

# Indus Holding

## Becoming more cautious

The weak spots in Q2 reporting were the segments Metal (one participation undergoing restructuring) and Automotive, burdened in particular by price pressure. These two negatives are to the major part offset by a better development in Construction and Engineering. For the group, the €38m Q2 EBIT was impacted by c. €5m restructuring expenses. When adjusting for these, Q2 EBIT was €43m, in line with our estimate. Following Q2, we cut our 2017 EBIT forecast by 2% to €151m. Our 2018 to 2020 estimates rise 1% to 3% driven by new acquisitions. Our peer valuation yields a new target of €70. We think that the re-rating triggered by CEO Abromeit's focus on growth has now come to an end and we lower our recommendation to Hold from Buy.

TABLE 1: Q2 key data

€m	Q2 2017	CB Q2 2017E	diff.	Cons Q1 2017	diff.	Q2 2016	y/y	Q1 2017	q/q
Sales	423	418	1%	392	8%	382	11%	381	11%
EBITA	41	45	-10%			43	-6%	38	7%
EBIT	38	43	-12%	41	-7%	39	-2%	35	9%
Margin	9.0%	10.3%		10.5%		10.2%		9.1%	
Net income	20	23	-12%			21	-2%	18	10%
EPS	0.83	0.94	-12%			0.84	-2%	0.75	10%

Source: Commerzbank Research, company data

**Guidance in reach** The guidance for €145m to €150m EBIT and >€1.5bn sales for 2017 was reiterated. We consider this to be in reach despite the fact that the participation under restructuring in the Metal segment should see ongoing operating weakness in the coming quarters and also despite mounting price pressure in Automotive. We expect the strong performance in the Construction segment and the recovery of organic growth in Engineering to offset these burdens, helped by new acquisitions made (M+P, Peiseler).

**Cutting to Hold from Buy** We like the Indus share on the growth prospects of its balanced portfolio. However, trading at a 2018 P/E of 18x, it has worked through the re-rating triggered by the focus on growth under CEO Abromeit. Our 2017 to 2019 EBIT estimates are roughly in line with consensus and we think that the market's concern over the c. 25% of group sales' Automotive exposure should increase on higher margin pressure, which was visible in Q2 reporting, and overall concerns regarding the industry. As a result, we think that for the foreseeable future the share lacks an upside catalyst.

## Key financial and valuation metrics

Year-end Dec	2014	2015	2016	2017E	2018E	2019E	CAGR 2016-19E
Sales rep. (€m)	1,256	1,389	1,444	1,590	1,639	1,705	5.7 %
EBITDA adj. (€m)	175	186	201	211	224	315	16.1 %
EBITA adj. (€m)	129	136	146	151	162	170	5.4 %
EBITA margin	10.3%	9.8%	10.1%	9.5%	9.9%	10.0%	
FCF pre-div (€m)	(8.3)	18.2	10.1	11.1	72.9	237	186.0 %
FCF yield	(1.0%)	0.0%	0.9%	0.7%	4.6%	15.0%	
EPS rep. (€)	2.58	1.00	3.27	3.33	3.65	4.94	14.7 %
EPS adj. (€)	2.74	0.00	3.27	3.33	3.65	4.94	14.7 %
DPS (€)	1.20	1.00	1.35	1.50	1.60	0.00	(100.0 %)
EV/Sales (x)	1.0	n.m.	1.1	1.3	1.2	1.1	
EV/EBITDA (x)	7.1	n.m.	7.6	9.7	9.0	5.8	
EV/EBITA (x)	9.6	n.m.	10.5	13.6	12.4	10.7	
P/E (x)	12.9	n.m.	14.1	19.4	17.7	13.1	
Div yield	3.4%	2.3%	2.9%	2.3%	2.5%	0.0%	
Net debt (€m)	373	384	406	471	437	239	
Net debt/EBITDA (x)	2.1	2.1	2.0	2.2	1.9	0.8	

Sources: Company data, Commerzbank Research

15 August 2017

**Hold** (from Buy)  
**TP €70** (from €53)  
**CP €64.70**  
 (Closing 14 August 2017)

### Key information

Expected performance	8.2%
Volatility (60d, realized)	18.1%
1M / 3M performance	1.4% / 2.0%
Bloomberg / Reuters:	INH GY, INHG.DE
Market cap (€m)	1,582
EV (€m)	2,019
Shares outstanding (m)	24.5
Free float	74.2%
Dly trading vol (last 3-mth) (€m)	1.7

Source: Commerzbank Research

### Changes in estimates

€m	2016o	2016n	2017o	2017n
Sales	1,459	-	1,495	1,590
EBITA	142	-	154	151
EPS	3.03	-	3.34	3.33

Source: Commerzbank Research

### Relative and absolute performance (12M)



Source: Bloomberg

### Company events

Date	Event
15 August 2017	Q2 earnings
15 November 2017	Q3 earnings

Sources: Bloomberg, Company data, Commerzbank Research

### Shareholder structure

Major shareholders	Stake
Versicherungskammer Bayern	19.4%
Hans Joachim Selzer et. al.	6.4%

Sources: Bloomberg, Company data, Commerzbank Research

For important disclosure information please see pages 7 to 9.

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## Q2 earnings miss on restructuring

Q2 EBIT was €38m, 13% below our €43m estimate. Q2 was burdened by €5m restructuring expenses which to the major part were incurred in one participation in Metal Processing while a minor share applied to restructuring in Automotive.

When adjusting for restructuring, Q2 EBIT was €43m, in line with our estimate and 5% above consensus. Q2 sales were €423m 1% above our estimate.

*Construction strong as expected in Q2, Engineering better due to stronger pick up of organic growth*

Segmentally, Construction was strong as expected with an €14m EBIT being up 7% year-over-year while the €14m Engineering EBIT came 18% ahead of our estimate, up 63% year-over-year. Here, organic growth recovered, we estimate it was 14% for Q2 vs. an estimated 0% for the fully year 2016. We think that the fluctuations are based on exposure to larger projects and expect a continued underlying growth trend with fluctuations.

Q2 operating cash flow was €18m, down from €27m in Q2 2016. The trigger for the decline was a €26m NWC investment in Q2 2017 vs. a €14m in Q2 2016. Indus indicates that the NWC was piled up intentionally, pointing to continued growth expectations for H2.

TABLE 2: Q2 overview

€m	Q2 2017	CB Q2 2017E	diff.	Cons Q1 2017	diff	Q2 2016	y/y	Q1 2017	q/q	2016	2017
<b>Sales</b>	<b>423</b>	<b>418</b>	<b>1%</b>	<b>392</b>	<b>8%</b>	<b>382</b>	<b>11%</b>	<b>381</b>	<b>11%</b>	<b>1444</b>	<b>1590</b>
Construction / Infrastructure	90	90	0%			75	20%	72	26%	275	318
Engineering	97	91	6%			82	18%	77	25%	306	360
Automotive	96	102	-6%			96	0%	96	0%	372	387
Metal / Metal Processing	100	95	5%			91	10%	97	3%	344	374
Medical / Life Science	39	40	-1%			39	1%	39	1%	147	151
<b>EBITA</b>	<b>41</b>	<b>45</b>	<b>-10%</b>			<b>43</b>	<b>-6%</b>	<b>38</b>	<b>7%</b>	<b>155</b>	<b>162</b>
<b>EBIT</b>	<b>38</b>	<b>43</b>	<b>-12%</b>	<b>41</b>	<b>-7%</b>	<b>39</b>	<b>-2%</b>	<b>35</b>	<b>9%</b>	<b>145</b>	<b>151</b>
Construction / Infrastructure	14	14	3%			13	7%	7	104%	39	45
Engineering	14	12	18%			9	63%	12	20%	41	51
Automotive	3	4	-19%			5	-38%	5	-31%	20	17
Metal / Metal Processing	3	8	-64%			8	-63%	9	-68%	30	25
Medical / Life Science	5	5	10%			6	-5%	4	43%	20	19
<b>Margin</b>	<b>9.0%</b>	<b>10.3%</b>		<b>10.5%</b>		<b>10.2%</b>		<b>9.1%</b>		<b>10.0%</b>	<b>9.5%</b>
Construction / Infrastructure	16.0%	15.5%				17.9%		9.9%		14.3%	14.2%
Engineering	14.7%	13.2%				10.6%		15.3%		13.5%	14.1%
Automotive	3.4%	3.9%				5.4%		4.9%		5.4%	4.5%
Metal / Metal Processing	2.9%	8.4%				8.7%		9.3%		8.7%	6.7%
Medical / Life Science	13.9%	12.5%				14.8%		9.8%		13.7%	12.3%
<b>Net income</b>	<b>20</b>	<b>23</b>	<b>-12%</b>			<b>21</b>	<b>-2%</b>	<b>18</b>	<b>10%</b>	<b>80</b>	<b>81</b>
<b>EPS</b>	<b>0.83</b>	<b>0.94</b>	<b>-12%</b>			<b>0.84</b>	<b>-2%</b>	<b>0.75</b>	<b>10%</b>	<b>3.27</b>	<b>3.33</b>

Source: Commerzbank Research, company data

## Some burdens should prevail

We cut our 2017 EBIT forecast by 2% to €151m, our 2018 to 2020 estimates rise 1% to 3% on the following expectations:

- The c. €5m restructuring expenses incurred in Q2 should be sufficient to cover the restructuring requirements, however
- the operating development in the participation under restructuring in the metal Processing segment should prevail subdued for 2017 and recover moderately in 2018
- Margin pressure in automotive should continue to weigh on margins in the segment.
- Construction and Engineering should continue to outperform in 2017, losing some momentum in 2018 and normalise in 2019.
- We included the new acquisitions M+P and Peisler for the first time into our forecasts.

TABLE 3: Changed estimates overview

€m except for EPS/DPS	2017o	2017n	chg.	2018o	2018n	chg.	2019o	2019n	chg.	2020o	2020n	chg.
<b>Sales</b>	<b>1495</b>	<b>1590</b>	<b>6%</b>	<b>1523</b>	<b>1639</b>	<b>8%</b>	<b>1542</b>	<b>1657</b>	<b>7%</b>	<b>1562</b>	<b>1675</b>	<b>7%</b>
Sales Consensus		1529			1589			1666			1717	
Diff.		4%			3%			-1%			-2%	
Construction / Infrastructure	297	318	7%	305	336	10%	311	347	12%	317	358	13%
Engineering	324	360	11%	330	381	15%	337	388	15%	343	396	15%
Automotive	371	387	4%	378	391	3%	378	383	1%	378	375	-1%
Metal / Metal Processing	350	374	7%	354	377	7%	357	381	7%	361	385	7%
Med. Eng. / Life Science	153	151	-1%	156	155	-1%	159	158	-1%	162	161	-1%
<b>EBIT</b>	<b>154</b>	<b>151</b>	<b>-2%</b>	<b>161</b>	<b>162.3</b>	<b>1%</b>	<b>164</b>	<b>169</b>	<b>3%</b>	<b>167</b>	<b>172</b>	<b>3%</b>
EBIT Cons.		152			160			167			167	
Diff.		-1%			1%			1%			3%	
Construction / Infrastructure	42	45	7%	44	48	9%	45	50	11%	46	52	13%
Engineering	44	51	15%	47	54	17%	48	56	17%	49	57	17%
Automotive	22	17	-21%	23	18	-24%	23	18	-18%	22	17	-25%
Metal / Metal Processing	29	25	-15%	30	27	-8%	30	29	-4%	31	29	-5%
Med. Eng. / Life Science	22	19	-16%	24	22	-9%	24	22	-9%	25	23	-9%
<b>Margin</b>	<b>10.3%</b>	<b>9.5%</b>		<b>10.6%</b>	<b>9.9%</b>		<b>10.6%</b>	<b>10.2%</b>		<b>10.7%</b>	<b>10.3%</b>	
Construction / Infrastructure	14.2%	14.2%		14.4%	14.3%		14.5%	14.4%		14.6%	14.6%	
Engineering	13.7%	14.1%		14.1%	14.3%		14.2%	14.4%		14.3%	14.5%	
Automotive	5.9%	4.5%		6.1%	4.5%		6.0%	4.8%		5.9%	4.5%	
Metal / Metal Processing	8.4%	6.7%		8.5%	7.3%		8.5%	7.7%		8.6%	7.7%	
Med. Eng. / Life Science	14.4%	12.3%		15.2%	13.9%		15.3%	14.0%		15.4%	14.1%	
<b>Net income</b>	<b>82</b>	<b>81</b>	<b>0%</b>	<b>88</b>	<b>89</b>	<b>2%</b>	<b>93</b>	<b>97</b>	<b>5%</b>	<b>98</b>	<b>102</b>	<b>4%</b>
<b>EPS (€)</b>	<b>3.34</b>	<b>3.33</b>	<b>0%</b>	<b>3.59</b>	<b>3.65</b>	<b>2%</b>	<b>3.80</b>	<b>3.97</b>	<b>5%</b>	<b>4.02</b>	<b>4.17</b>	<b>4%</b>
DPS (€)	1.40	1.50	7%	1.50	1.60	7%	1.60	1.70	6%	1.70	1.75	3%
Payout ratio	41.9%	45.0%		41.8%	43.8%		42.1%	42.8%		42.3%	42.0%	

Source: Commerzbank Research

TABLE 4: Peer valuation data

Multiples based on share prices as of 14.8.2017	Ev/EBIT 2017	Ev/EBIT 2018
<b>Panel Construction / Infrastructure</b>		
Average	13.9	12.3
Sector estimate	45.3	47.9
Fair value	629.8	589.1
<b>Panel Engineering</b>		
Average	14.8	13.2
Sector estimate	50.9	54.3
Fair value	754.4	715.7
<b>Panel Automotive</b>		
Average	11.7	9.6
Sector estimate	17.3	17.6
Fair value	202.3	170.0
<b>Panel Metal / Metal Processing</b>		
Average	14.8	13.2
Sector estimate	25.1	27.4
Fair value	372.7	361.4
<b>Panel Medical Engineering / Life Science</b>		
Average	21.2	16.8
Sector estimate	18.6	21.6
Fair value	393.8	362.5
<b>Overhead/Reconciliation</b>		
Multiple - Average	15.3	13.0
Multiple - Median	14.7	13.0
Reconciliation	-6.4	-6.5
Fair value	-97.2	-84.7
<b>Implicit EV (weighted)</b>	<b>2255.7</b>	<b>2113.9</b>
Adjustments:	-445.6	-411.1
Net debt	-439.2	-403.7
Provisions for pensions	-31.9	-32.9
Minorities	-2.6	-2.6
Financial assets	17.6	17.6
At equity shareholdings	10	10
<b>Fair value of equity</b>	<b>1810.1</b>	<b>1702.7</b>
<b>Fair value per share (€)</b>	<b>74</b>	<b>70</b>
<b>Target price (€)</b>	<b>74</b>	<b>70</b>

Source: Commerzbank Research, Bloomberg data

TABLE 5: Peer overview

Name	Currency	Share price	Mkt.Cap	EV/EBIT 2017	EV/EBIT 2018	EV/EBIT 2019
<b>Panel Construction / Infrastructure</b>						
Bauer AG	EUR	24.3	415.94	13.3x	11.5x	10.1x
De' Longhi SpA	EUR	25.7	3848.13	13.6x	12.2x	11.0x
HB Fuller Co	USD	50.3	2543.86	15.1x	13.5x	11.9x
Geberit AG	CHF	475.7	17620.61	26.0x	23.6x	21.6x
STO SE & Co KGaA	EUR	118.8	814.73	8.8x	7.8x	7.2x
Uzin Utz AG	EUR	69.0	347.81	12.0x	10.2x	8.5x
Villeroy & Boch AG	EUR	18.4	516.99	8.3x	7.3x	7.0x
<b>Panel Engineering</b>						
Deutz AG	EUR	6.4	772.79	9.4x	10.2x	7.9x
DMG Mori AG	EUR	51.7	4074.89	24.0x	21.4x	19.1x
Duerr AG	EUR	97.3	3365.64	10.9x	10.4x	9.1x
GEA Group AG	EUR	38.0	7317.72	14.3x	12.0x	10.6x
Heidelberger Druckmaschinen AG	EUR	3.0	831.75	9.8x	11.3x	9.0x
Jungheinrich AG	EUR	34.4	3505.23	13.5x	12.9x	11.8x
KION Group AG	EUR	73.7	8703.23	17.9x	14.5x	12.6x
Koenig & Bauer AG	EUR	61.3	1012.17	10.8x	8.8x	7.4x
Krones AG	EUR	106.2	3353.60	11.9x	10.6x	9.3x
KUKA AG	EUR	118.5	4711.40	22.6x	18.8x	15.4x
Pfeiffer Vacuum Technology AG	EUR	144.2	1422.92	15.8x	13.5x	12.6x
Vossloh AG	EUR	56.6	904.40	17.2x	13.8x	11.6x
<b>Panel Automotive</b>						
Bertrandt AG	EUR	82.3	834.79	11.8x	10.5x	9.3x
Brembo SpA	EUR	12.7	4250.83	12.6x	11.6x	10.4x
Continental AG	EUR	190.5	38091.14	8.5x	7.4x	6.6x
ElringKlinger AG	EUR	15.2	960.54	10.7x	9.5x	8.7x
Faurecia	EUR	48.3	6662.30	6.6x	5.9x	5.5x
GKN PLC	GBp	316.4	5433.92	7.6x	7.0x	6.3x
Grammer AG	EUR	42.7	538.39	8.7x	7.4x	6.7x
Haldex AB	SEK	109.5	4841.65	25.4x	13.4x	11.8x
Hella KGaA Hueck & Co	EUR	45.5	5051.11	10.7x	9.5x	8.5x
Leoni AG	EUR	53.3	1739.62	10.5x	9.5x	8.1x
Norma Group SE	EUR	52.2	1662.58	13.4x	12.1x	11.2x
Cie Plastic Omnium SA	EUR	32.5	4953.97	9.3x	8.3x	7.2x
Progress-Werk Oberkirch AG	EUR	43.2	135.11	12.5x	10.3x	9.0x
SAF-Holland SA	EUR	15.8	716.71	10.2x	8.3x	7.6x
SHW AG	EUR	35.2	226.65	13.4x	9.6x	6.5x
Stabilus SA	EUR	69.2	1708.99	16.6x	14.6x	13.0x
Valeo SA	EUR	57.4	13763.28	10.3x	8.9x	7.8x
<b>Panel Engineering/Metal processing</b>						
Carl Zeiss Meditec AG	EUR	42.6	3806.14	18.1x	16.4x	14.5x
Amplifon SpA	EUR	11.5	2600.02	18.3x	16.1x	14.3x
Novo Nordisk A/S	DKK	289.7	724250.00	14.3x	13.9x	13.1x
Sonova Holding AG	CHF	155.5	10173.26	25.7x	21.7x	18.9x
Straumann Holding AG	CHF	544.0	8638.17	31.2x	26.8x	23.1x
William Demant Holding A/S	DKK	166.9	43221.47	21.6x	19.3x	17.1x
Draegerwerk AG & Co KGaA	EUR	87.2	1330.94	8.7x	7.1x	5.8x
Gerresheimer AG	EUR	69.5	2181.99	15.4x	13.6x	12.4x
Gerry Weber International AG	EUR!	11.1	508.87	37.2x	16.4x	13.7x

Source: Commerzbank Research, Bloomberg data

TABLE 6: Financials

<b>Balance Sheet (€m)</b>	<b>2014</b>	<b>2015</b>	<b>2016E</b>	<b>2017E</b>	<b>2018E</b>	<b>CAGR 2015-18E</b>
Property, plant & equipment	307	335	352	407	416	4.5%
Intangible fixed assets	44.0	58.8	58.8	81.3	81.3	0.0%
Goodwill	368	395	415	429	429	
<b>Total operating fixed assets</b>	<b>719</b>	<b>788</b>	<b>826</b>	<b>917</b>	<b>926</b>	<b>2.8%</b>
Net working capital	260	243	267	310	322	3.8%
as a % of sales	20.7%	17.5%	18.3%	19.5%	19.7%	
<b>Operating invested capital</b>	<b>979</b>	<b>1,032</b>	<b>1,093</b>	<b>1,227</b>	<b>1,248</b>	<b>3.0%</b>
<b>ROIC (%)</b>	<b>10.0%</b>	<b>9.8%</b>	<b>9.6%</b>	<b>9.3%</b>	<b>9.4%</b>	
IC/sales (x)	0.8	0.7	0.7	0.8	0.8	
Investments	16.7	25.2	25.2	17.6	17.6	0.0%
<b>Capital employed</b>	<b>995</b>	<b>1,057</b>	<b>1,118</b>	<b>1,244</b>	<b>1,266</b>	<b>2.9%</b>
<b>ROCE</b>	<b>9.9%</b>	<b>9.6%</b>	<b>9.4%</b>	<b>9.2%</b>	<b>9.3%</b>	
Cash and cash equivalents	116	132	158	145	140	13.2%
Interest-bearing liabilities	462	489	522	584	544	(0.4%)
Interest-bearing provisions	27.2	28.1	31.9	31.9	32.9	5.9%
<b>Net debt</b>	<b>373</b>	<b>384</b>	<b>396</b>	<b>471</b>	<b>437</b>	<b>(5.5%)</b>
thereof pension provisions	n.a.	n.a.	n.a.	n.a.	n.a.	
<b>Total equity</b>	<b>550</b>	<b>595</b>	<b>640</b>	<b>693</b>	<b>746</b>	<b>7.7%</b>
<b>Equity Ratio</b>	<b>42.0%</b>	<b>41.9%</b>	<b>42.8%</b>	<b>43.2%</b>	<b>46.0%</b>	
<b>ROE</b>	<b>12.6%</b>	<b>11.9%</b>	<b>12.1%</b>	<b>12.3%</b>	<b>12.5%</b>	
<b>Total assets</b>	<b>1,308</b>	<b>1,420</b>	<b>1,496</b>	<b>1,602</b>	<b>1,620</b>	<b>3.3%</b>
<b>Income Statement (€m)</b>	<b>2014</b>	<b>2015</b>	<b>2016E</b>	<b>2017E</b>	<b>2018E</b>	<b>CAGR 2015-18E</b>
<b>Sales</b>	<b>1,256</b>	<b>1,389</b>	<b>1,459</b>	<b>1,590</b>	<b>1,639</b>	<b>3.1%</b>
growth y/y	5.1%	10.6%	5.1%	8.9%	3.1%	
Operating expenses	1,081	1,202	1,265	1,378	1,415	2.9%
Gross margin	37.4%	37.2%	37.1%	36.9%	37.2%	
<b>EBITDA</b>	<b>175</b>	<b>186</b>	<b>194</b>	<b>211</b>	<b>224</b>	<b>4.7%</b>
as a % of sales	13.9%	13.4%	13.3%	13.3%	13.7%	
Depreciation and intangible amortisation	46.4	50.0	51.6	60.5	62.0	2.0%
<b>EBITA</b>	<b>129</b>	<b>136</b>	<b>142</b>	<b>151</b>	<b>162</b>	<b>5.6%</b>
as a % of sales	10.3%	9.8%	9.8%	9.5%	9.9%	
Impairments	1.6	0.1	0.0	0.0	0.0	
<b>EBIT</b>	<b>127</b>	<b>136</b>	<b>142</b>	<b>151</b>	<b>162</b>	
as a % of sales	10.3 %	9.8 %	9.8 %	9.5 %	9.9 %	
Net interest result	(26.5)	(27.0)	(27.1)	(24.4)	(23.8)	(1.7%)
Result from participations	0.0	0.0	0.0	0.0	0.0	
Other financial result	0.0	0.0	0.0	0.0	0.0	
Adjustments	0.0	0.0	0.0	0.0	0.0	
<b>PBT</b>	<b>101</b>	<b>109</b>	<b>115</b>	<b>126</b>	<b>139</b>	<b>7.4%</b>
Tax expense	(33.4)	(41.0)	(40.3)	(44.3)	(48.5)	4.5%
Adjustment	0.0	0.0	0.0	0.0	0.0	
<b>Tax rate</b>	<b>33.2%</b>	<b>37.5%</b>	<b>35.0%</b>	<b>35.0%</b>	<b>35.0%</b>	
Net profit from continuing operations	67.3	68.3	74.9	82.2	90.1	9.0%
as a % of sales	5.4%	4.9%	5.1%	5.2%	5.5%	
Minorities	(0.2)	(0.4)	(0.8)	(0.7)	(0.8)	
<b>Net income attributable to shareholders</b>	<b>63.1</b>	<b>67.9</b>	<b>74.1</b>	<b>81.5</b>	<b>89.3</b>	<b>8.9%</b>
<b>Cash Flow Statement (€m)</b>	<b>2014</b>	<b>2015</b>	<b>2016E</b>	<b>2017E</b>	<b>2018E</b>	<b>CAGR 2015-18E</b>
<b>Operating cash flow</b>	<b>87.0</b>	<b>131</b>	<b>124</b>	<b>123</b>	<b>143</b>	<b>1.2%</b>
as a % of sales	6.9%	9.4%	8.5%	7.8%	8.7%	
Gross capex	(65.7)	(73.1)	(68.6)	(112)	(70.5)	(2.1%)
Asset disposals	2.7	5.6	0.8	0.0	0.0	
Net financial investments	(0.8)	(11.0)	0.0	0.0	0.0	
Net acquisitions	(31.4)	(34.3)	(32.9)	0.0	0.0	
Gross capex as a % of sales	5.2%	5.3%	4.7%	7.1%	4.3%	
Gross capex as a % of depreciation	141.8%	146.1%	133.0%	185.4%	113.7%	
<b>Free cash flow</b>	<b>(8.3)</b>	<b>18.2</b>	<b>23.1</b>	<b>11.1</b>	<b>72.9</b>	<b>54.7%</b>
as a % of sales	(0.7%)	1.3%	1.6%	0.7%	4.4%	
Dividends	(26.9)	(29.3)	(29.3)	(33.0)	(36.7)	
<b>Free cash flow (post dividend)</b>	<b>(35.3)</b>	<b>(11.2)</b>	<b>(7.0)</b>	<b>(22.6)</b>	<b>35.5</b>	
Increase / (decrease) in debt	35.3	26.2	32.8	40.0	(40.0)	
Increase / (decrease) in equity	0.0	0.0	0.0	0.0	0.0	
Other financing cash flows	0.0	0.0	0.0	0.0	0.0	
FX effects	0.7	0.7	0.0	0.0	0.0	
Other items	0.0	0.0	0.0	0.0	0.0	
<b>Change in cash</b>	<b>0.6</b>	<b>15.7</b>	<b>25.8</b>	<b>17.4</b>	<b>(4.5)</b>	

Source: Commerzbank Research

## Indus Holding price chart



Source: Commerzbank Research

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Source: Commerzbank Research

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