



Rating
Buy

Europe
Germany

Capital Goods
Diversified /
Conglomerates

Company
INDUS Alert

Reuters
INHG.DE

Bloomberg
INH GR

Exchange
GER

Ticker
INHG

Date
22 February 2018

Results

Price at 21 Feb 2018 (EUR)	63.40
Price Target (EUR)	68.00
52-week range (EUR)	66.00 - 57.01

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Strong finish and encouraging start into 2018

13% top line growth leading to 6% EBIT growth, despite restructuring costs

Indus Holding reported strong preliminary FY17 results, which were slightly better than expected. Revenues grew 13.6% y/y to €1.64m (DBe 1.57bn, company consensus 1.6bn). Revenues growth continued on a similar high level also in Q4 17 (13% y/y). Thereof organic revenues growth was more than 10% in 2017, which was clearly above the organic growth rates of 4-6%, which we have seen in the past. EBIT improved 6% y/y to €153m (DBe 149m, cons 152m). We calculate that the reported €153m EBIT included €8-9m one-off costs, related to the restructuring at two holdings. FY17 net profit improved 4% to €83m (DB 81.7m, cons 84m).

A first 2018 outlook is due on March 27, first trading comments look promising

The company has not yet provided an outlook, which is usual for their preliminaries. However, Indus reported today that they "expect to be able to benefit from the excellent economic situation again in the current fiscal year and that all segments had a good start to the year and are generating good earnings". Indus also expects that the repositioning of its two underperforming holdings will be completed in H1 18.

We expect a solid start into FY18 and leave our forecasts unchanged

We maintain our 7% EBIT growth forecast to €164m (consensus at €166m) for 2018. We expect 4% revenues growth and some cost inflation. In addition, we expect to see €5m lower restructuring costs on top of some further margin expansion in 2018. We regard Indus's organic growth profile as attractive and also believe that the M&A pipeline remains full; that's why we maintain our Buy. The full set of FY17 results and an analyst meeting will be on March 27, 2018.

Stock & option liquidity data

Market cap (EUR)(m)	1,550.2
Shares outstanding (m)	24
Free float (%)	74
Option volume (und. shrs., 1M avg.)	-

Source: Deutsche Bank

Key data

FYE 12/31	2016A	2017E	2018E
Revenue (EURm)	1,444	1,641	1,703
DB PBT (EURm)	123	129	138
Stated PBT (EURm)	123	129	138
DB EPS (EUR)	3.27	3.37	3.63
DPS (EUR)	1.35	1.50	1.60
P/E (DB EPS) (x)	14.1	18.8	17.5

Source: Deutsche Bank

Deutsche Bank AG/London

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