

| | | | |
|--|---|--|---|
| Hold EUR 65.20 (EUR 64.30) Price EUR 59.88 Upside 8.9 % | Value Indicators: EUR DCF: 65.98 FCF-Value Potential 19e: 64.50 SotP: 65.24 | Share data: Bloomberg: INH GR Reuters: INHG.DE ISIN: DE0006200108 | Description: Holding |
| | Market Snapshot: EUR m Market cap: 1,464 No. of shares (m): 24 EV: 1,903 Freefloat MC: 1,086 Ø Trad. Vol. (30d): 2.50 m | Shareholders: Freefloat 74.2 % Versicherungskammer Bayern 19.4 % H.J.Selzer et al. 6.4 % | Risk Profile (WRe): 2017e Beta: 1.1 Price / Book: 2.1 x Equity Ratio: 43 % Net Fin. Debt / EBITDA: 1.9 x Net Debt / EBITDA: 2.0 x |

Strong Q3 figures and well on track to meet targets

| in € m | Q3 2017 | Q3 2017e | Q3 2016 | +/- in % | 9M 2017 | 9M 2017e | 9M 2016 | +/- in % |
|-------------------|--------------|----------|---------|--------------|----------------|----------|---------|--------------|
| Sales | 417.6 | 427.5 | 360.6 | 15.8% | 1,221.1 | 1,231.0 | 1,075.5 | 13.5% |
| EBIT | 41.8 | 44.5 | 37.2 | 12.4% | 114.5 | 117.2 | 106.6 | 7.4% |
| Margin | 10.0% | 10.4% | 10.3% | | 9.4% | 9.5% | 9.9% | |
| Net profit | 23.5 | 24.7 | 20.1 | 16.9% | 62.6 | 63.7 | 57.1 | 9.6% |
| EPS (€) | 0.94 | 1.00 | 0.81 | 16.0% | 2.52 | 2.58 | 2.30 | 9.6% |

Following another strong quarter, Indus Holding is well on track to meet its targets of >EUR 1.5bn sales and EUR 145–150m EBIT. We are still expecting the company to report EUR 1.58bn sales and EBIT of EUR 152m. Our expectation assumes EUR 362m sales in Q4 and EBIT of EUR 37.4m, reflecting a certain seasonal pattern of a somewhat weaker Q4, as was often the case in the past.

The quarterly figures were slightly below our estimates across the board but there was no significant deviation in respect to single divisions. Group revenues in the first nine months were up 13.5% predominantly driven by organic growth which contributed 10.4%. The EBIT margin was down 50bps yoy to 9.4%, triggered by restructuring measures at two subsidiaries in the Automotive Technology segment and another in Metal Technology. Newly acquired companies contributed to sales but had little impact on EBIT owing to amortization and acquisition costs. In Q3, sales growth of 15.8% was even higher than in the 9M period, driven by the ongoing strength of the Construction/Infrastructure business as well as strong growth in Engineering and Metal Technology. The EBIT margin improved to 10% in Q3 on group level following 9.1% in H1 owing to restructuring measures in the Metal Technology and Automotive Technology divisions in the first half of 2017. While Metal Technology has meanwhile returned to sufficient levels of around 9% margin after a temporary dip to 3% in Q2, Automotive saw a further margin decline to 2.5% in Q3.

Overall, management expects the restructuring at Automotive Technology to bear first fruit in Q4. Here, the FY 2017 margin is expected to arrive at more than 4%, following 3.6% in 9M 2017. In 2018, the margin is expected to rise to the range of 5–7% and longer term to more than 8%, driven by restructuring measures executed so far this year. While this business is currently regarded as rather difficult, Indus' management sees the technological switch towards e-mobility as a future opportunity. In this context, Indus intends to make heavier investment in Automotive.

On group level, we are expecting the EBIT margin to return to 10% in 2018 as newly acquired companies should contribute positively to earnings while margins in Metal Technology and Automotive are expected to increase, after being burdened by restructuring costs in 2017.

Price target, derived from DCF and FCF Value Potential increases slightly from EUR 64.30 to EUR 65.20 as we have rolled our model three months forward. We maintain our Hold recommendation for the time being.



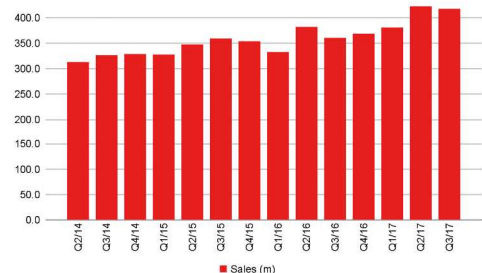
| Rel. Performance vs SDAX: | |
|---------------------------|---------|
| 1 month: | 0.1 % |
| 6 months: | -10.7 % |
| Year to date: | -4.8 % |
| Trailing 12 months: | -12.9 % |

Company events:

| FY End: 31.12. in EUR m | CAGR (16-19e) | 2013 | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e |
|----------------------------|------------------|---|--------|--------|--------|--------|--------|--------|
| Sales | 6.9 % | 1,187 | 1,256 | 1,389 | 1,444 | 1,583 | 1,673 | 1,766 |
| Change Sales yoy | | 7.4 % | 5.8 % | 10.6 % | 4.0 % | 9.6 % | 5.7 % | 5.6 % |
| Gross profit margin | | 53.1 % | 53.7 % | 54.0 % | 56.3 % | 55.8 % | 55.5 % | 55.5 % |
| EBITDA | 6.6 % | 162 | 175 | 186 | 201 | 214 | 230 | 243 |
| Margin | | 13.7 % | 13.9 % | 13.4 % | 13.9 % | 13.5 % | 13.7 % | 13.8 % |
| EBIT | 6.9 % | 119 | 127 | 136 | 145 | 152 | 167 | 177 |
| Margin | | 10.0 % | 10.1 % | 9.8 % | 10.0 % | 9.6 % | 10.0 % | 10.0 % |
| Net income | 8.3 % | 64 | 63 | 68 | 80 | 84 | 95 | 102 |
| EPS | 8.4 % | 2.82 | 2.58 | 2.78 | 3.27 | 3.44 | 3.88 | 4.16 |
| EPS adj. | 8.4 % | 2.82 | 2.58 | 2.78 | 3.27 | 3.44 | 3.88 | 4.16 |
| DPS | 5.8 % | 1.10 | 1.20 | 1.20 | 1.35 | 1.40 | 1.50 | 1.60 |
| Dividend Yield | | 4.4 % | 3.4 % | 2.8 % | 2.9 % | 2.3 % | 2.5 % | 2.7 % |
| FCFPS | | 2.03 | 0.86 | 2.37 | 1.82 | 1.48 | 2.45 | 2.28 |
| FCF / Market cap | | 8.0 % | 2.5 % | 5.6 % | 2.7 % | 2.5 % | 4.1 % | 3.8 % |
| EV / Sales | | 0.8 x | 1.0 x | 1.0 x | 1.1 x | 1.2 x | 1.2 x | 1.1 x |
| EV / EBITDA | | 5.5 x | 7.1 x | 7.7 x | 7.6 x | 8.9 x | 8.4 x | 8.1 x |
| EV / EBIT | | 7.6 x | 9.8 x | 10.6 x | 10.6 x | 12.5 x | 11.6 x | 11.2 x |
| P / E | | 8.9 x | 13.7 x | 15.5 x | 14.1 x | 17.4 x | 15.4 x | 14.4 x |
| P / E adj. | | 8.9 x | 13.7 x | 15.5 x | 14.1 x | 17.4 x | 15.4 x | 14.4 x |
| FCF Potential Yield | | 11.0 % | 8.7 % | 7.7 % | 7.9 % | 6.8 % | 7.0 % | 7.3 % |
| Net Debt | | 329 | 373 | 384 | 406 | 435 | 473 | 512 |
| ROCE (NOPAT) | | 10.0 % | 9.5 % | 9.0 % | 9.3 % | 9.0 % | 9.2 % | 9.0 % |
| Guidance: | | Sales > EUR 1.5bn; EBIT EUR 145 - 150m without acquisitions | | | | | | |

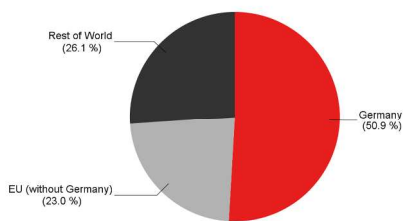
| <i>in € m</i> | Q3 2017 | Q3 2016 | +/- in % | 9M 2017 | 9M 2016 | +/- in % |
|--------------------------------|----------------|----------------|-----------------|----------------|----------------|-----------------|
| Sales Group | 417.6 | 360.6 | 15.8% | 1,221.1 | 1,075.5 | 13.5% |
| -Construction/ Infrastructure | 86.6 | 75.2 | 15.1% | 248.5 | 205.2 | 21.1% |
| -Automotive Technology | 98.3 | 92.9 | 5.8% | 290.6 | 274.4 | 5.9% |
| -Engineering | 96.6 | 71.9 | 34.3% | 270.6 | 220.7 | 22.6% |
| -Medical and Health Technology | 38.1 | 35.9 | 6.2% | 116.5 | 111.8 | 4.2% |
| -Metal Technology | 98.2 | 84.6 | 16.0% | 295.0 | 263.4 | 12.0% |
| EBIT Group | 41.8 | 37.2 | 12.4% | 114.5 | 106.6 | 7.4% |
| -Construction/ Infrastructure | 15.0 | 12.5 | 20.0% | 36.5 | 31.9 | 14.4% |
| -Automotive Technology | 2.5 | 3.4 | -26.9% | 10.4 | 12.6 | -17.5% |
| -Engineering | 12.8 | 9.9 | 28.9% | 38.8 | 28.5 | 36.1% |
| -Medical and Health Technology | 5.3 | 5.4 | -1.9% | 14.6 | 15.1 | -3.3% |
| -Metal Technology | 8.9 | 7.5 | 19.3% | 20.9 | 23.2 | -9.9% |
| Group Margin | 10.0% | 10.3% | | 9.4% | 9.9% | |
| -Construction/ Infrastructure | 17.3% | 16.6% | | 14.7% | 15.5% | |
| -Automotive Technology | 2.5% | 3.7% | | 3.6% | 4.6% | |
| -Engineering | 13.2% | 13.8% | | 14.3% | 12.9% | |
| -Medical and Health Technology | 13.9% | 15.0% | | 12.5% | 13.5% | |
| -Metal Technology | 9.1% | 8.9% | | 7.1% | 8.8% | |

Sales development
in EUR m



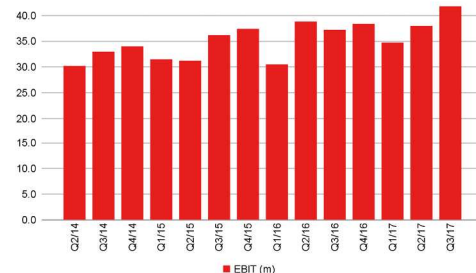
Source: Warburg Research

Sales by regions
2016; in %



Source: Warburg Research

EBIT development
in EUR m



Source: Warburg Research

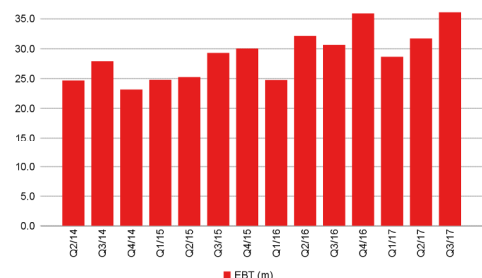
Company Background

- Indus Holding is a holding company which has been building a portfolio since 1986. Today, the holding comprises 42 companies, mainly to 100% and without exit intentions.
- Acquisition candidates have to fulfill a special requirement profile: profitable medium-sized companies with revenues of EUR 20-100m, which operate industrially and generate cash are targeted.
- Targets should belong to the sectors construction/infrastructure, automotive engineering, machinery and plant engineering, metal technology or medical and health technologies.
- Acquisitions are mostly solutions to succession problems. Indus Holding provides support with financing and administration and also at strategic level. However the holdings still operate independently.
- Indus Holding finances itself by means of distributions and holdings fees. Value growth of the portfolio is not realised via exits but is reflected in the operating result.

Competitive Quality

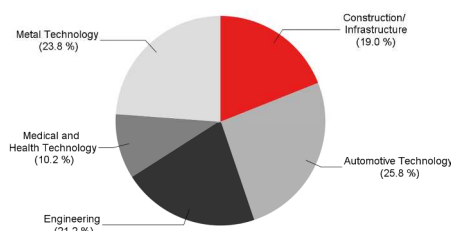
- Indus Holding boasts 30 years of experience in acquiring and controlling medium-sized companies with focus on few, defined industries and good track records.
- For many managing partners, operating independence and long-term commitment are more attractive than the temporary investment of a private equity funds or an industrial partner.
- Small medium-sized companies often need strategic and financial support with the internationalisation of the business or acquisitions. Indus Holding is more capable of providing this than pure financial investors.
- The executive board is not influenced by shareholders in terms of content and is thus more independent than investors belonging to banks, bank authorities or investors in funds.
- Indus Holding is not dependent on successful exits as successful companies remain in the portfolio.

EBT development
in EUR m



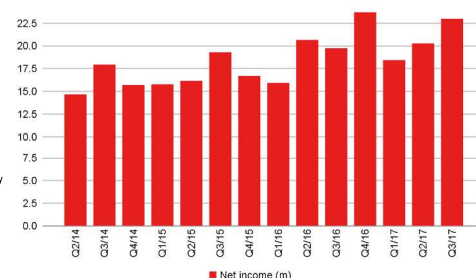
Source: Warburg Research

Sales by segments
2016; in %



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 |
|-----------------------------|--------------------------|--------|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------------|
| | 2017e | 2018e | 2019e | 2020e | 2021e | 2022e | 2023e | 2024e | 2025e | 2026e | 2027e | 2028e | 2029e | |
| Sales | 1,583 | 1,673 | 1,766 | 1,811 | 1,856 | 1,902 | 1,950 | 1,999 | 2,049 | 2,100 | 2,152 | 2,206 | n.a. | 2.0 % |
| Sales change | 9.6 % | 5.7 % | 5.6 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % | n.a. | |
| EBIT | 152 | 167 | 177 | 181 | 186 | 190 | 195 | 200 | 205 | 210 | 215 | 221 | n.a. | |
| EBIT-margin | 9.6 % | 10.0 % | 10.0 % | 10.0 % | 10.0 % | 10.0 % | 10.0 % | 10.0 % | 10.0 % | 10.0 % | 10.0 % | 10.0 % | n.a. | |
| Tax rate (EBT) | 35.2 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | 35.0 % | n.a. | |
| NOPAT | 98 | 109 | 115 | 118 | 121 | 124 | 127 | 130 | 133 | 136 | 140 | 143 | n.a. | |
| Depreciation | 63 | 63 | 66 | 67 | 69 | 70 | 72 | 74 | 76 | 78 | 80 | 82 | n.a. | |
| in % of Sales | 4.0 % | 3.8 % | 3.8 % | 3.7 % | 3.7 % | 3.7 % | 3.7 % | 3.7 % | 3.7 % | 3.7 % | 3.7 % | 3.7 % | n.a. | |
| Changes in provisions | 1 | 1 | 1 | 4 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | n.a. | |
| Change in Liquidity from | | | | | | | | | | | | | | |
| - Working Capital | 36 | 25 | 27 | -8 | 12 | 13 | 15 | 13 | 14 | 12 | 14 | 15 | n.a. | |
| - Capex | 75 | 78 | 81 | 72 | 74 | 76 | 78 | 80 | 82 | 84 | 86 | 88 | n.a. | |
| Capex in % of Sales | 4.7 % | 4.7 % | 4.6 % | 4.0 % | 4.0 % | 4.0 % | 4.0 % | 4.0 % | 4.0 % | 4.0 % | 4.0 % | 4.0 % | n.a. | |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | n.a. | |
| Free Cash Flow (WACC Model) | 51 | 69 | 74 | 124 | 104 | 106 | 107 | 112 | 114 | 119 | 120 | 123 | n.a. | |
| PV of FCF | 51 | 65 | 65 | 101 | 79 | 76 | 71 | 70 | 67 | 65 | 62 | 59 | n.a. | 1,133 |
| share of PVs | 8.91 % | | | 35.03 % | | | | | | | | | | 56.06 % |

Model parameter

| | | | |
|--------------------------|---------------|---------------------|-------------|
| Derivation of WACC: | | Derivation of Beta: | |
| Debt ratio | 20.00 % | Financial Strength | 1.10 |
| Cost of debt (after tax) | 3.3 % | Liquidity (share) | 1.10 |
| Market return | 7.00 % | Cyclicality | 1.10 |
| Risk free rate | 1.50 % | Transparency | 1.20 |
| | | Others | 1.20 |
| WACC | 6.87 % | Beta | 1.14 |

Valuation (m)

| | | | |
|----------------------------|--------------|------------------------------|--------------|
| Present values 2029e | 888 | | |
| Terminal Value | 1,133 | | |
| Financial liabilities | 504 | | |
| Pension liabilities | 29 | | |
| Hybrid capital | 0 | | |
| Minority interest | 3 | | |
| Market val. of investments | 0 | | |
| Liquidity | 127 | No. of shares (m) | 24.5 |
| Equity Value | 1,613 | Value per share (EUR) | 65.98 |

Sensitivity Value per Share (EUR)

| Beta | WACC | Terminal Growth | | | | | | | Beta | WACC | Delta EBIT-margin | | | | | | |
|------|-------|-----------------|--------|--------|--------|--------|--------|--------|------|-------|-------------------|---------|---------|---------|---------|---------|---------|
| | | 1.25 % | 1.50 % | 1.75 % | 2.00 % | 2.25 % | 2.50 % | 2.75 % | | | -1.5 pp | -1.0 pp | -0.5 pp | +0.0 pp | +0.5 pp | +1.0 pp | +1.5 pp |
| 1.37 | 7.9 % | 48.16 | 49.36 | 50.65 | 52.06 | 53.59 | 55.26 | 57.09 | 1.37 | 7.9 % | 39.37 | 43.60 | 47.83 | 52.06 | 56.28 | 60.51 | 64.74 |
| 1.25 | 7.4 % | 53.50 | 54.99 | 56.60 | 58.37 | 60.31 | 62.45 | 64.83 | 1.25 | 7.4 % | 44.55 | 49.16 | 53.76 | 58.37 | 62.98 | 67.59 | 72.20 |
| 1.20 | 7.1 % | 56.51 | 58.18 | 59.99 | 61.99 | 64.19 | 66.63 | 69.35 | 1.20 | 7.1 % | 47.51 | 52.34 | 57.17 | 61.99 | 66.82 | 71.64 | 76.47 |
| 1.14 | 6.9 % | 59.79 | 61.66 | 63.72 | 65.98 | 68.49 | 71.29 | 74.43 | 1.14 | 6.9 % | 50.78 | 55.85 | 60.92 | 65.98 | 71.05 | 76.12 | 81.18 |
| 1.08 | 6.6 % | 63.38 | 65.49 | 67.82 | 70.40 | 73.28 | 76.51 | 80.15 | 1.08 | 6.6 % | 54.40 | 59.74 | 65.07 | 70.40 | 75.74 | 81.07 | 86.41 |
| 1.03 | 6.4 % | 67.32 | 69.71 | 72.37 | 75.33 | 78.65 | 82.40 | 86.67 | 1.03 | 6.4 % | 58.44 | 64.07 | 69.70 | 75.33 | 80.96 | 86.59 | 92.22 |
| 0.91 | 5.9 % | 76.47 | 79.61 | 83.12 | 87.09 | 91.61 | 96.80 | 102.82 | 0.91 | 5.9 % | 68.07 | 74.41 | 80.75 | 87.09 | 93.43 | 99.78 | 106.12 |

- The period 2016 - 2018 includes effects from acquisitions.
- From 2019 on, only organic growth is considered.
- EBIT margin reaches 10% as of 2021 on the basis of higher-margin acquisitions and restructurings.
- WACC stands at 7.04% (beta of 1.18 at an expected market yield of 7% and debt costs of 5%).

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 | 2013 | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e | |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Income before minorities | 64 | 63 | 68 | 80 | 85 | 96 | 103 | |
| + Depreciation + Amortisation | 44 | 50 | 50 | 56 | 63 | 63 | 66 | |
| - Net Interest Income | -20 | -26 | -27 | -22 | -21 | -20 | -19 | |
| - Maintenance Capex | 30 | 31 | 35 | 36 | 40 | 42 | 44 | |
| + Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| = Free Cash Flow Potential | 99 | 108 | 111 | 122 | 129 | 137 | 144 | |
| FCF Potential Yield (on market EV) | 11.0 % | 8.7 % | 7.7 % | 7.9 % | 6.8 % | 7.0 % | 7.3 % | |
| WACC | 6.87 % | 6.87 % | 6.87 % | 6.87 % | 6.87 % | 6.87 % | 6.87 % | |
| = Enterprise Value (EV) | 898 | 1,243 | 1,444 | 1,535 | 1,903 | 1,941 | 1,980 | |
| = Fair Enterprise Value | 1,436 | 1,574 | 1,612 | 1,775 | 1,875 | 1,989 | 2,093 | |
| - Net Debt (Cash) | 377 | 377 | 377 | 377 | 405 | 442 | 480 | |
| - Pension Liabilities | 29 | 29 | 29 | 29 | 30 | 31 | 32 | |
| - Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| - Market value of minorities | 4 | 4 | 4 | 4 | 4 | 4 | 4 | |
| + Market value of investments | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| = Fair Market Capitalisation | 1,027 | 1,164 | 1,202 | 1,365 | 1,436 | 1,512 | 1,577 | |
| Aktienanzahl (Mio.) | 22 | 24 | 24 | 24 | 24 | 24 | 24 | |
| = Fair value per share (EUR) | 45.81 | 47.62 | 49.18 | 55.83 | 58.73 | 61.84 | 64.50 | |
| premium (-) / discount (+) in % | | | | | -1.9 % | 3.3 % | 7.7 % | |
| Sensitivity Fair value per Share (EUR) | | | | | | | | |
| | 9.87 % | 24.13 | 28.05 | 29.13 | 33.76 | 35.41 | 37.10 | 38.48 |
| | 8.87 % | 28.74 | 33.10 | 34.31 | 39.46 | 41.43 | 43.49 | 45.20 |
| | 7.87 % | 34.52 | 39.44 | 40.80 | 46.60 | 48.98 | 51.50 | 53.62 |
| WACC | 6.87 % | 41.99 | 47.62 | 49.18 | 55.83 | 58.73 | 61.84 | 64.50 |
| | 5.87 % | 52.00 | 58.60 | 60.42 | 68.20 | 71.80 | 75.70 | 79.10 |
| | 4.87 % | 66.13 | 74.08 | 76.27 | 85.66 | 90.25 | 95.26 | 99.68 |
| | 3.87 % | 87.57 | 97.58 | 100.34 | 112.15 | 118.24 | 124.95 | 130.92 |

■ Maintenance capex are considered with 2.5% of sales for the entire analysis period.

Peer Group

| Company | Price | EV / Sales | | EV / EBITDA | | EV / EBIT | | P / E | | EPS CAGR (16-19e) |
|--------------------------|--------------|------------|------------|-------------|-------------|-------------|-------------|-------------|---------|----------------------|
| | | 17e | 18e | 17e | 18e | 17e | 18e | 17e | 18e | |
| Prices in local currency | | | | | | | | | | |
| Aurelius | 49.61 | 0.4 | 2.4 | 6.4 | 2.8 | 11.5 | 2.8 | 24.3 | 35.3 % | |
| Deutsche Beteiligungs AG | 42.61 | 4.7 | 6.4 | 9.7 | 7.0 | 10.1 | 7.6 | 12.2 | 0.6 % | |
| GBK Beteiligungen | 11.85 | - | - | - | - | - | 11.3 | 9.4 | -14.4 % | |
| GESCO | 30.36 | 0.7 | 6.6 | 5.9 | 11.2 | 9.7 | 17.5 | 15.6 | 38.6 % | |
| Average | | 2.0 | 5.1 | 7.3 | 7.0 | 10.4 | 9.8 | 15.4 | 15.0 % | |
| Median | | 0.7 | 6.4 | 6.4 | 7.0 | 10.1 | 9.4 | 13.9 | | |
| INDUS Holding | 59.88 | 1.2 | 8.9 | 8.4 | 12.5 | 11.6 | 17.4 | 15.4 | | |
| Delta to median | | 63.5 % | 39.4 % | 32.8 % | 80.1 % | 14.7 % | 84.7 % | 11.2 % | | |

▪ The discount in EV/sales is due to the fact that DBAG and GBK hold minority interests.

Valuation

| | 2013 | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Price / Book | 1.1 x | 1.6 x | 1.8 x | 1.8 x | 2.1 x | 2.0 x | 1.8 x |
| Book value per share ex intangibles | 6.31 | 5.55 | 5.69 | 6.50 | 7.65 | 8.55 | 9.90 |
| EV / Sales | 0.8 x | 1.0 x | 1.0 x | 1.1 x | 1.2 x | 1.2 x | 1.1 x |
| EV / EBITDA | 5.5 x | 7.1 x | 7.7 x | 7.6 x | 8.9 x | 8.4 x | 8.1 x |
| EV / EBIT | 7.6 x | 9.8 x | 10.6 x | 10.6 x | 12.5 x | 11.6 x | 11.2 x |
| EV / EBIT adj.* | 7.6 x | 9.8 x | 10.6 x | 10.6 x | 12.5 x | 11.6 x | 11.2 x |
| P / FCF | 12.4 x | 39.6 x | 17.9 x | 36.5 x | 40.4 x | 24.5 x | 26.3 x |
| P / E | 8.9 x | 13.7 x | 15.5 x | 14.1 x | 17.4 x | 15.4 x | 14.4 x |
| P / E adj.* | 8.9 x | 13.7 x | 15.5 x | 14.1 x | 17.4 x | 15.4 x | 14.4 x |
| Dividend Yield | 4.4 % | 3.4 % | 2.8 % | 2.9 % | 2.3 % | 2.5 % | 2.7 % |
| FCF Potential Yield (on market EV) | 11.0 % | 8.7 % | 7.7 % | 7.9 % | 6.8 % | 7.0 % | 7.3 % |

*Adjustments made for: -

Consolidated profit & loss

| In EUR m | 2013 | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Sales | 1,187 | 1,256 | 1,389 | 1,444 | 1,583 | 1,673 | 1,766 |
| Change Sales yoy | 7.4 % | 5.8 % | 10.6 % | 4.0 % | 9.6 % | 5.7 % | 5.6 % |
| Increase / decrease in inventory | 2 | 10 | 7 | 11 | 14 | 8 | 8 |
| Own work capitalised | 4 | 7 | 6 | 6 | 7 | 7 | 7 |
| Total Sales | 1,192 | 1,273 | 1,402 | 1,462 | 1,604 | 1,687 | 1,782 |
| Material expenses | 563 | 598 | 652 | 649 | 720 | 760 | 802 |
| Gross profit | 630 | 674 | 750 | 813 | 884 | 928 | 980 |
| <i>Gross profit margin</i> | <i>53.1 %</i> | <i>53.7 %</i> | <i>54.0 %</i> | <i>56.3 %</i> | <i>55.8 %</i> | <i>55.5 %</i> | <i>55.5 %</i> |
| Personnel expenses | 323 | 349 | 392 | 430 | 465 | 487 | 514 |
| Other operating income | 22 | 24 | 21 | 22 | 24 | 25 | 26 |
| Other operating expenses | 167 | 174 | 192 | 204 | 228 | 236 | 249 |
| Unfrequent items | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBITDA | 162 | 175 | 186 | 201 | 214 | 230 | 243 |
| <i>Margin</i> | <i>13.7 %</i> | <i>13.9 %</i> | <i>13.4 %</i> | <i>13.9 %</i> | <i>13.5 %</i> | <i>13.7 %</i> | <i>13.8 %</i> |
| Depreciation of fixed assets | 36 | 38 | 41 | 45 | 51 | 50 | 53 |
| EBITA | 126 | 137 | 145 | 156 | 164 | 180 | 190 |
| Amortisation of intangible assets | 8 | 10 | 9 | 11 | 12 | 13 | 13 |
| Goodwill amortisation | 1 | 2 | 0 | 0 | 0 | 0 | 0 |
| EBIT | 119 | 127 | 136 | 145 | 152 | 167 | 177 |
| <i>Margin</i> | <i>10.0 %</i> | <i>10.1 %</i> | <i>9.8 %</i> | <i>10.0 %</i> | <i>9.6 %</i> | <i>10.0 %</i> | <i>10.0 %</i> |
| EBIT adj. | 119 | 127 | 136 | 145 | 152 | 167 | 177 |
| Interest income | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Interest expenses | 21 | 27 | 28 | 22 | 22 | 21 | 20 |
| Other financial income (loss) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| EBT | 99 | 101 | 109 | 123 | 131 | 147 | 158 |
| <i>Margin</i> | <i>8.3 %</i> | <i>8.0 %</i> | <i>7.9 %</i> | <i>8.5 %</i> | <i>8.3 %</i> | <i>8.8 %</i> | <i>8.9 %</i> |
| Total taxes | 31 | 33 | 41 | 43 | 46 | 51 | 55 |
| Net income from continuing operations | 68 | 67 | 68 | 80 | 85 | 96 | 103 |
| Income from discontinued operations (net of tax) | -4 | -4 | 0 | 0 | 0 | 0 | 0 |
| Net income before minorities | 64 | 63 | 68 | 80 | 85 | 96 | 103 |
| Minority interest | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Net income | 64 | 63 | 68 | 80 | 84 | 95 | 102 |
| <i>Margin</i> | <i>5.4 %</i> | <i>5.0 %</i> | <i>4.9 %</i> | <i>5.5 %</i> | <i>5.3 %</i> | <i>5.7 %</i> | <i>5.8 %</i> |
| Number of shares, average | 22 | 24 | 24 | 24 | 24 | 24 | 24 |
| EPS | 2.82 | 2.58 | 2.78 | 3.27 | 3.44 | 3.88 | 4.16 |
| EPS adj. | 2.82 | 2.58 | 2.78 | 3.27 | 3.44 | 3.88 | 4.16 |

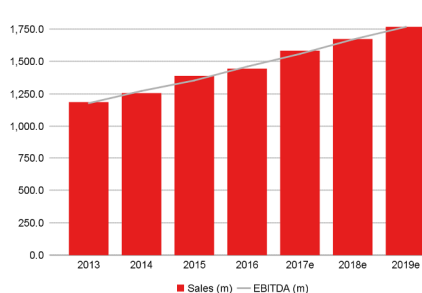
*Adjustments made for:

Guidance: Sales > EUR 1.5bn; EBIT EUR 145 - 150m without acquisitions

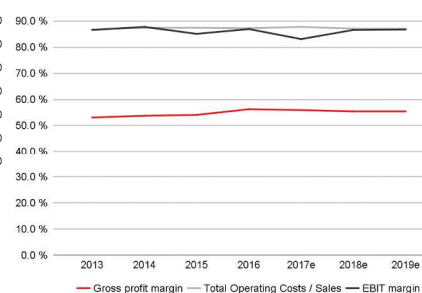
Financial Ratios

| | 2013 | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e |
|-------------------------------|--------|---------|---------|---------|--------|--------|--------|
| Total Operating Costs / Sales | 86.8 % | 87.4 % | 87.5 % | 87.3 % | 87.8 % | 87.1 % | 87.1 % |
| Operating Leverage | 1.6 x | 1.2 x | 0.7 x | 1.6 x | 0.5 x | 1.8 x | 1.0 x |
| EBITDA / Interest expenses | 7.8 x | 6.4 x | 6.8 x | 9.1 x | 10.0 x | 11.2 x | 12.5 x |
| Tax rate (EBT) | 31.4 % | 33.8 % | 37.5 % | 34.8 % | 35.2 % | 35.0 % | 35.0 % |
| Dividend Payout Ratio | 36.3 % | 43.6 % | 43.0 % | 41.0 % | 40.4 % | 38.4 % | 38.1 % |
| Sales per Employee | n.a. | 165,532 | 166,650 | 152,817 | n.a. | n.a. | n.a. |

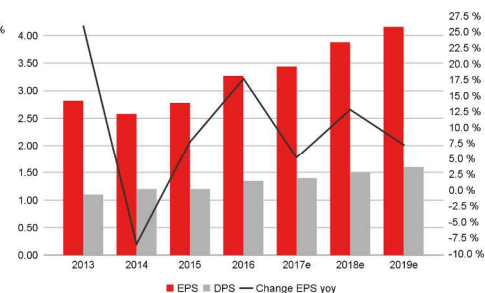
Sales, EBITDA
in EUR m



Operating Performance
in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

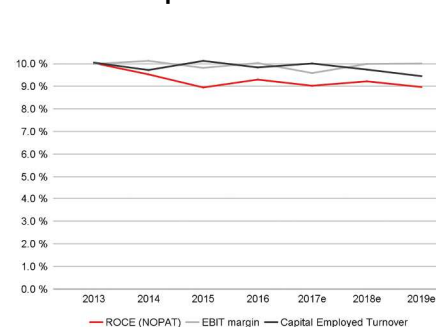
Consolidated balance sheet

| In EUR m | 2013 | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Assets | | | | | | | |
| Goodwill and other intangible assets | 360 | 412 | 454 | 483 | 503 | 542 | 577 |
| thereof other intangible assets | 29 | 44 | 59 | 74 | 73 | 73 | 73 |
| thereof Goodwill | 332 | 368 | 395 | 409 | 430 | 469 | 505 |
| Property, plant and equipment | 272 | 307 | 335 | 369 | 403 | 451 | 496 |
| Financial assets | 21 | 24 | 33 | 28 | 28 | 28 | 28 |
| Other long-term assets | 5 | 5 | 6 | 5 | 5 | 5 | 5 |
| Fixed assets | 658 | 748 | 828 | 886 | 939 | 1,026 | 1,106 |
| Inventories | 236 | 266 | 282 | 309 | 330 | 348 | 368 |
| Accounts receivable | 149 | 156 | 153 | 176 | 187 | 197 | 208 |
| Liquid assets | 116 | 116 | 132 | 127 | 128 | 122 | 114 |
| Other short-term assets | 22 | 22 | 25 | 24 | 28 | 30 | 30 |
| Current assets | 523 | 560 | 592 | 636 | 673 | 697 | 720 |
| Total Assets | 1,181 | 1,308 | 1,420 | 1,522 | 1,612 | 1,723 | 1,826 |
| Liabilities and shareholders' equity | | | | | | | |
| Subscribed capital | 64 | 64 | 64 | 64 | 64 | 64 | 64 |
| Capital reserve | 240 | 240 | 240 | 240 | 240 | 240 | 240 |
| Retained earnings | 211 | 245 | 289 | 339 | 387 | 447 | 513 |
| Other equity components | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Shareholders' equity | 515 | 548 | 593 | 642 | 690 | 751 | 819 |
| Minority interest | 1 | 2 | 3 | 3 | 4 | 5 | 5 |
| Total equity | 515 | 550 | 595 | 645 | 694 | 756 | 824 |
| Provisions | 75 | 81 | 92 | 97 | 100 | 104 | 105 |
| thereof provisions for pensions and similar obligations | 22 | 27 | 28 | 29 | 30 | 31 | 32 |
| Financial liabilities (total) | 424 | 462 | 489 | 504 | 534 | 564 | 594 |
| thereof short-term financial liabilities | 119 | 94 | 112 | 114 | 114 | 114 | 114 |
| Accounts payable | 46 | 48 | 47 | 55 | 61 | 64 | 68 |
| Other liabilities | 122 | 168 | 197 | 221 | 223 | 235 | 235 |
| Liabilities | 666 | 759 | 824 | 877 | 918 | 967 | 1,002 |
| Total liabilities and shareholders' equity | 1,181 | 1,308 | 1,420 | 1,522 | 1,612 | 1,723 | 1,826 |

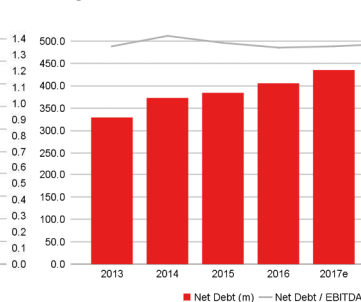
Financial Ratios

| | 2013 | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e |
|---|---------|---------|---------|---------|---------|---------|---------|
| Efficiency of Capital Employment | | | | | | | |
| Operating Assets Turnover | 2.0 x | 1.9 x | 1.9 x | 1.9 x | 1.9 x | 1.8 x | 1.8 x |
| Capital Employed Turnover | 1.4 x | 1.4 x | 1.4 x | 1.4 x | 1.4 x | 1.4 x | 1.3 x |
| ROA | 9.7 % | 8.4 % | 8.2 % | 9.0 % | 9.0 % | 9.3 % | 9.2 % |
| Return on Capital | | | | | | | |
| ROCE (NOPAT) | 10.0 % | 9.5 % | 9.0 % | 9.3 % | 9.0 % | 9.2 % | 9.0 % |
| ROE | 13.8 % | 11.9 % | 11.9 % | 13.0 % | 12.6 % | 13.2 % | 13.0 % |
| Adj. ROE | 13.6 % | 11.6 % | 11.9 % | 13.0 % | 12.6 % | 13.2 % | 13.0 % |
| Balance sheet quality | | | | | | | |
| Net Debt | 329 | 373 | 384 | 406 | 435 | 473 | 512 |
| Net Financial Debt | 308 | 346 | 356 | 377 | 405 | 442 | 480 |
| Net Gearing | 63.9 % | 67.8 % | 64.6 % | 62.9 % | 62.7 % | 62.6 % | 62.1 % |
| Net Fin. Debt / EBITDA | 189.6 % | 197.4 % | 191.2 % | 187.4 % | 189.0 % | 192.2 % | 197.3 % |
| Book Value / Share | 21.1 | 22.4 | 24.2 | 26.3 | 28.2 | 30.7 | 33.5 |
| Book value per share ex intangibles | 6.3 | 5.5 | 5.7 | 6.5 | 7.6 | 8.5 | 9.9 |

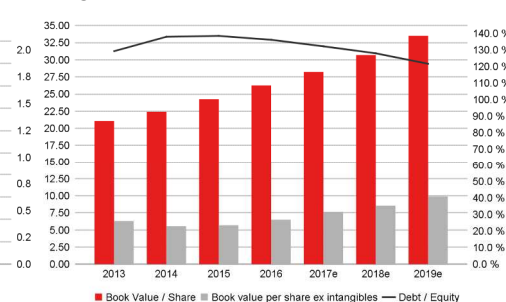
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

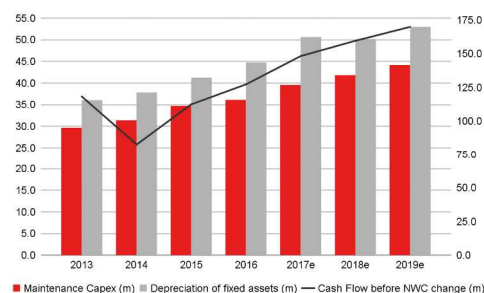
| In EUR m | 2013 | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e |
|--|-------------|------------|-------------|-------------|-------------|-------------|-------------|
| Net income | 64 | 63 | 68 | 80 | 85 | 96 | 103 |
| Depreciation of fixed assets | 36 | 38 | 41 | 45 | 51 | 50 | 53 |
| Amortisation of goodwill | 1 | 2 | 0 | 0 | 0 | 0 | 0 |
| Amortisation of intangible assets | 8 | 10 | 9 | 11 | 12 | 13 | 13 |
| Increase/decrease in long-term provisions | 1 | 5 | 1 | 1 | 1 | 1 | 1 |
| Other non-cash income and expenses | 9 | -36 | -7 | -10 | 0 | 0 | 0 |
| Cash Flow before NWC change | 118 | 83 | 112 | 127 | 148 | 159 | 170 |
| Increase / decrease in inventory | -17 | -30 | -16 | -27 | -21 | -19 | -20 |
| Increase / decrease in accounts receivable | -16 | -7 | 3 | -23 | -11 | -11 | -11 |
| Increase / decrease in accounts payable | 13 | -7 | 2 | 20 | -5 | 4 | 4 |
| Increase / decrease in other working capital positions | 0 | 48 | 29 | 17 | 5 | 9 | 0 |
| Increase / decrease in working capital (total) | -21 | 4 | 19 | -13 | -31 | -16 | -27 |
| Net cash provided by operating activities [1] | 98 | 87 | 131 | 115 | 117 | 144 | 143 |
| Investments in intangible assets | -5 | -7 | -8 | -10 | -11 | -12 | -13 |
| Investments in property, plant and equipment | -47 | -59 | -64 | -73 | -70 | -72 | -74 |
| Payments for acquisitions | -49 | -31 | -34 | -30 | -35 | -65 | -60 |
| Financial investments | 2 | 1 | 11 | 8 | 0 | 0 | 0 |
| Income from asset disposals | 4 | 3 | 6 | 4 | 3 | 3 | 3 |
| Net cash provided by investing activities [2] | -100 | -95 | -113 | -104 | -102 | -134 | -131 |
| Change in financial liabilities | -17 | 35 | 26 | 15 | 30 | 30 | 30 |
| Dividends paid | -22 | -27 | -29 | -29 | -33 | -34 | -37 |
| Purchase of own shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital measures | 60 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | -1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net cash provided by financing activities [3] | 20 | 8 | -3 | -15 | -3 | -4 | -7 |
| Change in liquid funds [1]+[2]+[3] | 18 | 0 | 15 | -5 | 1 | -6 | -8 |
| Effects of exchange-rate changes on cash | -1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Cash and cash equivalent at end of period | 116 | 116 | 132 | 127 | 128 | 122 | 114 |

Financial Ratios

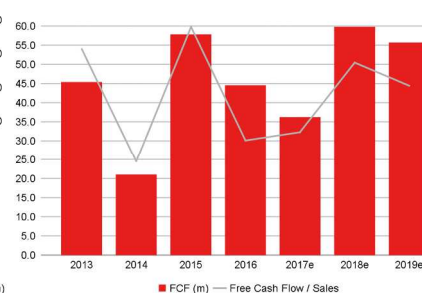
| | 2013 | 2014 | 2015 | 2016 | 2017e | 2018e | 2019e |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Cash Flow | | | | | | | |
| FCF | 45 | 21 | 58 | 45 | 36 | 60 | 56 |
| Free Cash Flow / Sales | 3.8 % | 1.7 % | 4.2 % | 2.1 % | 2.3 % | 3.6 % | 3.2 % |
| Free Cash Flow Potential | 99 | 108 | 111 | 122 | 129 | 137 | 144 |
| Free Cash Flow / Net Profit | 71.2 % | 34.6 % | 86.7 % | 38.5 % | 43.1 % | 63.1 % | 54.8 % |
| Interest Received / Avg. Cash | 1.0 % | 0.6 % | 0.5 % | 0.4 % | 0.4 % | 0.4 % | 0.4 % |
| Interest Paid / Avg. Debt | 4.8 % | 6.1 % | 5.8 % | 4.4 % | 4.1 % | 3.7 % | 3.4 % |
| Management of Funds | | | | | | | |
| Investment ratio | 4.4 % | 5.2 % | 5.2 % | 5.8 % | 5.1 % | 5.0 % | 4.9 % |
| Maint. Capex / Sales | 2.5 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % | 2.5 % |
| Capex / Dep | 117.3 % | 131.1 % | 143.8 % | 149.6 % | 129.6 % | 133.9 % | 131.3 % |
| Avg. Working Capital / Sales | 26.5 % | 27.6 % | 26.9 % | 27.3 % | 27.0 % | 27.3 % | 27.4 % |
| Trade Debtors / Trade Creditors | 327.0 % | 325.5 % | 327.4 % | 317.5 % | 307.2 % | 306.9 % | 306.9 % |
| Inventory Turnover | 2.4 x | 2.3 x | 2.3 x | 2.1 x | 2.2 x | 2.2 x | 2.2 x |
| Receivables collection period (days) | 46 | 45 | 40 | 44 | 43 | 43 | 43 |
| Payables payment period (days) | 30 | 29 | 26 | 31 | 31 | 31 | 31 |
| Cash conversion cycle (Days) | 133 | 149 | 144 | 152 | 151 | 151 | 151 |

CAPEX and Cash Flow

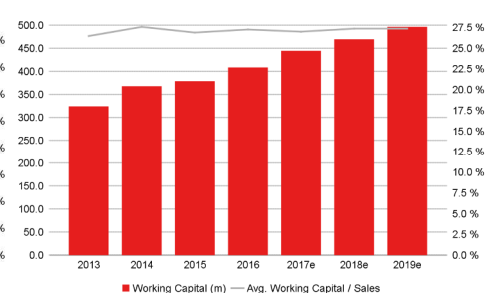
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

LEGAL DISCLAIMER

This research report ("investment recommendation" or "recommendation") was prepared by the Warburg Research GmbH, a fully owned subsidiary of the M.M.Warburg & CO (AG & Co.) KGaA and is passed on by the M.M.Warburg & CO (AG & Co.) KGaA. It contains selected information and does not purport to be complete. The report is based on publicly available information and data ("the information") believed to be accurate and complete. Warburg Research GmbH neither examines the information for accuracy and completeness, nor guarantees its accuracy and completeness. Possible errors or incompleteness of the information do not constitute grounds for liability of M.M.Warburg & CO (AG & Co.) KGaA or Warburg Research GmbH for damages of any kind whatsoever, and M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are not liable for indirect and/or direct and/or consequential damages. In particular, neither M.M.Warburg & CO (AG & Co.) KGaA nor Warburg Research GmbH are liable for the statements, plans or other details contained in these analyses concerning the examined companies, their affiliated companies, strategies, economic situations, market and competitive situations, regulatory environment, etc. Although due care has been taken in compiling this research report, it cannot be excluded that it is incomplete or contains errors. M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH, their shareholders and employees are not liable for the accuracy and completeness of the statements, estimations and the conclusions derived from the information contained in this document. Provided a research report is being transmitted in connection with an existing contractual relationship, i.e. financial advisory or similar services, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH shall be restricted to gross negligence and wilful misconduct. In case of failure in essential tasks, M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are liable for normal negligence. In any case, the liability of M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH is limited to typical, expectable damages. This research report does not constitute an offer or a solicitation of an offer for the purchase or sale of any security. Partners, directors or employees of M.M.Warburg & CO (AG & Co.) KGaA, Warburg Research GmbH or affiliated companies may serve in a position of responsibility, i.e. on the board of directors of companies mentioned in the report. Opinions expressed in this report are subject to change without notice. All rights reserved.

COPYRIGHT NOTICE

This work including all its parts is protected by copyright. Any use beyond the limits provided by copyright law without permission is prohibited and punishable. This applies, in particular, to reproductions, translations, microfilming, and storage and processing on electronic media of the entire content or parts thereof.

DISCLOSURE ACCORDING TO §34B OF THE GERMAN SECURITIES TRADING ACT (WHPG), THE ORDINANCE ON THE ANALYSIS OF FINANCIAL INSTRUMENTS (FINANV) AND MAR INCL. COMMISSION DELEGATED REGULATION (EU) 2016/958

The valuation underlying the investment recommendation for the company analysed here is based on generally accepted and widely used methods of fundamental analysis, such as e.g. DCF Model, Free Cash Flow Potential, Peer Group Comparison or Sum of the Parts Model. The result of this fundamental valuation is modified to take into consideration the analyst's assessment as regards the expected development of investor sentiment and its impact on the share price.

Independent of the applied valuation methods, there is the risk that the price target will not be met, for instance because of unforeseen changes in demand for the company's products, changes in management, technology, economic development, interest rate development, operating and/or material costs, competitive pressure, supervisory law, exchange rate, tax rate etc. For investments in foreign markets and instruments there are further risks, generally based on exchange rate changes or changes in political and social conditions.

This commentary reflects the opinion of the relevant author at the point in time of its compilation. A change in the fundamental factors underlying the valuation can mean that the valuation is subsequently no longer accurate. Whether, or in what time frame, an update of this commentary follows is not determined in advance.

Additional internal and organisational arrangements to prevent or to deal with conflicts of interest have been implemented. Among these are the spatial separation of Warburg Research GmbH from M.M.Warburg & CO (AG & Co.) KGaA and the creation of areas of confidentiality. This prevents the exchange of information, which could form the basis of conflicts of interest for Warburg Research in terms of the analysed issuers or their financial instruments.

The analysts of Warburg Research GmbH do not receive a gratuity – directly or indirectly – from the investment banking activities of M.M.Warburg & CO (AG & Co.) KGaA or of any company within the Warburg Group.

All prices of financial instruments given in this investment recommendation are the closing prices on the last stock-market trading day before the publication date stated, unless another point in time is explicitly stated.

M.M.Warburg & CO (AG & Co.) KGaA and Warburg Research GmbH are subject to the supervision of the Federal Financial Supervisory Authority, BaFin. M.M.Warburg & CO (AG & Co.) KGaA is additionally subject to the supervision of the European Central Bank (ECB).

SOURCES

All data and consensus estimates have been obtained from FactSet except where stated otherwise.

Additional information for clients in the United States

1. This research report (the "Report") is a product of Warburg Research GmbH, Germany, a fully owned subsidiary of M.M.Warburg & CO (AG & Co.) KGaA, Germany (in the following collectively "Warburg"). Warburg is the employer of the research analyst(s), who have prepared the Report. The research analyst(s) reside outside the United States and are not associated persons of any U.S. regulated broker-dealer and therefore are not subject to the supervision of any U.S. regulated broker-dealer.
2. The Report is provided in the United States for distribution solely to "major U.S. institutional investors" under Rule 15a-6 of the U.S. Securities Exchange Act of 1934.
3. Any recipient of the Report should effect transactions in the securities discussed in the Report only through J.P.P. Euro-Securities, Inc., Delaware.
4. J.P.P. Euro-Securities, Inc. does not accept or receive any compensation of any kind for the dissemination of the research reports from Warburg.

Reference in accordance with section 34b of the German Securities Trading Act (WpHG), the Ordinance on the Analysis of Financial Instruments (FinAnV), MAR and Commission Delegated Regulation (EU) regarding possible conflicts of interest with companies analysed:

- 1- Warburg Research, or an affiliated company, or an employee of one of these companies responsible for the compilation of the research, hold a **share of more than 5%** of the equity capital of the analysed company.
- 2- Warburg Research, or an affiliated company, within the last twelve months participated in the **management of a consortium** for an issue in the course of a public offering of such financial instruments, which are, or the issuer of which is, the subject of the investment recommendation.
- 3- Companies affiliated with Warburg Research **manage financial instruments**, which are, or the issuers of which are, subject of the investment recommendation, in a market based on the provision of buy or sell contracts.
- 4- MMWB, Warburg Research, or an affiliated company, reached an agreement with the issuer to provide **investment banking and/or investment services** and the relevant agreement was in force in the last 12 months or there arose for this period, based on the relevant agreement, the obligation to provide or to receive a service or compensation - provided that this disclosure does not result in the disclosure of confidential business information.
- 5- The company compiling the analysis or an affiliated company had reached an **agreement on the compilation of the investment recommendation** with the analysed company.
- 6- Companies affiliated with Warburg Research **regularly trade** financial instruments of the analysed company or derivatives of these.
- 6a- Warburg Research, or an affiliated company, holds a **net long position of more than 0.5%** of the total issued share capital of the analysed company.
- 6b- Warburg Research, or an affiliated company, holds a **net short position of more than 0.5%** of the total issued share capital of the analysed company.
- 6c- The issuer holds shares of more than 5% of the total issued capital of Warburg Research or an affiliated company.
- 7- The company preparing the analysis as well as its affiliated companies and employees have **other important interests** in relation to the analysed company, such as, for example, the exercising of mandates at analysed companies.

| Company | Disclosure | Link to the historical price targets and rating changes (last 12 months) |
|---------------|------------|---|
| INDUS Holding | 5 | http://www.mmwarburg.com/disclaimer/disclaimer_en/DE0006200108.htm |

INVESTMENT RECOMMENDATION

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 | 105 | 52 |
| Hold | 90 | 44 |
| Sell | 8 | 4 |
| Rating suspended | 0 | 0 |
| Total | 203 | 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 | 32 | 78 |
| Hold | 8 | 20 |
| Sell | 1 | 2 |
| Rating suspended | 0 | 0 |
| Total | 41 | 100 |

PRICE AND RATING HISTORY INDUS HOLDING AS OF 15.11.2017



Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

EQUITIES

Roland Rapelius +49 40 3282-2673
Head of Equities rrapelius@mmwarburg.com

RESEARCH

Michael Heider +49 40 309537-280
Head of Research mheider@warburg-research.com

Henner Rüschemeyer +49 40 309537-270
Head of Research hrueschmeier@warburg-research.com

Lucas Boventer +49 40 309537-290
Renewables, Internet, Media lboventer@warburg-research.com

Christian Cohrs +49 40 309537-175
Engineering, Logistics ccohrs@warburg-research.com

Felix Ellmann +49 40 309537-120
Software, IT fellmann@warburg-research.com

Jörg Philipp Frey +49 40 309537-258
Retail, Consumer Goods jfrey@warburg-research.com

Marie-Thérèse Grübner +49 40 309537-240
Small Cap Research mgruebner@warburg-research.com

Ulrich Huwald +49 40 309537-255
Health Care, Pharma uhuwald@warburg-research.com

Thilo Kleibauer +49 40 309537-257
Retail, Consumer Goods tkleibauer@warburg-research.com

Eggert Kuls +49 40 309537-256
Engineering ekuls@warburg-research.com

Andreas Pläsier +49 40 309537-246
Banks, Financial Services aplaesier@warburg-research.com

Jochen Reichert +49 40 309537-130
Telco, Internet, Media jreichert@warburg-research.com

J. Moritz Rieser +49 40 309537-260
Real Estate mrieser@warburg-research.com

Arash Roshan Zamir +49 40 309537-155
Cap. Goods, Renewables aroshanzamir@warburg-research.com

Malte Schaumann +49 40 309537-170
Technology mschaumann@warburg-research.com

Patrick Schmidt +49 40 309537-125
Small Cap Research pschmidt@warburg-research.com

Oliver Schwarz +49 40 309537-250
Chemicals, Agriculture oschwarz@warburg-research.com

Marc-René Tonn +49 40 309537-259
Automobiles, Car Suppliers mtonn@warburg-research.com

Björn Voss +49 40 309537-254
Steel, Car Suppliers bvoss@warburg-research.com

Alexander Wahl +49 40 309537-230
Car Suppliers, Construction awahl@warburg-research.com

Andreas Wolf +49 40 309537-140
Software, IT awolf@warburg-research.com

INSTITUTIONAL EQUITY SALES

Holger Nass +49 40 3282-2669
Head of Equity Sales, USA hnass@mmwarburg.com

Klaus Schilling +49 40 3282-2664
Dep. Head of Equity Sales, GER kschilling@mmwarburg.com

Tim Beckmann +49 40 3282-2665
United Kingdom tbeckmann@mmwarburg.com

Lyubka Bogdanova +49 69 5050-7411
United Kingdom, Australia lbogdanova@mmwarburg.com

Jens Buchmüller +49 69 5050-7415
Scandinavia, Austria jbuchmueller@mmwarburg.com

Paul Dontenwill +49 40 3282-2666
USA, Poland, The Netherlands pdontenwill@mmwarburg.com

Matthias Fritsch +49 40 3282-2696
United Kingdom mfritsch@mmwarburg.com

Michael Kriszun +49 40 3282-2695
United Kingdom mkriszun@mmwarburg.com

Marc Niemann +49 40 3282-2660
Germany mniemann@mmwarburg.com

Sanjay Oberoi +49 69 5050-7410
United Kingdom soberoi@mmwarburg.com

Simon Pallhuber +49 69 5050-7414
Switzerland, France spallhuber@mmwarburg.com

Angelika Flegler +49 69 5050-7417
Roadshow/Marketing aflegler@mmwarburg.com

Juliane Willenbruch +49 40 3282-2694
Roadshow/Marketing jwillenbruch@mmwarburg.com

SALES TRADING

Oliver Merkel +49 40 3282-2634
Head of Sales Trading omerckel@mmwarburg.com

Elyaz Dust +49 40 3282-2702
Sales Trading edust@mmwarburg.com

Michael Ilgenstein +49 40 3282-2700
Sales Trading milgenstein@mmwarburg.com

Bastian Quast +49 40 3282-2701
Sales Trading bquast@mmwarburg.com

Jörg Treptow +49 40 3282-2658
Sales Trading jtreptow@mmwarburg.com

Jan Walter +49 40 3282-2662
Sales Trading jwalter@mmwarburg.com

MACRO RESEARCH

Carsten Klude +49 40 3282-2572
Macro Research cklude@mmwarburg.com

Dr. Christian Jasperneite +49 40 3282-2439
Investment Strategy cjasperneite@mmwarburg.com

Our research can be found under:

Warburg Research research.mmwarburg.com/en/index.html
Bloomberg MMWA GO
FactSet www.factset.com

Thomson Reuters www.thomsonreuters.com
Capital IQ www.capitaliq.com

For access please contact:

Andrea Schaper +49 40 3282-2632
Sales Assistance aschaper@mmwarburg.com

Kerstin Muthig +49 40 3282-2703
Sales Assistance kmuthig@mmwarburg.com