

**Buy** (old: Buy)

**Price target: EUR 30.00** (old: EUR 30.00)

**Price:** EUR 17.66      **Next result:** Q2'23 03.11.23  
**Bloomberg:** KTN GR      **Market cap:** EUR 1,317.2 m  
**Reuters:** KTN.DE      **Enterprise Value:** EUR 1,188.1 m

25-September-23

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### RS feedback: expect more M&A and shareholder returns

- **M&A: four bolt-on deals done.** € 65m bought Kontron a combined € 170m of sales and € 10m EBITDA per year, which implies 6.5x EBITDA pre-synergies: so far, so good. The common theme across the bolt-on deals: expand the technology stack in the Transportation end-market and cross-sell the acquired technology into new verticals and regions that Kontron already serves. Management is confident to sign one more bolt-on deal before year-end (€ 30m+ annual sales / eHAIB) and pull off a larger transaction (€ 300m+ sales) by mid-2024. The team seems to be working hard to get the best deal for shareholders at the best price, which prolongs the process; it is also clear that it will not close a deal simply for the sake of appearances.
- **M&A firepower and shareholder returns:** Kontron had € 105m net cash on hand as of H1'23 and will receive the penultimate payment of € 60m from VINCI at the end of 2023. Management expects to generate € 100m oper. cash flow this year despite lower factoring (minus € 30m): this should mean c. € 60m FCF. All said, it is enough firepower for the planned bolt-on plus larger deal while also allowing for more shareholder rewards: we would expect Kontron to reinstate a share buyback program, this time with more muscle. The last one was rather small (€ 10m @ € 18.4 on avg) and ended in August.
- **Current trading: still going strong.** Book to bill looks on track to reach 1.1x for FY'23E, carried by strength in Transportation and a revival in Avionics, which overcompensate for Industrial softness. Though it is early, management is confident to grow the 2024E top-line by 10% yoy organically, backed by a high backlog, with an incremental € 130m sales to come on top from already signed M&A deals (ie € 40m already to be recognized in 2023E). The CFO confirmed this year's guidance of € 66m net income, stating he feels „very comfortable“ with it. We feel confident that Kontron can in fact outperform by up to 10% (though not yet accounted for in eHAIB), given the excellent H1 performance, intact current trading and seasonally strong Q4. Expect newsflow to stay positive.



Source: Company data, Hauck Aufhäuser Investment Banking

**High/low 52 weeks:** 20.78 / 14.10  
**Price/Book Ratio:** 1.9  
**Relative performance (TecDAX):**  
3 months 1.7 %  
6 months 6.0 %  
12 months 5.1 %

#### 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	-	-	-

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
Net gearing	24.5 %	25.8 %	27.7 %	-10.3 %	-24.9 %	-29.7 %	-29.1 %
Net Debt/EBITDA	0.8	0.8	1.3	0.0	0.0	0.0	0.0
EPS pro forma	0.74	0.84	0.45	-0.19	1.01	1.34	1.62
CPS	0.88	1.67	0.87	-0.15	1.03	1.21	1.15
DPS	0.00	0.30	0.35	1.00	0.60	0.60	0.60
Dividend yield	0.0 %	1.4 %	1.7 %	4.8 %	2.9 %	2.9 %	2.9 %
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/sales	1.3	1.2	1.5	1.2	1.0	0.8	0.7
EV/EBITDA	13.3	11.5	16.8	18.2	9.9	8.0	6.9
EV/EBIT	24.1	21.9	37.7	-630.7	16.0	11.8	9.7
PER	27.9	24.6	45.9	-107.5	20.4	15.4	12.8
Adjusted FCF yield	5.6 %	6.4 %	3.4 %	1.3 %	7.0 %	9.0 %	10.7 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 22.09.2023

Please refer to important disclosures at the end of the report

#### 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

## Financials

Profit and loss (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
<b>Net sales</b>	<b>1,122.9</b>	<b>1,254.8</b>	<b>1,002.9</b>	<b>1,096.1</b>	<b>1,201.0</b>	<b>1,395.3</b>	<b>1,546.0</b>
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
<b>Total sales</b>	<b>1,138.4</b>	<b>1,272.4</b>	<b>1,024.2</b>	<b>1,119.5</b>	<b>1,213.6</b>	<b>1,409.3</b>	<b>1,561.5</b>
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
<b>EBITDA</b>	<b>111.7</b>	<b>130.0</b>	<b>90.1</b>	<b>70.0</b>	<b>119.7</b>	<b>143.7</b>	<b>163.1</b>
Depreciation	25.9	30.9	50.0	72.0	25.9	27.4	27.5
<b>EBITA</b>	<b>85.8</b>	<b>99.1</b>	<b>40.1</b>	<b>-2.0</b>	<b>93.8</b>	<b>116.3</b>	<b>135.6</b>
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
<b>EBIT (inc revaluation net)</b>	<b>61.8</b>	<b>68.6</b>	<b>40.1</b>	<b>-2.0</b>	<b>74.3</b>	<b>96.8</b>	<b>116.1</b>
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
<b>Recurring pretax income from continuing operations</b>	<b>54.1</b>	<b>60.7</b>	<b>32.4</b>	<b>-10.7</b>	<b>73.3</b>	<b>97.1</b>	<b>116.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>54.1</b>	<b>60.7</b>	<b>32.4</b>	<b>-10.7</b>	<b>73.3</b>	<b>97.1</b>	<b>116.9</b>
Taxes	4.6	6.1	2.0	2.2	8.8	11.7	14.0
<b>Net income from continuing operations</b>	<b>49.5</b>	<b>54.6</b>	<b>30.5</b>	<b>-12.8</b>	<b>64.5</b>	<b>85.4</b>	<b>102.9</b>
Result from discontinued operations (net of tax)	0.0	0.0	-18.5	-244.7	0.0	0.0	0.0
<b>Net income</b>	<b>49.5</b>	<b>54.6</b>	<b>49.0</b>	<b>231.9</b>	<b>64.5</b>	<b>85.4</b>	<b>102.9</b>
Minority interest	0.4	-1.0	0.7	-0.6	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>49.1</b>	<b>55.6</b>	<b>48.3</b>	<b>232.5</b>	<b>64.5</b>	<b>85.4</b>	<b>102.9</b>
Average number of shares	66.1	65.0	65.0	63.6	63.6	63.6	63.6
<b>EPS reported</b>	<b>0.74</b>	<b>0.86</b>	<b>0.74</b>	<b>3.65</b>	<b>1.01</b>	<b>1.34</b>	<b>1.62</b>

Profit and loss (common size)	2019	2020	2021	2022	2023E	2024E	2025E
<b>Net sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
Increase/decrease in finished goods and work-in-process	1.4 %	1.4 %	2.1 %	2.1 %	1.1 %	1.0 %	1.0 %
<b>Total sales</b>	<b>101.4 %</b>	<b>101.4 %</b>	<b>102.1 %</b>	<b>102.1 %</b>	<b>101.1 %</b>	<b>101.0 %</b>	<b>101.0 %</b>
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 %
<b>EBITDA</b>	<b>9.9 %</b>	<b>10.4 %</b>	<b>9.0 %</b>	<b>6.4 %</b>	<b>10.0 %</b>	<b>10.3 %</b>	<b>10.6 %</b>
Depreciation	2.3 %	2.5 %	5.0 %	6.6 %	2.2 %	2.0 %	1.8 %
<b>EBITA</b>	<b>7.6 %</b>	<b>7.9 %</b>	<b>4.0 %</b>	<b>neg.</b>	<b>7.8 %</b>	<b>8.3 %</b>	<b>8.8 %</b>
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 %
<b>EBIT (inc revaluation net)</b>	<b>5.5 %</b>	<b>5.5 %</b>	<b>4.0 %</b>	<b>neg.</b>	<b>6.2 %</b>	<b>6.9 %</b>	<b>7.5 %</b>
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 %
<b>Recurring pretax income from continuing operations</b>	<b>4.8 %</b>	<b>4.8 %</b>	<b>3.2 %</b>	<b>neg.</b>	<b>6.1 %</b>	<b>7.0 %</b>	<b>7.6 %</b>
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
<b>Earnings before taxes</b>	<b>4.8 %</b>	<b>4.8 %</b>	<b>3.2 %</b>	<b>neg.</b>	<b>6.1 %</b>	<b>7.0 %</b>	<b>7.6 %</b>
Tax rate	8.4 %	10.0 %	6.1 %	-20.5 %	12.0 %	12.0 %	12.0 %
<b>Net income from continuing operations</b>	<b>4.4 %</b>	<b>4.4 %</b>	<b>3.0 %</b>	<b>neg.</b>	<b>5.4 %</b>	<b>6.1 %</b>	<b>6.7 %</b>
Income from discontinued operations (net of tax)	0.0 %	0.0 %	-1.8 %	-22.3 %	0.0 %	0.0 %	0.0 %
<b>Net income</b>	<b>4.4 %</b>	<b>4.4 %</b>	<b>4.9 %</b>	<b>21.2 %</b>	<b>5.4 %</b>	<b>6.1 %</b>	<b>6.7 %</b>
Minority interest	0.0 %	neg.	0.1 %	neg.	0.0 %	0.0 %	0.0 %
<b>Net profit (reported)</b>	<b>4.4 %</b>	<b>4.4 %</b>	<b>4.8 %</b>	<b>21.2 %</b>	<b>5.4 %</b>	<b>6.1 %</b>	<b>6.7 %</b>

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets</b>	<b>294.9</b>	<b>302.3</b>	<b>312.5</b>	<b>261.8</b>	<b>261.1</b>	<b>257.5</b>	<b>261.2</b>
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
<b>FIXED ASSETS</b>	<b>417.5</b>	<b>459.5</b>	<b>477.5</b>	<b>503.4</b>	<b>374.1</b>	<b>358.8</b>	<b>367.5</b>
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
<b>CURRENT ASSETS</b>	<b>808.2</b>	<b>787.1</b>	<b>874.6</b>	<b>937.5</b>	<b>979.0</b>	<b>1,065.0</b>	<b>1,155.4</b>
<b>TOTAL ASSETS</b>	<b>1,225.7</b>	<b>1,246.6</b>	<b>1,352.1</b>	<b>1,440.9</b>	<b>1,353.1</b>	<b>1,423.8</b>	<b>1,522.9</b>
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
<b>Non-current liabilities</b>	<b>425.4</b>	<b>410.5</b>	<b>396.7</b>	<b>293.3</b>	<b>316.8</b>	<b>306.8</b>	<b>306.8</b>
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
<b>Current liabilities</b>	<b>415.3</b>	<b>426.6</b>	<b>532.2</b>	<b>511.9</b>	<b>437.9</b>	<b>472.9</b>	<b>508.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>1,225.7</b>	<b>1,246.6</b>	<b>1,352.1</b>	<b>1,440.9</b>	<b>1,353.1</b>	<b>1,423.8</b>	<b>1,522.9</b>

Balance sheet (common size)	2019	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets</b>	<b>24.1 %</b>	<b>24.2 %</b>	<b>23.1 %</b>	<b>18.2 %</b>	<b>19.3 %</b>	<b>18.1 %</b>	<b>17.1 %</b>
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 %
<b>FIXED ASSETS</b>	<b>34.1 %</b>	<b>36.9 %</b>	<b>35.3 %</b>	<b>34.9 %</b>	<b>27.6 %</b>	<b>25.2 %</b>	<b>24.1 %</b>
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 %
<b>CURRENT ASSETS</b>	<b>65.9 %</b>	<b>63.1 %</b>	<b>64.7 %</b>	<b>65.1 %</b>	<b>72.4 %</b>	<b>74.8 %</b>	<b>75.9 %</b>
<b>TOTAL ASSETS</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>
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 %
<b>Non-current liabilities</b>	<b>34.7 %</b>	<b>32.9 %</b>	<b>29.3 %</b>	<b>20.4 %</b>	<b>23.4 %</b>	<b>21.6 %</b>	<b>20.1 %</b>
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 %
<b>Current liabilities</b>	<b>33.9 %</b>	<b>34.2 %</b>	<b>39.4 %</b>	<b>35.5 %</b>	<b>32.4 %</b>	<b>33.2 %</b>	<b>33.4 %</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>100.0 %</b>

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
<b>Cash flow from operating activities</b>	<b>83.4</b>	<b>140.8</b>	<b>95.3</b>	<b>44.4</b>	<b>99.8</b>	<b>112.2</b>	<b>108.2</b>
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
<b>Cash flow from investing activities</b>	<b>-55.7</b>	<b>-77.2</b>	<b>-66.3</b>	<b>143.7</b>	<b>47.2</b>	<b>-31.6</b>	<b>-55.7</b>
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
<b>Cash flow from financing activities</b>	<b>83.8</b>	<b>-65.8</b>	<b>-20.2</b>	<b>-90.8</b>	<b>-140.8</b>	<b>-58.2</b>	<b>-38.2</b>
Increase/decrease in liquid assets	112.6	-10.2	13.0	97.7	6.1	22.4	14.3
<b>Liquid assets at end of period</b>	<b>312.3</b>	<b>281.9</b>	<b>296.5</b>	<b>437.8</b>	<b>443.9</b>	<b>466.3</b>	<b>480.6</b>

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 %
<b>TTL</b>	<b>1,122.9</b>	<b>1,254.8</b>	<b>1,002.9</b>	<b>1,096.1</b>	<b>1,201.0</b>	<b>1,395.3</b>	<b>1,546.0</b>
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
<b>P&amp;L growth analysis</b>							
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 %
<b>Efficiency</b>							
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
<b>Balance sheet analysis</b>							
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
<b>Cash flow analysis</b>							
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
<b>Security</b>							
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 %
<b>Asset utilisation</b>							
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
<b>Returns</b>							
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 %
<b>Other</b>							
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
<b>Valuation ratios</b>							
P/BV	3.7	3.4	3.3	2.1	2.2	2.0	1.9
EV/sales	1.3	1.2	1.5	1.2	1.0	0.8	0.7
EV/EBITDA	13.3	11.5	16.8	18.2	9.9	8.0	6.9
EV/EBITA	17.4	15.1	37.7	-630.7	12.7	9.9	8.3
EV/EBIT	24.1	21.9	37.7	-630.7	16.0	11.8	9.7
EV/FCF	26.5	14.0	31.3	321.6	21.9	18.9	21.6
Adjusted FCF yield	5.6 %	6.4 %	3.4 %	1.3 %	7.0 %	9.0 %	10.7 %
Dividend yield	0.0 %	1.4 %	1.7 %	4.8 %	2.9 %	2.9 %	2.9 %

Source: Company data, Hauck Aufhäuser Investment Banking

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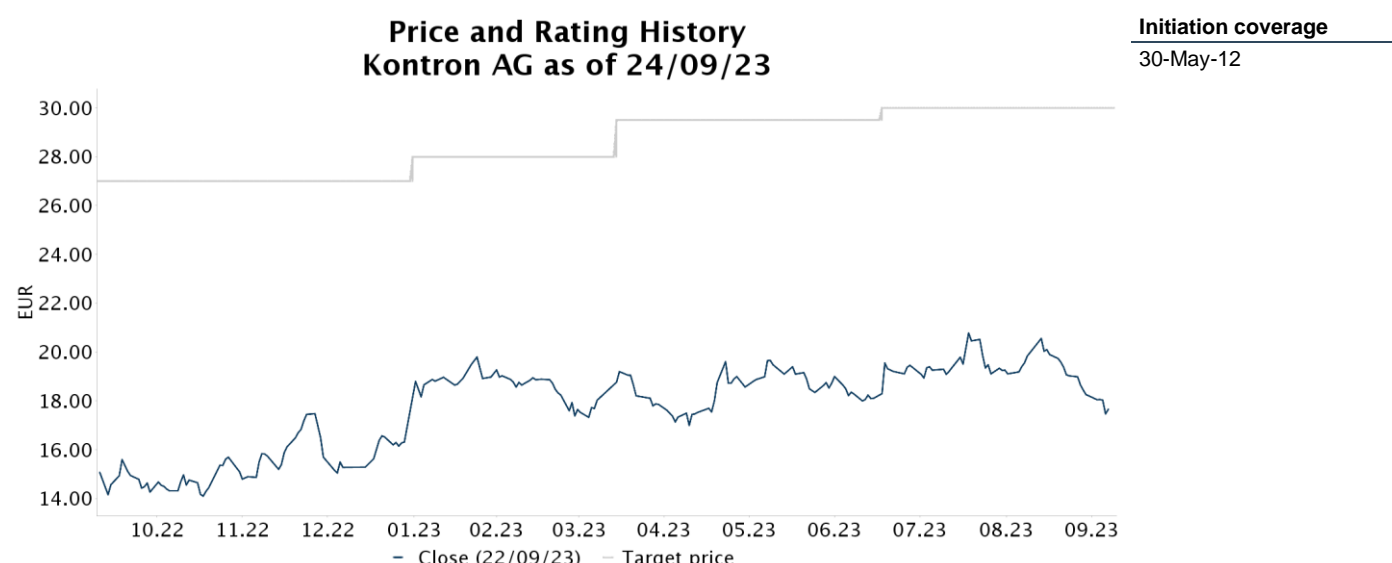
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Company	Disclosure
Kontron AG	

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



Company	Date	Analyst	Rating	Target price	Close
Kontron AG	29.08.2023	Wunderlich, CFA, Tim	Buy	EUR 30.00	EUR 20.56
	04.08.2023	Wunderlich, CFA, Tim	Buy	EUR 30.00	EUR 20.46
	03.08.2023	Wunderlich, CFA, Tim	Buy	EUR 30.00	EUR 20.78
	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

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<b>Buy</b>	72.73 %	91.18 %
<b>Sell</b>	3.98 %	0.00 %
<b>Hold</b>	23.30 %	8.82 %

Date of publication creation: 25/09/2023 07:52 AM

Date of publication dissemination: 25/09/2023 07:58 AM

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