.6 %	43.03	46.34	49.64	52.95	56.26	59.56	62.87
1.11	8.3 %	51.67	52.91	54.24	55.70	57.28	59.01	60.92	1.11	8.3 %	45.32	48.78	52.24	55.70	59.16	62.62	66.08
1.06	8.1 %	54.20	55.58	57.07	58.70	60.48	62.44	64.60	1.06	8.1 %	47.82	51.45	55.07	58.70	62.32	65.95	69.58
0.96	7.6 %	59.93	61.65	63.54	65.61	67.89	70.43	73.26	0.96	7.6 %	53.58	57.59	61.60	65.61	69.62	73.63	77.64

- 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	2020	2021	2022	2023	2024e	2025e	2026e	
Net Income before minorities	14.9	12.4	16.5	15.2	17.1	25.7	33.5	
+ Depreciation + Amortisation	9.2	9.8	10.2	11.2	12.7	14.9	17.3	
- Net Interest Income	-0.9	-1.0	-0.7	-1.7	-2.0	-2.3	-2.5	
- Maintenance Capex	2.9	2.8	3.1	3.4	4.2	5.1	6.0	
+ Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Free Cash Flow Potential	22.2	20.5	24.4	24.8	27.7	37.9	47.3	
FCF Potential Yield (on market EV)	7.3 %	5.0 %	9.3 %	7.9 %	7.0 %	9.6 %	12.3 %	
WACC	8.56 %	8.56 %	8.56 %	8.56 %	8.56 %	8.56 %	8.56 %	
= Enterprise Value (EV)	302.5	408.3	261.5	314.8	394.2	393.3	383.5	
= Fair Enterprise Value	259.4	239.4	284.7	289.2	324.0	442.2	552.1	
- Net Debt (Cash)	18.0	18.0	18.0	18.0	19.3	18.2	8.2	
- Pension Liabilities	7.6	7.6	7.6	7.6	7.8	8.0	8.2	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	1.6	1.6	1.6	1.6	1.6	1.6	1.6	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	232.1	212.1	257.4	261.9	295.3	414.4	534.1	
Number of shares, average	10.0	10.0	9.9	9.9	9.9	9.9	9.9	
= Fair value per share (EUR)	23.31	21.30	25.93	26.39	29.75	41.75	53.82	
premium (-) / discount (+) in %					-19.2 %	13.5 %	46.2 %	
Sensitivity Fair value per Share (EUR)								
	11.56 %	16.55	15.06	18.43	18.76	21.21	30.09	39.25
	10.56 %	18.38	16.75	20.43	20.80	23.49	33.20	43.14
	9.56 %	20.59	18.79	22.86	23.26	26.25	36.97	47.84
WACC	8.56 %	23.31	21.30	25.93	26.39	29.75	41.75	53.82
	7.56 %	26.76	24.48	29.63	30.14	33.96	47.49	60.98
	6.56 %	31.26	28.63	34.56	35.15	39.57	55.16	70.55
	5.56 %	37.37	34.27	41.27	41.97	47.21	65.58	83.56

- 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	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	3.1 x	3.8 x	2.2 x	2.4 x	2.8 x	2.5 x	2.2 x
Book value per share ex intangibles	5.97	7.36	8.44	8.27	8.55	9.67	11.74
EV / Sales	1.7 x	2.3 x	1.4 x	1.5 x	1.5 x	1.2 x	1.0 x
EV / EBITDA	10.5 x	14.9 x	8.4 x	9.8 x	10.0 x	7.3 x	5.7 x
EV / EBIT	15.4 x	23.2 x	12.4 x	15.0 x	14.9 x	10.1 x	7.6 x
EV / EBIT adj.*	15.4 x	23.2 x	12.4 x	15.0 x	14.9 x	10.1 x	7.6 x
P / FCF	16.0 x	31.9 x	17.7 x	n.a.	35.3 x	27.6 x	15.8 x
P / E	18.5 x	31.6 x	15.5 x	18.9 x	21.4 x	14.2 x	10.9 x
P / E adj.*	18.5 x	31.6 x	15.5 x	18.9 x	21.4 x	14.2 x	10.9 x
Dividend Yield	2.0 %	1.4 %	2.7 %	2.4 %	2.0 %	2.3 %	2.7 %
FCF Potential Yield (on market EV)	7.3 %	5.0 %	9.3 %	7.9 %	7.0 %	9.6 %	12.3 %

*Adjustments made for: -

Consolidated profit and loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	180.7	176.7	191.3	210.8	259.8	317.4	376.1
Change Sales yoy	15.5 %	-2.2 %	8.3 %	10.2 %	23.2 %	22.2 %	18.5 %
COGS	118.5	114.0	114.7	130.4	164.5	199.6	239.2
Gross profit	62.2	62.7	76.6	80.4	95.3	117.8	136.9
<i>Gross margin</i>	<i>34.4 %</i>	<i>35.5 %</i>	<i>40.0 %</i>	<i>38.1 %</i>	<i>36.7 %</i>	<i>37.1 %</i>	<i>36.4 %</i>
Research and development	11.0	12.6	13.5	13.0	14.0	18.7	22.6
Sales and marketing	18.0	19.7	24.1	26.1	30.4	35.2	38.0
Administration expenses	16.8	17.4	20.4	23.4	27.8	28.9	30.5
Other operating expenses	0.3	0.4	1.6	0.4	1.0	1.0	1.2
Other operating income	3.5	4.9	4.1	3.6	4.4	5.1	5.6
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	28.9	27.4	31.2	32.3	39.2	54.0	67.6
<i>Margin</i>	<i>16.0 %</i>	<i>15.5 %</i>	<i>16.3 %</i>	<i>15.3 %</i>	<i>15.1 %</i>	<i>17.0 %</i>	<i>18.0 %</i>
Depreciation of fixed assets	7.1	7.7	7.8	8.3	8.8	9.8	11.7
EBITA	21.8	19.7	23.4	24.0	30.4	44.1	56.0
Amortisation of intangible assets	2.1	2.1	2.4	3.0	3.9	5.1	5.6
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	19.6	17.6	21.0	21.0	26.5	39.0	50.3
<i>Margin</i>	<i>10.9 %</i>	<i>9.9 %</i>	<i>11.0 %</i>	<i>10.0 %</i>	<i>10.2 %</i>	<i>12.3 %</i>	<i>13.4 %</i>
EBIT adj.	19.6	17.6	21.0	21.0	26.5	39.0	50.3
Interest income	0.1	0.0	0.0	0.3	0.4	0.2	0.2
Interest expenses	1.0	1.0	0.8	2.0	2.4	2.5	2.7
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	18.7	16.5	20.3	19.3	24.5	36.7	47.8
<i>Margin</i>	<i>10.4 %</i>	<i>9.4 %</i>	<i>10.6 %</i>	<i>9.1 %</i>	<i>9.4 %</i>	<i>11.6 %</i>	<i>12.7 %</i>
Total taxes	3.8	4.1	3.8	4.1	7.3	11.0	14.3
Net income from continuing operations	14.9	12.4	16.5	15.2	17.1	25.7	33.5
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	14.9	12.4	16.5	15.2	17.1	25.7	33.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	14.9	12.4	16.5	15.2	17.1	25.7	33.5
<i>Margin</i>	<i>8.3 %</i>	<i>7.0 %</i>	<i>8.6 %</i>	<i>7.2 %</i>	<i>6.6 %</i>	<i>8.1 %</i>	<i>8.9 %</i>
Number of shares, average	10.0	10.0	9.9	9.9	9.9	9.9	9.9
EPS	1.50	1.25	1.66	1.53	1.72	2.59	3.37
EPS adj.	1.50	1.25	1.66	1.53	1.72	2.59	3.37

*Adjustments made for:

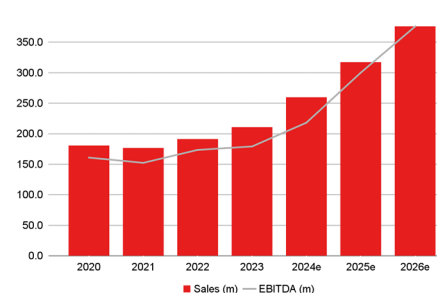
Guidance: Sales: EUR 240-260m, EBIT: EUR 24-28m

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	23.5 %	25.5 %	29.0 %	28.2 %	26.5 %	24.8 %	23.0 %
Operating Leverage	1.4 x	4.8 x	2.4 x	0.0 x	1.1 x	2.1 x	1.6 x
EBITDA / Interest expenses	28.9 x	26.2 x	41.6 x	16.0 x	16.0 x	21.6 x	24.9 x
Tax rate (EBT)	20.2 %	24.8 %	18.6 %	21.4 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	36.6 %	44.0 %	42.1 %	45.9 %	43.5 %	32.8 %	29.7 %
Sales per Employee	179,056	167,449	181,282	199,811	228,015	257,933	282,996

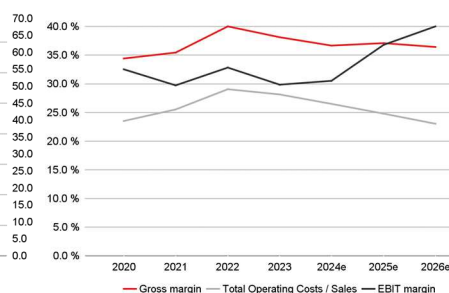
Sales, EBITDA

in EUR m

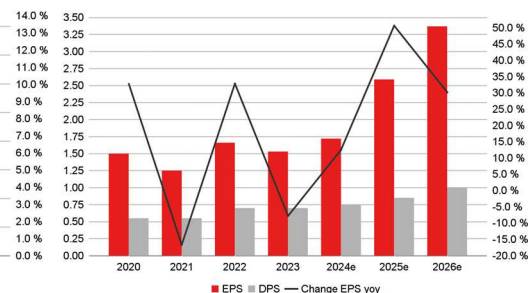


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

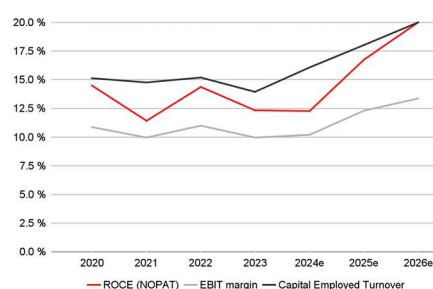
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	31.1	29.3	32.5	38.0	43.9	47.6	48.5
thereof other intangible assets	18.6	16.8	17.3	15.8	21.7	25.4	26.3
thereof Goodwill	12.5	12.5	12.5	12.5	12.5	12.5	12.5
Property, plant and equipment	57.4	55.7	65.0	64.1	66.3	66.5	65.5
Financial assets	2.0	2.2	2.1	2.1	2.1	2.1	2.1
Other long-term assets	3.1	3.3	3.5	3.6	3.6	3.6	3.6
Fixed assets	93.5	90.4	103.2	107.8	115.9	119.8	119.7
Inventories	32.6	34.3	42.1	49.3	52.0	57.7	66.0
Accounts receivable	38.7	32.0	35.2	43.5	48.4	58.3	69.0
Liquid assets	32.3	28.2	40.1	27.3	26.0	27.2	37.2
Other short-term assets	29.6	31.9	25.1	32.6	32.6	32.6	32.6
Current assets	133.2	126.5	142.5	152.7	159.0	175.7	204.8
Total Assets	226.6	216.9	245.7	260.5	274.9	295.6	324.5
Liabilities and shareholders' equity							
Subscribed capital	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Capital reserve	6.6	7.6	6.6	6.9	6.9	6.9	6.9
Retained earnings	80.3	87.3	98.4	106.2	116.3	134.6	159.6
Other equity components	-6.7	-2.6	1.4	-2.9	-4.4	-7.9	-11.5
Shareholders' equity	90.3	102.4	116.4	120.2	128.8	143.6	165.0
Minority interest	0.2	0.2	0.2	0.4	0.4	0.4	0.4
Total equity	90.5	102.6	116.6	120.6	129.2	144.0	165.4
Provisions	25.8	21.8	16.3	13.4	13.6	13.8	14.0
thereof provisions for pensions and similar obligations	11.8	10.8	7.3	7.6	7.8	8.0	8.2
Financial liabilities (total)	45.5	30.6	38.0	45.3	45.3	45.3	45.3
Short-term financial liabilities	17.5	14.1	18.5	19.7	19.7	19.7	19.7
Accounts payable	7.5	6.9	9.7	12.0	12.8	13.9	16.5
Other liabilities	57.2	55.0	65.1	69.3	73.9	78.6	83.3
Liabilities	136.1	114.3	129.2	139.9	145.6	151.6	159.1
Total liabilities and shareholders' equity	226.6	216.9	245.7	260.5	274.9	295.6	324.5

Financial Ratios

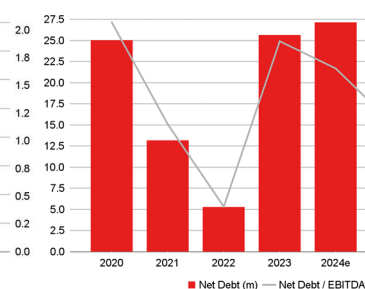
	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	1.5 x	1.6 x	1.5 x	1.5 x	1.7 x	1.9 x	2.1 x
Capital Employed Turnover	1.6 x	1.5 x	1.6 x	1.4 x	1.7 x	1.9 x	2.1 x
ROA	16.0 %	13.7 %	16.0 %	14.1 %	14.8 %	21.5 %	27.9 %
Return on Capital							
ROCE (NOPAT)	14.5 %	11.4 %	14.4 %	12.3 %	12.3 %	16.7 %	20.0 %
ROE	17.0 %	12.9 %	15.1 %	12.8 %	13.7 %	18.9 %	21.7 %
Adj. ROE	17.0 %	12.9 %	15.1 %	12.8 %	13.7 %	18.9 %	21.7 %
Balance sheet quality							
Net Debt	25.0	13.2	5.3	25.6	27.1	26.2	16.4
Net Financial Debt	13.3	2.4	-2.0	18.0	19.3	18.2	8.2
Net Gearing	27.7 %	12.8 %	4.5 %	21.3 %	21.0 %	18.2 %	9.9 %
Net Fin. Debt / EBITDA	45.9 %	8.6 %	n.a.	55.8 %	49.2 %	33.7 %	12.1 %
Book Value / Share	9.1	10.3	11.7	12.1	13.0	14.5	16.6
Book value per share ex intangibles	6.0	7.4	8.4	8.3	8.6	9.7	11.7

ROCE Development



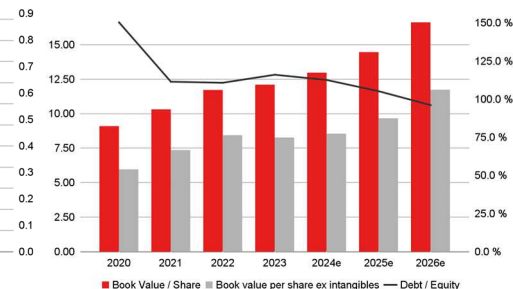
Source: Warburg Research

Net debt in EUR m



Source: Warburg Research

Book Value per Share in EUR



Source: Warburg Research

Consolidated cash flow statement

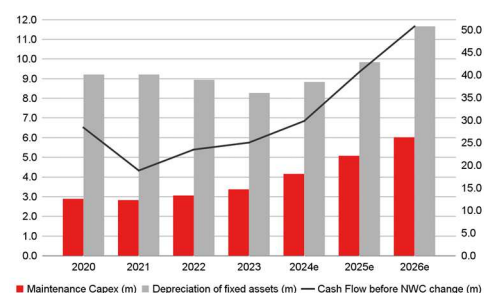
In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	14.9	12.4	16.5	15.2	17.1	25.7	33.5
Depreciation of fixed assets	9.2	9.2	8.9	8.3	8.8	9.8	11.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.1	2.1	2.4	3.0	3.9	5.1	5.6
Increase/decrease in long-term provisions	2.7	-4.3	-5.7	-2.9	0.2	0.2	0.2
Other non-cash income and expenses	-0.7	-0.7	1.4	1.6	-0.2	-0.2	-0.2
Cash Flow before NWC change	28.3	18.8	23.5	25.0	29.8	40.6	50.8
Increase / decrease in inventory	-4.1	-0.7	-7.1	-7.8	-2.7	-5.7	-8.3
Increase / decrease in accounts receivable	1.7	11.3	5.9	-16.6	-4.9	-9.9	-10.7
Increase / decrease in accounts payable	-0.5	-9.7	2.6	3.0	0.8	1.1	2.6
Increase / decrease in other working capital positions	-1.0	-3.7	-0.6	4.3	1.3	1.3	1.3
Increase / decrease in working capital (total)	-3.9	-2.8	0.9	-17.1	-5.5	-13.2	-15.1
Net cash provided by operating activities [1]	24.4	16.0	24.4	8.0	24.4	27.4	35.7
Investments in intangible assets	-1.6	-1.6	-5.6	-8.4	-9.8	-8.8	-6.5
Investments in property, plant and equipment	-5.5	-2.1	-16.6	-7.8	-8.9	-10.1	-10.7
Payments for acquisitions	-7.8	0.0	-1.1	-1.1	0.0	0.0	0.0
Financial investments	0.0	0.0	-0.2	-0.1	0.0	0.0	0.0
Income from asset disposals	0.3	0.3	0.3	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-14.6	-3.4	-10.5	-13.5	-14.0	-14.2	-12.5
Change in financial liabilities	7.4	-8.1	8.6	7.3	0.0	0.0	0.0
Dividends paid	-4.0	-5.5	-5.5	-6.9	-7.0	-7.4	-8.4
Purchase of own shares	-2.2	-0.7	-1.8	-2.7	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Other	-3.9	-3.5	-3.5	-4.7	-4.7	-4.7	-4.7
Net cash provided by financing activities [3]	-2.8	-17.7	-2.2	-6.8	-11.6	-12.1	-13.1
Change in liquid funds [1]+[2]+[3]	7.0	-5.1	11.6	-12.3	-1.3	1.1	10.0
Effects of exchange-rate changes on cash	-1.0	1.1	0.3	-0.5	0.0	0.0	0.0
Cash and cash equivalent at end of period	32.2	28.2	40.1	27.3	26.0	27.1	37.2

Financial Ratios

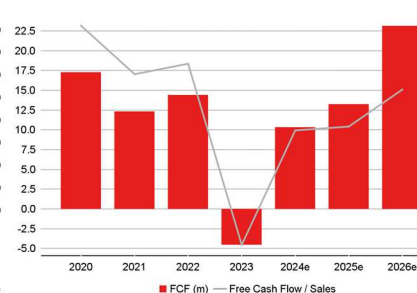
	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	17.3	12.3	14.4	-4.5	10.3	13.2	23.1
Free Cash Flow / Sales	9.6 %	7.0 %	7.5 %	-2.1 %	4.0 %	4.2 %	6.2 %
Free Cash Flow Potential	22.2	20.5	24.4	24.8	27.7	37.9	47.3
Free Cash Flow / Net Profit	115.8 %	99.3 %	87.5 %	-29.8 %	60.4 %	51.5 %	69.2 %
Interest Received / Avg. Cash	0.3 %	0.1 %	0.1 %	0.8 %	1.5 %	0.8 %	0.6 %
Interest Paid / Avg. Debt	2.6 %	2.7 %	2.2 %	4.8 %	5.4 %	5.5 %	6.0 %
Management of Funds							
Investment ratio	4.0 %	2.1 %	11.6 %	7.7 %	7.2 %	5.9 %	4.6 %
Maint. Capex / Sales	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %
Capex / Dep	77.3 %	37.4 %	217.8 %	144.8 %	146.9 %	126.5 %	99.4 %
Avg. Working Capital / Sales	34.3 %	33.8 %	32.3 %	34.2 %	31.2 %	28.9 %	28.5 %
Trade Debtors / Trade Creditors	512.5 %	462.2 %	361.4 %	363.6 %	378.1 %	419.4 %	418.2 %
Inventory Turnover	3.6 x	3.3 x	2.7 x	2.6 x	3.2 x	3.5 x	3.6 x
Receivables collection period (days)	78	66	67	75	68	67	67
Payables payment period (days)	23	22	31	33	28	25	25
Cash conversion cycle (Days)	151	146	166	171	148	141	138

CAPEX and Cash Flow

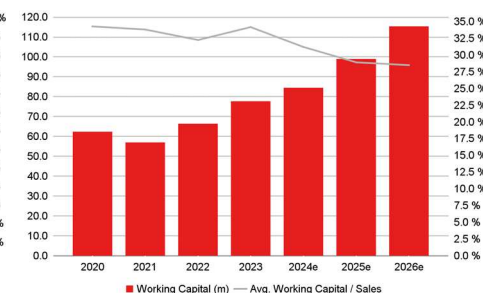
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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

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

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

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	140	70
Hold	44	22
Sell	10	5
Rating suspended	7	3
Total	201	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	40	73
Hold	10	18
Sell	2	4
Rating suspended	3	5
Total	55	100

PRICE AND RATING HISTORY INIT SE AS OF 13.11.2024



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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