



Indus Holding

Time to look on the bright side again

We lowered our recommendation on the Indus share to Hold in August following weak Q2 reporting. It is now time to take a fresh look at the share. We raise our recommendation to Buy due to the improved macro environment and expected effects from restructuring forecast to phase into a strong Q3 reporting (due on 14 November). These drivers should also benefit from 2018 onward, raising our EBIT forecast for 2017 to 2020 by 1% to 2%. These factors should help the share close the gap to its peers which arose in recent months. On top, we believe that the recovery of sentiment in the Automotive sector will also spill over to the Indus share where the respective segment remains a burden, but we think that this issue is now digested.

Q3 forecasts key data

| €m | Q3 2016 | CB Q3 2017E | y/y | Q2 2017 | q/q | CB 2017 |
|------------|---------|-------------|-----|---------|-----|---------|
| Sales | 361 | 397 | 10% | 423 | -6% | 1601 |
| EBIT | 37 | 42 | 13% | 38 | 11% | 152 |
| Margin | 10.3% | 10.6% | | 9.0% | | 9.5% |
| Net income | 20 | 23 | 18% | 20 | 15% | 82 |
| EPS | 0.81 | 0.95 | 18% | 0.83 | 15% | 3.37 |

Source: Commerzbank Research, company data

Strong Q3 earnings expected While the €38m Q2 EBIT came as a disappointment, down 2% y/y, we forecast that Q3 EBIT should have recovered to €42m, up 13% y/y. Our optimism is supported by the fact that Q2 EBIT excluding restructuring would have been €43m, and macro data seen so far for Q3 is much improved. The latter is a key component of our 6% organic sales growth forecast for Q3 (H1 2017E: 7%), resulting in a €397m sales estimate. Segmentally, we expect strong readings in Construction and Engineering while Automotive should remain the major burden.

Slightly raising our 2017-2020 estimates We raise our 2017 EBIT forecast by 1% and 2018 to 2020 by 2%. Our optimism for Construction, Engineering and Medical Engineering increased due to refutation. For Metal Processing, we get the impression that restructuring efforts should kick in more strongly than assumed. However, we believe Automotive should remain a drag. Here, mounting price pressure and uncertainty regarding technological paradigm changes should burden to a greater extent than we had originally assumed.

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 | 1,601 | 1,650 | 1,668 | 4.7 % |
| EBITDA adj. (€m) | 175 | 186 | 201 | 215 | 228 | 235 | 4.8 % |
| EBITDA rep. (€m) | 175 | 186 | 201 | 215 | 228 | 235 | 4.8 % |
| EBITA adj. (€m) | 129 | 136 | 146 | 152 | 165 | 172 | 5.1 % |
| EBITA margin | 10.3% | 9.8% | 10.1% | 9.5% | 10.0% | 10.3% | |
| EBITA rep. (€m) | 129 | 136 | 146 | 152 | 165 | 172 | |
| FCF pre-div (€m) | (8.3) | 18.2 | 10.1 | (14.1) | 90.3 | 105 | 104.6 % |
| FCF yield | (1.0%) | 1.7% | 0.9% | (1.0%) | 6.1% | 7.1% | |
| EPS rep. (€) | 2.58 | 2.78 | 3.27 | 3.37 | 3.73 | 4.06 | 6.7 % |
| EPS adj. (€) | 2.74 | 2.78 | 3.27 | 3.37 | 3.73 | 4.02 | 6.3 % |
| DPS (€) | 1.20 | 1.20 | 1.35 | 1.50 | 1.60 | 1.70 | 8.0 % |
| EV/Sales (x) | 1.0 | 1.0 | 1.1 | 1.2 | 1.1 | 1.1 | |
| EV/EBITDA (x) | 7.1 | 7.7 | 7.6 | 9.0 | 8.2 | 7.7 | |
| EV/EBITA (x) | 9.6 | 10.5 | 10.5 | 12.7 | 11.3 | 10.5 | |
| P/E (x) | 12.9 | 15.5 | 14.1 | 17.9 | 16.1 | 15.0 | |
| Div yield | 3.4% | 2.8% | 2.9% | 2.5% | 2.7% | 2.8% | |
| Net debt (€m) | 373 | 384 | 406 | 456 | 405 | 340 | |
| Net debt/EBITDA (x) | 2.1 | 2.1 | 2.0 | 2.1 | 1.8 | 1.4 | |

Sources: Company data, Commerzbank Research

1 November 2017

Buy (from Hold)
TP €78 (from €70)
CP €60.13
(Closing 30 October 2017)

Key information

| | |
|-----------------------------------|-----------------|
| Expected performance | 29.7% |
| Volatility (60d, realized) | 18.1% |
| 1M / 3M performance | (3.9%) / (4.9%) |
| Bloomberg / Reuters: | INH GY, INHG.DE |
| Market cap (€m) | 1,470 |
| EV (€m) | 1,875 |
| Shares outstanding (m) | 24.5 |
| Free float | 74.2% |
| Dly trading vol (last 3-mth) (€m) | 1.7 |

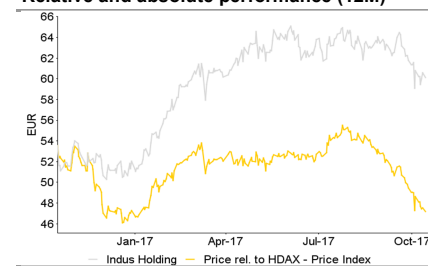
Source: Commerzbank Research

Changes in estimates

| €m | 2017o | 2017n | 2018o | 2018n |
|-------|-------|-------|-------|-------|
| Sales | 1,590 | 1,601 | 1,639 | 1,650 |
| EBITA | 151 | 152 | 162 | 165 |
| EPS | 3.33 | 3.37 | 3.65 | 3.73 |

Source: Commerzbank Research

Relative and absolute performance (12M)



Source: Bloomberg

Company events

| Date | Event |
|------------------|-------------|
| 14 November 2017 | Q3 earnings |

Sources: Bloomberg, Company data, Commerzbank Research

Shareholder structure

| Major shareholders | Stake |
|-----------------------------|-------|
| Versicherungskammer Bayern | 19.4% |
| Hans Joachim Selzer at. al. | 6.4% |

Sources: Bloomberg, Company data, Commerzbank Research

For important disclosure information please see pages 8 and 9.

research.commerzbank.com / Bloomberg: CBKR



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Q3 should come in strong

We forecast the major EBIT growth contribution in Q3 to stem from Engineering, forecast up 32% y/y and Metal Processing, up 15%. For Engineering, we expect that increased macroeconomic momentum will be accompanied by a recovery of earnings growth in major participations. For Metal Processing, the restructuring in some participations should bear fruit.

TABLE 1: Q3 forecasts overview

| €m | Q3 2016 | CB Q3 2017E | y/y | Q2 2017 | q/q | CB 2017 |
|-------------------------------|--------------|--------------|------------|-------------|------------|-------------|
| Sales | 361 | 397 | 10% | 423 | -6% | 1601 |
| Construction / Infrastructure | 75 | 85 | 13% | 90 | -6% | 323 |
| Engineering | 72 | 86 | 19% | 97 | -11% | 360 |
| Automotive | 93 | 95 | 2% | 96 | -2% | 386 |
| Metal / Metal Processing | 85 | 95 | 13% | 100 | -5% | 381 |
| Medical / Life Science | 36 | 37 | 3% | 39 | -6% | 152 |
| EBIT | 37 | 42 | 13% | 38 | 11% | 152 |
| Construction / Infrastructure | 13 | 14 | 9% | 14 | -6% | 47 |
| Engineering | 10 | 13 | 32% | 14 | -8% | 53 |
| Automotive | 3 | 4 | 9% | 3 | 17% | 13 |
| Metal / Metal Processing | 8 | 9 | 15% | 3 | 199% | 28 |
| Medical / Life Science | 5 | 5 | -4% | 5 | -6% | 19 |
| Margin | 10.3% | 10.6% | | 9.0% | | 9.5% |
| Construction / Infrastructure | 16.6% | 16.0% | | 16.0% | | 14.5% |
| Engineering | 13.7% | 15.2% | | 14.7% | | 14.7% |
| Automotive | 3.8% | 4.0% | | 3.4% | | 3.4% |
| Metal / Metal Processing | 8.9% | 9.1% | | 2.9% | | 7.3% |
| Medical / Life Science | 15.0% | 14.0% | | 13.9% | | 12.8% |
| Net income | 20 | 23 | 18% | 20 | 15% | 82 |
| EPS | 0.81 | 0.95 | 18% | 0.83 | 15% | 3.37 |

Source: Commerzbank Research, company data

TABLE 2: Changed estimates overview

| €m | 2017o | 2017n | chg. | 2018o | 2018n | chg. | 2019o | 2019n | chg. | 2020o | 2020n | chg. | |
|-------------------------------|--------------|--------------|-----------|--------------|--------------|-------------|--------------|--------------|-------------|--------------|--------------|-------------|-----------|
| Sales | 1590 | 1601 | 1% | 1586 | 1639 | 1650 | 1% | 1657 | 1668 | 1% | 1675 | 1687 | 1% |
| Construction / Infrastructure | 318 | 323 | 2% | 315 | 336 | 341 | 1% | 347 | 352 | 1% | 358 | 363 | 1% |
| Engineering | 360 | 360 | 0% | 350 | 381 | 381 | 0% | 388 | 388 | 0% | 396 | 396 | 0% |
| Automotive | 387 | 386 | 0% | 400 | 391 | 390 | 0% | 383 | 382 | 0% | 375 | 374 | 0% |
| Metal / Metal Processing | 374 | 381 | 2% | 370 | 377 | 384 | 2% | 381 | 388 | 2% | 385 | 392 | 2% |
| Med. Eng. / Life Science | 151 | 152 | 0% | 151 | 155 | 155 | 0% | 158 | 158 | 0% | 161 | 162 | 0% |
| EBIT | 151 | 152 | 1% | 151 | 162 | 165 | 2% | 169 | 172 | 2% | 172 | 175 | 2% |
| Construction / Infrastructure | 45 | 47 | 3% | 46 | 48 | 49 | 3% | 50 | 52 | 3% | 52 | 54 | 3% |
| Engineering | 51 | 53 | 4% | 45 | 54 | 56 | 3% | 56 | 58 | 3% | 57 | 59 | 3% |
| Automotive | 17 | 13 | -24% | 22 | 18 | 14 | -18% | 18 | 15 | -17% | 17 | 14 | -18% |
| Metal / Metal Processing | 25 | 28 | 11% | 24 | 27 | 30 | 10% | 29 | 32 | 10% | 29 | 32 | 10% |
| Med. Eng. / Life Science | 19 | 19 | 5% | 20 | 22 | 22 | 4% | 22 | 23 | 4% | 23 | 24 | 4% |
| Margin | 9.5% | 9.5% | | 9.9% | 10.0% | | 10.2% | 10.3% | | 10.3% | 10.4% | | |
| Construction / Infrastructure | 14.2% | 14.5% | | 14.3% | 14.5% | | 14.4% | 14.7% | | 14.6% | 14.8% | | |
| Engineering | 14.1% | 14.7% | | 14.3% | 14.8% | | 14.4% | 14.9% | | 14.5% | 15.0% | | |
| Automotive | 4.5% | 3.4% | | 4.5% | 3.7% | | 4.8% | 4.0% | | 4.5% | 3.7% | | |
| Metal / Metal Processing | 6.7% | 7.3% | | 7.3% | 7.9% | | 7.7% | 8.3% | | 7.7% | 8.3% | | |
| Med. Eng. / Life Science | 12.3% | 12.8% | | 13.9% | 14.4% | | 14.0% | 14.5% | | 14.1% | 14.6% | | |
| Net income | 81 | 82 | 1% | 89 | 91 | 2% | 97 | 99 | 2% | 102 | 104 | 2% | |
| EPS (€) | 3.33 | 3.37 | 1% | 3.65 | 3.73 | 2% | 3.97 | 4.06 | 2% | 4.17 | 4.26 | 2% | |
| DPS (€) | 1.50 | 1.50 | 0% | 1.60 | 1.60 | 0% | 1.70 | 1.70 | 0% | 1.75 | 1.75 | 0% | |
| Payout ratio | 45.0% | 44.5% | | 43.8% | 42.9% | | 42.8% | 41.9% | | 42.0% | 41.1% | | |

Source: Commerzbank Research

Target price raised to €78 from €70

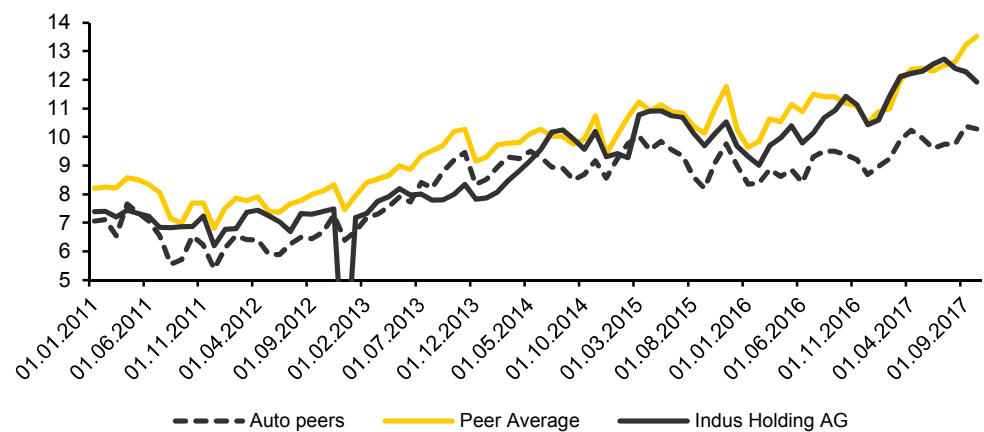
Our peer group based target price is driven by increased earnings estimates, expected better cash generation and increased peer multiples.

Regarding the latter, we consider two factors interesting: Since mid 2017, the Indus share has de-rated versus peer multiples which have increased further. While the weak Q2 reporting was a major catalyst for this factor, we expect that strong Q3 earnings will become an upside catalyst to reverse this development.

Here, we believe not only is the headline reading important but should also confirm our assumption that Q2 earnings saw all restructuring cost digested (apart from some remaining operational weakness, in particular in Automotive).

We think it is also interesting to see automotive multiples recovering. Concerns regarding the sector are already reflected in our sum-of-the-parts peer valuation. However, we understand that the Automotive exposure is a concern in itself, in particular for conservative investors. The improving sentiment for the sector should ease this drag.

CHART 1: Indus Holding vs. peer multiples



Source: Commerzbank Research, Bloomberg data

TABLE 3: Peer valuation data

| Multiples based on share prices as of 31 Oct. 2017; in €m except for per share data | Ev/EBIT 2017 | Ev/EBIT 2018 |
|--|---------------------|---------------------|
| Panel Construction / Infrastructure | | |
| Average | 12.0 | 11.4 |
| Sector estimate | 46.9 | 49.5 |
| Fair value | 560.6 | 565.7 |
| Panel Engineering | | |
| Average | 17.2 | 14.7 |
| Sector estimate | 52.8 | 56.2 |
| Fair value | 906.1 | 826.8 |
| Panel Automotive | | |
| Average | 12.8 | 10.4 |
| Sector estimate | 13.1 | 14.4 |
| Fair value | 168.8 | 149.6 |
| Panel Metal / Metal Processing | | |
| Average | 17.2 | 14.7 |
| Sector estimate | 27.9 | 30.3 |
| Fair value | 478.9 | 445.6 |
| Panel Medical Engineering / Life Science | | |
| Average | 22.8 | 17.9 |
| Sector estimate | 19.4 | 22.4 |
| Fair value | 442.7 | 401.8 |
| Overhead/Reconciliation | | |
| Multiple - Average | 16.4 | 13.8 |
| Reconciliation | -8.0 | -7.5 |
| Fair value | -131.0 | -103.8 |
| EV | 2426.1 | 2285.7 |
| Adjusted net debt | -431.0 | -379.1 |
| Net debt | -424.3 | -371.4 |
| Provisions for pensions | -32.2 | -33.2 |
| Minorities | -2.6 | -2.6 |
| Financial assets | 17.6 | 17.6 |
| At equity shareholdings | 10 | 10 |
| Equity value | 1995.1 | 1906.7 |
| Equity value per share | 82 | 78 |

Source: Commerzbank Research, Bloomberg multiples

TABLE 4: Peer overview

| Company name | Currency | Share price | Mkt.Cap | EV/EBIT 2017 | EV/EBIT 2018 | EV/EBIT 2019 |
|---|----------|-------------|-----------|--------------|--------------|--------------|
| Panel Construction / Infrastructure | | | | | | |
| Bauer AG | € | 27.5 | 470.76 | 14.4x | 11.6x | 10.3x |
| De' Longhi SpA | € | 28.1 | 4200.95 | 15.1x | 13.5x | 12.2x |
| HB Fuller Co | US\$ | 56.6 | 2846.82 | N/A | 17.1x | N/A |
| STO SE & Co KGaA | € | 130.0 | 891.54 | 9.6x | 8.5x | 7.8x |
| Uzin Utz AG | € | 66.3 | 334.34 | 11.6x | 9.9x | 8.2x |
| Villeroy & Boch AG | € | 20.1 | 563.20 | 9.1x | 8.0x | 7.7x |
| Panel Engineering/Metal Processing | | | | | | |
| Deutz AG | € | 7.3 | 879.87 | 10.9x | 12.2x | 9.4x |
| DMG Mori AG | € | 49.7 | 3918.04 | 25.1x | 20.7x | 18.3x |
| Duerr AG | € | 118.4 | 4095.03 | 13.4x | 12.7x | 11.5x |
| GEA Group AG | € | 41.4 | 7968.35 | 16.2x | 13.5x | 11.8x |
| Heidelberger Druckmaschinen AG | € | 3.4 | 953.28 | 11.0x | 11.7x | 9.3x |
| Jungheinrich AG | € | 39.0 | 3976.98 | 15.1x | 14.1x | 12.9x |
| KION Group AG | € | 68.7 | 8113.96 | 17.0x | 13.7x | 11.9x |
| Koenig & Bauer AG | € | 66.8 | 1101.80 | 11.9x | 9.8x | 8.2x |
| Krones AG | € | 108.6 | 3429.43 | 12.2x | 10.9x | 9.6x |
| KUKA AG | € | 188.0 | 7477.79 | 41.5x | 31.5x | 26.7x |
| Pfeiffer Vacuum Technology AG | € | 137.9 | 1360.26 | 15.4x | 13.0x | 12.1x |
| Vossloh AG | € | 54.3 | 866.23 | 16.2x | 12.9x | 11.3x |
| Panel Automotive | | | | | | |
| Bertrandt AG | € | 80.5 | 816.53 | 13.7x | 11.9x | 10.3x |
| Brembo SpA | € | 14.2 | 4731.68 | 14.1x | 13.0x | 11.7x |
| Continental AG | € | 217.9 | 43581.30 | 9.7x | 8.6x | 7.7x |
| ElringKlinger AG | € | 14.9 | 946.28 | 10.6x | 9.5x | 8.7x |
| Faurecia | € | 62.4 | 8617.58 | 8.3x | 7.4x | 6.6x |
| GKN PLC | GBp | 320.1 | 5497.65 | 8.5x | 7.7x | 7.0x |
| Grammer AG | € | 49.8 | 627.77 | 11.4x | 8.8x | 7.8x |
| Haldex AB | SEK | 93.5 | 4134.19 | 28.5x | 13.3x | 11.4x |
| Hella GmbH & Co KGaA | € | 51.7 | 5740.00 | 12.1x | 10.4x | 9.6x |
| Leoni AG | € | 57.0 | 1861.48 | 11.0x | 10.2x | 8.6x |
| Norma Group SE | € | 58.4 | 1861.08 | 14.5x | 13.2x | 12.1x |
| Cie Plastic Omnium SA | € | 35.8 | 5407.99 | 10.0x | 9.0x | 7.9x |
| Progress-Werk Oberkirch AG | € | 48.4 | 151.16 | 13.0x | 10.6x | 9.6x |
| SAF-Holland SA | € | 17.0 | 771.37 | 11.4x | 9.0x | 8.2x |
| SHW AG | € | 34.1 | 219.19 | 13.4x | 9.6x | 6.8x |
| Stabilus SA | € | 78.0 | 1926.11 | 17.5x | 15.4x | 13.6x |
| Valeo SA | € | 58.3 | 13964.59 | 10.6x | 9.1x | 8.1x |
| Panel Medical Engineering / Life Science | | | | | | |
| Carl Zeiss Meditec AG | € | 45.8 | 4092.80 | 20.0x | 18.1x | 15.9x |
| Amplifon SpA | € | 13.0 | 2948.95 | 20.9x | 18.1x | 16.1x |
| Novo Nordisk A/S | DKK | 317.8 | 794500.00 | 15.8x | 15.4x | 14.6x |
| Straumann Holding AG | CHF | 696.0 | 11051.77 | 39.2x | 32.2x | 27.4x |
| William Demant Holding A/S | DKK | 184.3 | 47727.48 | 23.2x | 20.9x | 18.7x |
| Draegerwerk AG & Co KGaA | € | 98.7 | 1522.31 | 10.1x | 8.2x | 6.9x |
| Gerresheimer AG | € | 68.2 | 2142.74 | 16.2x | 14.3x | 13.0x |
| Gerry Weber International AG | € | 10.6 | 487.52 | 36.9x | 16.1x | 13.1x |

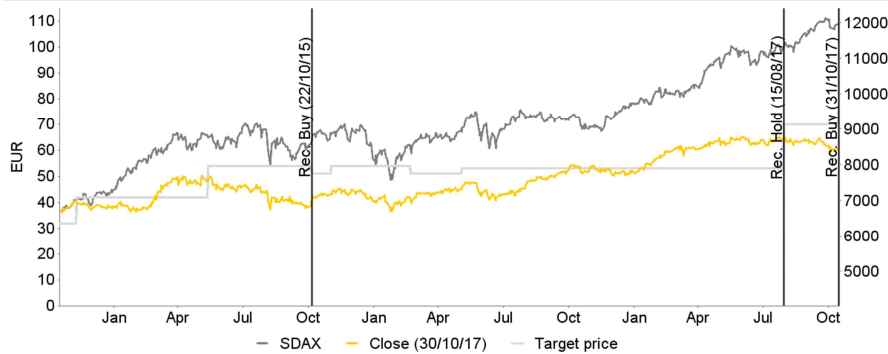
Source: Commerzbank Research, Bloomberg data, share prices as of 31 October 2017

TABLE 5: Financials

| Balance Sheet (€m) | 2015 | 2016 | 2017E | 2018E | 2019E | CAGR 2016-19E |
|--|---------------|---------------|---------------|--------------|--------------|---------------|
| Property, plant & equipment | 335 | 369 | 405 | 414 | 423 | 4.7% |
| Intangible fixed assets | 58.8 | 74.3 | 81.3 | 81.3 | 81.3 | 3.0% |
| Goodwill | 395 | 409 | 429 | 429 | 429 | |
| Total operating fixed assets | 788 | 852 | 915 | 924 | 933 | 3.1% |
| Net working capital | 243 | 252 | 298 | 295 | 284 | 9.1% |
| as a % of sales | 17.5% | 17.4% | 18.6% | 17.9% | 17.0% | |
| Operating invested capital | 1,032 | 1,104 | 1,214 | 1,219 | 1,217 | 4.5% |
| ROIC (%) | 9.8% | 9.8% | 9.5% | 9.8% | 10.2% | |
| IC/sales (x) | 0.7 | 0.8 | 0.8 | 0.7 | 0.7 | |
| Investments | 25.2 | 17.6 | 17.6 | 17.6 | 17.6 | 0.0% |
| Capital employed | 1,057 | 1,122 | 1,231 | 1,237 | 1,234 | 4.5% |
| ROCE | 9.6% | 9.6% | 9.3% | 9.6% | 10.0% | |
| Cash and cash equivalents | 132 | 127 | 152 | 165 | 180 | 2.4% |
| Interest-bearing liabilities | 489 | 504 | 577 | 537 | 487 | (0.7%) |
| Interest-bearing provisions | 28.1 | 29.0 | 32.2 | 33.2 | 33.5 | 4.7% |
| Net debt | 384 | 406 | 456 | 405 | 340 | (1.3%) |
| thereof pension provisions | n.a. | n.a. | n.a. | n.a. | n.a. | |
| Total equity | 595 | 645 | 694 | 748 | 809 | 7.6% |
| Equity Ratio | 41.9% | 42.4% | 42.4% | 45.2% | 48.5% | |
| ROE | 11.9% | 13.0% | 12.4% | 12.8% | 12.7% | |
| Total assets | 1,420 | 1,522 | 1,637 | 1,657 | 1,668 | 2.3% |
| Income Statement (€m) | 2015 | 2016 | 2017E | 2018E | 2019E | CAGR 2016-19E |
| Sales | 1,389 | 1,444 | 1,601 | 1,650 | 1,668 | 4.7% |
| growth y/y | 10.6% | 4.0% | 10.8% | 3.1% | 1.1% | |
| Operating expenses | 1,202 | 1,243 | 1,386 | 1,423 | 1,433 | 4.7% |
| Gross margin | 37.2% | 37.3% | 37.0% | 37.3% | 37.5% | |
| EBITDA | 186 | 201 | 215 | 228 | 235 | 4.8% |
| as a % of sales | 13.4% | 13.9% | 13.4% | 13.8% | 14.1% | |
| Depreciation and intangible amortisation | 50.0 | 55.3 | 62.8 | 62.3 | 62.9 | 4.2% |
| EBITA | 136 | 146 | 152 | 165 | 172 | 5.1% |
| as a % of sales | 9.8% | 10.1% | 9.5% | 10.0% | 10.3% | |
| Impairments | 0.1 | 0.7 | 0.0 | 0.0 | 0.0 | |
| EBIT | 136 | 145 | 152 | 165 | 172 | |
| as a % of sales | 9.8% | 10.1% | 9.5% | 10.0% | 10.3% | |
| Net interest result | (27.0) | (21.6) | (24.4) | (23.8) | (19.8) | (2.9%) |
| 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 | |
| PBT | 109 | 123 | 128 | 142 | 152 | 6.5% |
| Tax expense | (41.0) | (43.0) | (44.8) | (49.6) | (53.4) | 6.8% |
| Adjustment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Tax rate | 37.5% | 34.8% | 35.0% | 35.0% | 35.0% | |
| Net profit from continuing operations | 68.3 | 80.4 | 83.0 | 91.9 | 99.1 | 6.4% |
| as a % of sales | 4.9% | 5.6% | 5.2% | 5.6% | 5.9% | |
| Minorities | (0.4) | (0.4) | (0.7) | (0.8) | (0.8) | |
| Net income attributable to shareholders | 67.9 | 80.0 | 82.3 | 91.2 | 99.2 | 6.7% |
| Cash Flow Statement (€m) | 2015 | 2016 | 2017E | 2018E | 2019E | CAGR 2016-19E |
| Operating cash flow | 131 | 115 | 98.6 | 161 | 177 | 11.3% |
| as a % of sales | 9.4% | 7.9% | 6.2% | 9.8% | 10.6% | |
| Gross capex | (73.1) | (70.0) | (113) | (71.0) | (71.7) | 0.6% |
| Asset disposals | 5.6 | 3.7 | 0.0 | 0.0 | 0.0 | |
| Net financial investments | (11.0) | (8.3) | 0.0 | 0.0 | 0.0 | |
| Net acquisitions | (34.3) | (29.9) | 0.0 | 0.0 | 0.0 | |
| Gross capex as a % of sales | 5.3% | 4.8% | 7.0% | 4.3% | 4.3% | |
| Gross capex as a % of depreciation | 146.1% | 126.5% | 179.3% | 113.8% | 114.1% | |
| Free cash flow | 18.2 | 10.1 | (14.1) | 90.3 | 105 | 104.6% |
| as a % of sales | 1.3% | 0.7% | (0.9%) | 5.5% | 6.3% | |
| Dividends | (29.3) | (29.3) | (33.0) | (36.7) | (39.1) | |
| Free cash flow (post dividend) | (11.2) | (19.6) | (47.8) | 52.9 | 65.1 | |
| Increase / (decrease) in debt | 26.2 | 14.8 | 72.9 | (40.0) | (50.0) | |
| 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 | (0.2) | 0.0 | 0.0 | 0.0 | |
| Other items | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| Change in cash | 15.7 | (5.0) | 25.1 | 12.9 | 15.1 | |

Source: Commerzbank Research

Indus Holding price chart



Source: Commerzbank Research

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| Number of recommendations from Commerzbank Research, at the end of Q3 2017 | thereof recommendations for issuers to which investment banking services were provided during the preceding twelve months |
|--|---|
| 76 (38.6%) Buy | 9 (11.8%) |
| 98 (49.7%) Hold | 7 (7.1%) |
| 23 (11.7%) Sell/Reduce | 1 (4.3%) |

Source: Commerzbank Research

In accordance with ESMA MAR requirements this report was completed 01/11/2017 15:17 CET and disseminated 01/11/2017 17:58 CET.

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