

Buy (old: Buy)

Price target: EUR 30.00 (old: EUR 30.00)

Price:	EUR 19.28	Next result:	Q3'23: 03.11.23
Bloomberg:	KTN GR	Market cap:	EUR 1,259.3 m
Reuters:	KTN.DE	Enterprise Value:	EUR 1,130.2 m

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A first glance at Q2'23E results

Topic: **Kontron turned in excellent Q2 results this morning** (see p. 2), which **beat expectations across the board**. Conference call scheduled for 9:00 am CEST today. **The key highlights from the Q2 release are as follows:**

- **Segment Software + Solutions (17% of group sales) was the top performer**, growing sales by 39% yoy to € 48m while expanding the EBITDA margin by 4.3pp yoy to 17.0%, driven by project wins in transportation. Segment Europe (65%) grew sales by 13% yoy to € 185m, carried by strength in Industrial / Smart Factories, though EBITDA was flat yoy. Meanwhile, Global (18%) saw flat sales yoy but a 5.3pp expansion of the EBITDA margin to 9.7%, thanks to a new strategy and cost cuts in North America. The conference call should shed more light on why Global showed no top-line growth and Europe no EBITDA growth.
- **The favourable sales mix shift continues**, courtesy of the group's strengthened focus on technology and software. **The Q2 group gross margin increased to a record level of 42.5%**, up 2.7pp yoy and 2.2pp qoq. The key contributor should have been the disproportionate growth of Software + Solutions, which carries an above-average 66% gross margin, thanks to a software-focused portfolio (e.g. susietec).
- **Q2 order intake rose by 10% yoy to € 310m (eHAIB: € 300m)**, implying a healthy book to bill of 1.1x. This highlights that market demand remains firm, carried above all by the verticals transportation, Industrial / Smart Factory, and IoT connectivity (e.g. susietec software). Order intake unsurprisingly declined vs Q1'23 (€ 391m), which benefitted from large transportation project wins. Kontron's excess backlog continued to shrink but still amounts to € 72m (€ 88m in Q1'23), which should provide incremental growth tailwind also in H2'23E, on top of the "normal" business.
- **H1'23 cash flow came in at € 7m in a seasonally soft period**, which is a major improvement over last year's € -71m, thanks to reduced cash outflow for inventories and payables. Gross cash stood at € 326m at the end of Q2, highlighting the firepower for further M&A.
- Management confirmed its FY'23E guidance (€ 1.2bn sales / € 66m net income) **but notes that these targets will likely be exceeded** following the strong H1'23 performance and typically seasonality (ie strong Q4). This makes sense: as of H1'23, Kontron already has 52% of the FY net income guidance „in the bag“. However, H2 is the seasonally stronger period: in recent years, Q4 alone accounted for 35-45% of FY net income. **We expect management to raise and specify its net income guidance in the course of H2.**
- **Reiterate BUY with a € 30.00 PT based on DCF.**

Y/E 31.12 (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Sales	1,122.9	1,254.8	1,002.9	1,096.1	1,201.0	1,395.3	1,546.0
Sales growth	13 %	12 %	-20 %	9 %	10 %	16 %	11 %
EBITDA	111.7	130.0	90.1	70.0	119.7	143.7	163.1
EBIT	61.8	68.6	40.1	-2.0	74.3	96.8	116.1
Net income	49.1	55.6	48.3	232.5	64.5	85.4	102.9
Net debt	91.5	104.1	116.0	-65.6	-148.9	-191.3	-205.6
EPS pro forma	0.74	0.84	0.45	-0.19	1.01	1.34	1.62
DPS	0.00	0.30	0.35	1.00	0.60	0.60	0.60
Dividend yield	0.0 %	1.5 %	1.8 %	5.1 %	3.0 %	3.0 %	3.0 %
Gross profit margin	37.2 %	37.2 %	37.1 %	35.1 %	39.3 %	39.1 %	39.2 %
EBITDA margin	9.9 %	10.4 %	9.0 %	6.4 %	10.0 %	10.3 %	10.6 %
EBIT margin	5.5 %	5.5 %	4.0 %	-0.2 %	6.2 %	6.9 %	7.5 %
ROCE	8.8 %	9.9 %	4.5 %	-0.2 %	8.1 %	9.6 %	11.8 %
EV/EBITDA	12.8	11.1	16.1	17.3	9.4	7.6	6.6
EV/EBIT	23.1	21.0	36.2	-602.0	15.2	11.2	9.2
PER	26.6	23.5	43.9	-102.7	19.5	14.7	12.2
Adjusted FCF yield	5.9 %	6.7 %	3.6 %	1.4 %	7.4 %	9.5 %	11.3 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 02.08.2023

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 19.80 / 14.10
Price/Book Ratio: 2.1
Relative performance (TecDAX):
 3 months 8.7 %
 6 months 5.3 %
 12 months 29.8 %

Changes in estimates

		Sales	EBIT	EPS
2023	old:	1,201.0	74.3	1.01
	Δ	-	-	-
2024	old:	1,395.3	96.8	1.34
	Δ	-	-	-
2025	old:	1,546.0	116.1	1.62
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs) 63.6
 Authorised capital: (in € m) 12.1
 Book value per share: (in €) 9.4
 Ø trading volume: (12 months) 155,000

Major shareholders:

Free Float 55.2 %
 Ennoconn 27.6 %
 Management 6.5 %
 Amiral Gestion 5.4 %
 Naneva BV 5.3 %

Company description:

Leading IoT solutions provider targeting industrial, medical, avionics, smart energy, and other applications

EUR	Q2'23	Q2'23 est	Q2'23 cons.	Q2'22	yoy	Q1'23	qoq	H1'23	H1'22	yoy
Sales	283	280	279	246	15%	278	2%	561	493	14%
Europe	185	180	na	163	13%	179	3%	364	329	11%
Global	50	52	na	48	5%	50	2%	100.0	86	16%
Software + Solutions	48	48	na	35	39%	49	-1%	97	77	25%
EBITDA	31.3	30.4	30.1	24.8	26%	29.6	6%	60.9	48.5	26%
EBITDA margin	11.1%	10.9%	10.8%	10.1%	+ 1.0 pp	10.7%	+ 0.4 pp	10.9%	9.8%	+ 1.0 pp
Europe	18.3	16.8	na	18.3	0%	16.4	12%	34.7	34.3	1%
margin	9.9%	9.3%	-	11.2%	- 1.3 pp	9.1%	+ 0.8 pp	9.5%	10.4%	- 0.9 pp
Global	4.9	4.2	na	2.1	133%	4.0	23%	8.9	2.8	218%
margin	9.7%	8.1%	-	4.4%	+ 5.3 pp	8.1%	+ 1.7 pp	8.9%	3.3%	+ 5.6 pp
Software + Solutions	8.2	9.4	na	4.4	86%	9.2	-11%	17.4	11.3	54%
margin	17.0%	19.6%	-	12.7%	+ 4.3 pp	18.9%	- 1.9 pp	18.0%	14.6%	+ 3.4 pp
Net income	17.5*	16.8	16.7	8.9	97%	16.6	5%	34.1	18.4	85%
Net margin	6.2%	6.0%	6.0%	3.6%	+ 2.6 pp	6.0%	+ 0.2 pp	6.1%	3.7%	+ 2.3 pp

Source: Company data, Hauck & Aufhäuser. * Continued operations only

Financials

Profit and loss (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Net sales	1,122.9	1,254.8	1,002.9	1,096.1	1,201.0	1,395.3	1,546.0
Sales growth	13.3 %	11.7 %	-20.1 %	9.3 %	9.6 %	16.2 %	10.8 %
Increase/decrease in finished goods and work-in-process	15.5	17.6	21.2	23.4	12.6	14.0	15.5
Total sales	1,138.4	1,272.4	1,024.2	1,119.5	1,213.6	1,409.3	1,561.5
Other operating income	8.0	8.8	14.6	19.7	8.4	7.0	7.7
Material expenses	715.4	799.0	644.7	726.6	737.2	858.1	950.0
Personnel expenses	245.2	273.3	237.6	258.8	281.0	319.5	352.5
Other operating expenses	74.2	78.8	66.5	83.8	84.1	94.9	103.6
Total operating expenses	1,026.7	1,142.4	934.1	1,049.5	1,093.9	1,265.5	1,398.4
EBITDA	111.7	130.0	90.1	70.0	119.7	143.7	163.1
Depreciation	25.9	30.9	50.0	72.0	25.9	27.4	27.5
EBITA	85.8	99.1	40.1	-2.0	93.8	116.3	135.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	24.0	30.5	0.0	0.0	19.5	19.5	19.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	61.8	68.6	40.1	-2.0	74.3	96.8	116.1
Interest income	1.3	1.6	1.4	1.4	6.6	6.8	7.1
Interest expenses	9.0	9.3	9.0	10.0	7.7	6.6	6.3
Other financial result	0.0	-0.2	0.0	0.0	0.0	0.0	0.0
Financial result	-7.7	-7.9	-7.6	-8.6	-1.1	0.3	0.8
Recurring pretax income from continuing operations	54.1	60.7	32.4	-10.7	73.3	97.1	116.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	54.1	60.7	32.4	-10.7	73.3	97.1	116.9
Taxes	4.6	6.1	2.0	2.2	8.8	11.7	14.0
Net income from continuing operations	49.5	54.6	30.5	-12.8	64.5	85.4	102.9
Result from discontinued operations (net of tax)	0.0	0.0	-18.5	-244.7	0.0	0.0	0.0
Net income	49.5	54.6	49.0	231.9	64.5	85.4	102.9
Minority interest	0.4	-1.0	0.7	-0.6	0.0	0.0	0.0
Net profit (reported)	49.1	55.6	48.3	232.5	64.5	85.4	102.9
Average number of shares	66.1	65.0	65.0	63.6	63.6	63.6	63.6
EPS reported	0.74	0.86	0.74	3.65	1.01	1.34	1.62

Profit and loss (common size)	2019	2020	2021	2022	2023E	2024E	2025E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	1.4 %	1.4 %	2.1 %	2.1 %	1.1 %	1.0 %	1.0 %
Total sales	101.4 %	101.4 %	102.1 %	102.1 %	101.1 %	101.0 %	101.0 %
Other operating income	0.7 %	0.7 %	1.5 %	1.8 %	0.7 %	0.5 %	0.5 %
Material expenses	63.7 %	63.7 %	64.3 %	66.3 %	61.4 %	61.5 %	61.5 %
Personnel expenses	21.8 %	21.8 %	23.7 %	23.6 %	23.4 %	22.9 %	22.8 %
Other operating expenses	6.6 %	6.3 %	6.6 %	7.6 %	7.0 %	6.8 %	6.7 %
Total operating expenses	91.4 %	91.0 %	93.1 %	95.7 %	91.1 %	90.7 %	90.5 %
EBITDA	9.9 %	10.4 %	9.0 %	6.4 %	10.0 %	10.3 %	10.6 %
Depreciation	2.3 %	2.5 %	5.0 %	6.6 %	2.2 %	2.0 %	1.8 %
EBITA	7.6 %	7.9 %	4.0 %	neg.	7.8 %	8.3 %	8.8 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.1 %	2.4 %	0.0 %	0.0 %	1.6 %	1.4 %	1.3 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	5.5 %	5.5 %	4.0 %	neg.	6.2 %	6.9 %	7.5 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.6 %	0.5 %	0.5 %
Interest expenses	0.8 %	0.7 %	0.9 %	0.9 %	0.6 %	0.5 %	0.4 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	0.0 %	0.1 %
Recurring pretax income from continuing operations	4.8 %	4.8 %	3.2 %	neg.	6.1 %	7.0 %	7.6 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	4.8 %	4.8 %	3.2 %	neg.	6.1 %	7.0 %	7.6 %
Tax rate	8.4 %	10.0 %	6.1 %	-20.5 %	12.0 %	12.0 %	12.0 %
Net income from continuing operations	4.4 %	4.4 %	3.0 %	neg.	5.4 %	6.1 %	6.7 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	-1.8 %	-22.3 %	0.0 %	0.0 %	0.0 %
Net income	4.4 %	4.4 %	4.9 %	21.2 %	5.4 %	6.1 %	6.7 %
Minority interest	0.0 %	neg.	0.1 %	neg.	0.0 %	0.0 %	0.0 %
Net profit (reported)	4.4 %	4.4 %	4.8 %	21.2 %	5.4 %	6.1 %	6.7 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	294.9	302.3	312.5	261.8	261.1	257.5	261.2
Property, plant and equipment	99.8	135.1	132.5	95.5	81.0	69.3	74.3
Financial assets	22.8	22.1	32.5	146.0	32.0	32.0	32.0
FIXED ASSETS	417.5	459.5	477.5	503.4	374.1	358.8	367.5
Inventories	146.8	159.9	187.3	192.6	210.7	244.8	297.3
Accounts receivable	212.2	204.5	214.1	148.1	162.2	188.5	208.8
Other current assets	102.6	104.2	136.5	126.0	129.1	132.4	135.7
Liquid assets	312.3	281.9	296.5	437.8	443.9	466.3	480.6
Deferred taxes	34.4	36.6	40.2	33.1	33.1	33.1	33.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	808.2	787.1	874.6	937.5	979.0	1,065.0	1,155.4
TOTAL ASSETS	1,225.7	1,246.6	1,352.1	1,440.9	1,353.1	1,423.8	1,522.9
SHAREHOLDERS EQUITY	372.7	404.0	418.6	633.8	598.3	644.1	707.1
MINORITY INTEREST	12.4	5.4	4.7	1.8	0.0	0.0	0.0
Long-term debt	341.0	343.2	340.2	246.5	270.0	260.0	260.0
Provisions for pensions and similar obligations	30.0	26.8	25.1	19.9	19.9	19.9	19.9
Other provisions	54.4	40.5	31.4	27.0	27.0	27.0	27.0
Non-current liabilities	425.4	410.5	396.7	293.3	316.8	306.8	306.8
short-term liabilities to banks	62.8	42.8	72.3	125.7	25.0	15.0	15.0
Accounts payable	205.0	210.0	270.0	226.3	248.4	288.6	319.8
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	134.2	160.6	176.7	154.1	158.8	163.5	168.4
Deferred taxes	13.4	13.3	13.2	5.7	5.7	5.7	5.7
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	415.3	426.6	532.2	511.9	437.9	472.9	508.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,225.7	1,246.6	1,352.1	1,440.9	1,353.1	1,423.8	1,522.9

Balance sheet (common size)	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	24.1 %	24.2 %	23.1 %	18.2 %	19.3 %	18.1 %	17.1 %
Property, plant and equipment	8.1 %	10.8 %	9.8 %	6.6 %	6.0 %	4.9 %	4.9 %
Financial assets	1.9 %	1.8 %	2.4 %	10.1 %	2.4 %	2.2 %	2.1 %
FIXED ASSETS	34.1 %	36.9 %	35.3 %	34.9 %	27.6 %	25.2 %	24.1 %
Inventories	12.0 %	12.8 %	13.9 %	13.4 %	15.6 %	17.2 %	19.5 %
Accounts receivable	17.3 %	16.4 %	15.8 %	10.3 %	12.0 %	13.2 %	13.7 %
Other current assets	8.4 %	8.4 %	10.1 %	8.7 %	9.5 %	9.3 %	8.9 %
Liquid assets	25.5 %	22.6 %	21.9 %	30.4 %	32.8 %	32.8 %	31.6 %
Deferred taxes	2.8 %	2.9 %	3.0 %	2.3 %	2.4 %	2.3 %	2.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	65.9 %	63.1 %	64.7 %	65.1 %	72.4 %	74.8 %	75.9 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	30.4 %	32.4 %	31.0 %	44.0 %	44.2 %	45.2 %	46.4 %
MINORITY INTEREST	1.0 %	0.4 %	0.3 %	0.1 %	0.0 %	0.0 %	0.0 %
Long-term debt	27.8 %	27.5 %	25.2 %	17.1 %	20.0 %	18.3 %	17.1 %
Provisions for pensions and similar obligations	2.4 %	2.2 %	1.9 %	1.4 %	1.5 %	1.4 %	1.3 %
Other provisions	4.4 %	3.2 %	2.3 %	1.9 %	2.0 %	1.9 %	1.8 %
Non-current liabilities	34.7 %	32.9 %	29.3 %	20.4 %	23.4 %	21.6 %	20.1 %
short-term liabilities to banks	5.1 %	3.4 %	5.3 %	8.7 %	1.8 %	1.1 %	1.0 %
Accounts payable	16.7 %	16.8 %	20.0 %	15.7 %	18.4 %	20.3 %	21.0 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	10.9 %	12.9 %	13.1 %	10.7 %	11.7 %	11.5 %	11.1 %
Deferred taxes	1.1 %	1.1 %	1.0 %	0.4 %	0.4 %	0.4 %	0.4 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	33.9 %	34.2 %	39.4 %	35.5 %	32.4 %	33.2 %	33.4 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	49.5	54.6	49.0	-2.0	64.5	85.4	102.9
Depreciation of fixed assets (incl. leases)	49.9	30.9	63.6	72.0	25.9	27.4	27.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	30.5	0.0	0.0	19.5	19.5	19.5
Others	3.7	-8.5	-20.3	-42.6	0.0	0.0	0.0
Cash flow from operations before changes in w/c	103.1	107.5	92.3	27.4	109.9	132.3	149.9
Increase/decrease in inventory	-16.0	-13.1	-27.5	-5.3	-18.1	-34.1	-52.5
Increase/decrease in accounts receivable	-30.0	41.4	-9.6	66.0	-14.1	-26.2	-20.4
Increase/decrease in accounts payable	49.7	5.0	60.0	-43.6	22.1	40.2	31.2
Increase/decrease in other working capital positions	-23.5	0.0	-19.9	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-19.8	33.3	3.0	17.1	-10.1	-20.1	-41.7
Cash flow from operating activities	83.4	140.8	95.3	44.4	99.8	112.2	108.2
CAPEX	27.1	33.9	47.0	40.5	45.6	51.6	55.7
Payments for acquisitions	27.2	41.0	13.9	20.5	24.5	0.0	0.0
Financial investments	4.3	3.6	8.2	-13.0	0.0	0.0	0.0
Income from asset disposals	2.9	1.3	2.8	191.7	117.3	20.0	0.0
Cash flow from investing activities	-55.7	-77.2	-66.3	143.7	47.2	-31.6	-55.7
Cash flow before financing	27.7	63.6	29.0	188.1	146.9	80.6	52.5
Increase/decrease in debt position	128.1	-40.9	28.8	-56.7	-77.2	-20.0	0.0
Purchase of own shares	14.6	12.2	20.6	0.0	0.0	0.0	0.0
Capital measures	0.0	1.4	0.0	0.0	0.0	0.0	0.0
Dividends paid	10.6	0.0	19.2	22.3	63.6	38.2	38.2
Others	-19.1	-14.1	-9.3	-11.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	1.1	-8.1	4.3	0.4	0.0	0.0	0.0
Cash flow from financing activities	83.8	-65.8	-20.2	-90.8	-140.8	-58.2	-38.2
Increase/decrease in liquid assets	112.6	-10.2	13.0	97.7	6.1	22.4	14.3
Liquid assets at end of period	312.3	281.9	296.5	437.8	443.9	466.3	480.6

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Domestic	102.2	106.7	156.5	178.6	195.7	227.3	251.9
yoy change	3.8 %	4.4 %	46.7 %	14.2 %	9.6 %	16.2 %	10.8 %
Rest of Europe	336.9	373.9	484.6	512.4	561.4	652.3	722.7
yoy change	12.3 %	11.0 %	29.6 %	5.7 %	9.6 %	16.2 %	10.8 %
NAFTA	152.7	178.2	96.5	109.8	124.9	146.5	162.3
yoy change	14.7 %	16.7 %	-45.8 %	13.8 %	13.7 %	17.3 %	10.8 %
Asia Pacific	n/a	n/a	62.4	80.0	87.6	101.8	112.8
yoy change	n/a	n/a	n/a	28.2 %	9.6 %	16.2 %	10.8 %
Rest of world	531.1	596.0	203.0	215.3	230.6	266.5	295.3
yoy change	15.6 %	12.2 %	-65.9 %	6.1 %	7.1 %	15.6 %	10.8 %
TTL	1,122.9	1,254.8	1,002.9	1,096.1	1,201.0	1,395.3	1,546.0
yoy change	13.3 %	11.7 %	-20.1 %	9.3 %	9.6 %	16.2 %	10.8 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
P&L growth analysis							
Sales growth	13.3 %	11.7 %	-20.1 %	9.3 %	9.6 %	16.2 %	10.8 %
EBITDA growth	23.4 %	43.6 %	-19.4 %	-46.2 %	32.9 %	105.3 %	36.2 %
EBIT growth	0.4 %	11.5 %	-35.1 %	-102.9 %	85.6 %	-	56.2 %
EPS growth	9.2 %	25.7 %	-0.1 %	327.0 %	36.5 %	-63.2 %	59.5 %
Efficiency							
Total operating costs / sales	91.4 %	91.0 %	93.1 %	95.7 %	91.1 %	90.7 %	90.5 %
Sales per employee	259.8	242.1	225.8	207.9	265.1	308.7	338.6
EBITDA per employee	25.9	25.1	20.3	13.3	26.4	31.8	35.7
Balance sheet analysis							
Avg. working capital / sales	13.8 %	12.4 %	14.2 %	12.3 %	10.7 %	9.3 %	10.1 %
Inventory turnover (sales/inventory)	7.7	7.8	5.4	5.7	5.7	5.7	5.2
Trade debtors in days of sales	69.0	59.5	77.9	49.3	49.3	49.3	49.3
A/P turnover [(A/P*365)/sales]	66.6	61.1	98.3	75.4	75.5	75.5	75.5
Cash conversion cycle (days)	39.2	36.6	31.1	32.4	30.6	30.7	40.7
Cash flow analysis							
Free cash flow	56.3	106.9	48.3	4.0	54.1	60.6	52.5
Free cash flow/sales	5.0 %	8.5 %	4.8 %	0.4 %	4.5 %	4.3 %	3.4 %
FCF / net profit	114.6 %	192.2 %	100.1 %	1.7 %	84.0 %	70.9 %	51.0 %
Capex / depre	62.9 %	61.2 %	86.7 %	38.2 %	100.5 %	110.1 %	118.4 %
Capex / maintenance capex	74.6 %	114.5 %	n/a	44.1 %	77.6 %	87.3 %	92.1 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	91.5	104.1	116.0	-65.6	-148.9	-191.3	-205.6
Net Debt/EBITDA	0.8	0.8	1.3	0.0	0.0	0.0	0.0
Net debt / equity	0.2	0.3	0.3	neg.	neg.	neg.	neg.
Interest cover	6.9	7.4	4.5	0.0	9.7	14.8	18.4
Dividend payout ratio	0.0 %	35.7 %	47.9 %	27.4 %	59.2 %	44.7 %	37.1 %
Asset utilisation							
Capital employed turnover	1.3	1.5	1.1	1.0	1.3	1.4	1.5
Operating assets turnover	4.4	4.3	3.8	5.2	5.8	6.5	5.9
Plant turnover	11.3	9.3	7.6	11.5	14.8	20.1	20.8
Inventory turnover (sales/inventory)	7.7	7.8	5.4	5.7	5.7	5.7	5.2
Returns							
ROCE	8.8 %	9.9 %	4.5 %	-0.2 %	8.1 %	9.6 %	11.8 %
ROE	13.2 %	13.8 %	11.5 %	36.7 %	10.8 %	13.3 %	14.5 %
Other							
Interest paid / avg. debt	3.4 %	3.7 %	2.2 %	2.7 %	2.2 %	2.0 %	2.2 %
No. employees (average)	4322	5184	4442	5271	4530	4520	4565
Number of shares	66.1	65.0	65.0	63.6	63.6	63.6	63.6
DPS	0.0	0.3	0.4	1.0	0.6	0.6	0.6
EPS reported	0.74	0.86	0.74	3.65	1.01	1.34	1.62
Valuation ratios							
P/BV	3.5	3.2	3.1	2.0	2.1	2.0	1.8
EV/sales	1.3	1.1	1.4	1.1	0.9	0.8	0.7
EV/EBITDA	12.8	11.1	16.1	17.3	9.4	7.6	6.6
EV/EBITA	16.7	14.5	36.2	-602.0	12.0	9.4	7.9
EV/EBIT	23.1	21.0	36.2	-602.0	15.2	11.2	9.2
EV/FCF	25.4	13.5	30.0	306.9	20.9	18.0	20.4
Adjusted FCF yield	5.9 %	6.7 %	3.6 %	1.4 %	7.4 %	9.5 %	11.3 %
Dividend yield	0.0 %	1.5 %	1.8 %	5.1 %	3.0 %	3.0 %	3.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

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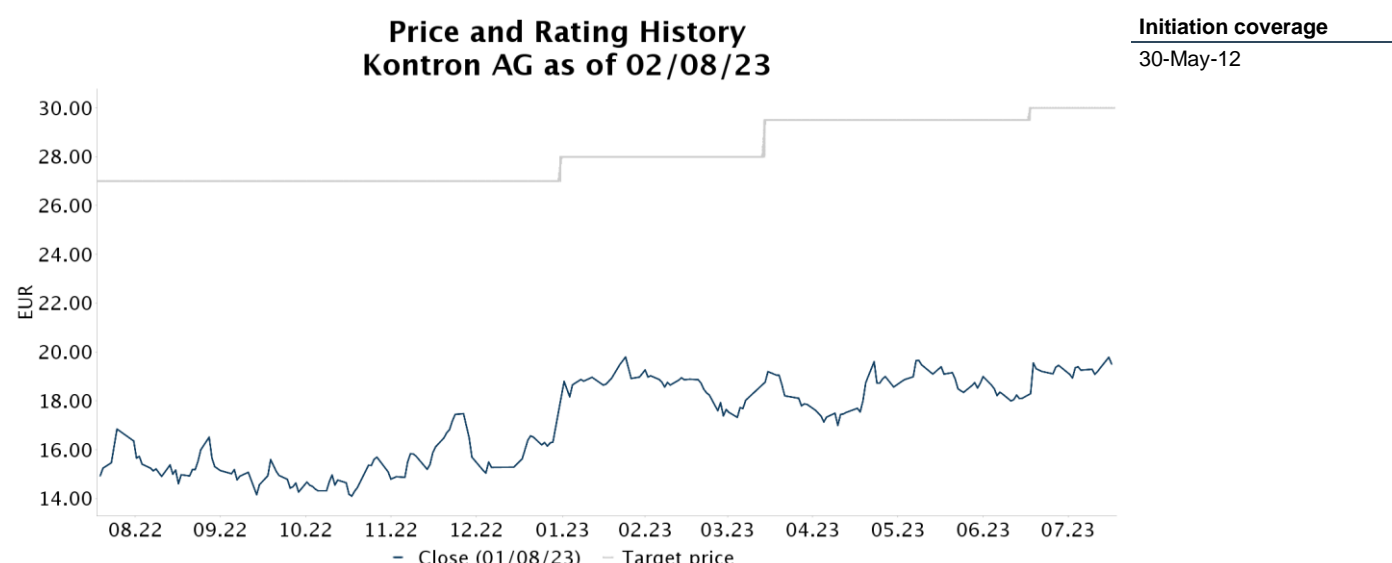
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Company	Disclosure
Kontron AG	

Historical target price and rating changes for Kontron AG in the last 12 months



Company	Date	Analyst	Rating	Target price	Close
Kontron AG	01.08.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 19,51
	04.07.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 19,55
	06.06.2023	Wunderlich, CFA, Tim	Buy	EUR 29,50	EUR 18,90
	25.04.2023	Wunderlich, CFA, Tim	Buy	EUR 29,50	EUR 17,00
	05.04.2023	Wunderlich, CFA, Tim	Buy	EUR 29,50	EUR 18,66

31.03.2023	Wunderlich, CFA, Tim	Buy	EUR 29,50	EUR 19,20
02.03.2023	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 18,88
07.02.2023	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 19,50
17.01.2023	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 18,80
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
09.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,20
11.08.2022	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,85

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Buy	73.86 %	91.18 %
Sell	3.98 %	0.00 %
Hold	22.16 %	8.82 %

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