

Kontron AG

Austria - IT Services



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 27.00 (old: EUR 28.50)

Price: EUR 14.10 **Next result:** Q2'22 04.08.22
Bloomberg: KTN GR **Market cap:** EUR 890.8 m
Reuters: KTN.DE **Enterprise Value:** EUR 1,030.3 m

13-July-22

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Resetting expectations; chg.

Reason to write: German stock magazine *Vorstandswoche* recently reported that due to tough market conditions, Kontron would likely have to accept much lower proceeds of approx. € 400m for its IT Service business, versus the targeted € 550-700m.

In a discussion with the CEO, we learned that management **did not speak** with *Vorstandswoche*, and hence did not provide the magazine with any fresh insights. To us, management confirmed that it would be **unwilling** to divest IT Services for the mentioned ballpark figure. If binding offers were to come in below the target range, Kontron would rather **postpone the divestment** and wait for a more opportune time to re-engage with potential buyers. **We would consider this a sensible step**, as Kontron is under no pressure to divest IT Services on short notice.

What will happen next? The buyer due diligence should have been finalised and management has entered final negotiations with interested parties. **We expect binding offers to come in shortly**, which would require Kontron to release an ad-hoc statement. In our view, **the odds of a successful divestment have declined** due to recession fears (*which put this year's operating performance of IT Services in doubt*) and interest rate increases (*which raise the financing cost of PE suitors*).

While a divestment is still possible in 2022, we would **not** expect proceeds to exceed the low end of the target range, i.e. € 550-600m, which would imply approx. 9-10x EBITDA this year. That Kontron *even* decided to enter into a buyer due diligence with several parties suggest to us that *non-binding* offers, which were made in mid-May, were in-line with the target range. **While this is a positive cross-read**, macro conditions have deteriorated since then, which could put pressure on achievable EBITDA multiples.

Action: we are trimming estimates - again - to account for stiffening macro headwinds in Europe, which explains more than 85% of Kontron's revenue. **The new EBITDA est. is some 10% below eCons and guidance**. Still, **we continue to model positive sales and earnings growth for Kontron in FY'22E** on the back of ongoing healthy order intake (*as per management*), positive x-reads from peers (*Advantech June revenue was +27% yoy*) and as Kontron is successfully dealing with semi shortages e.g. through re-designs. Note that our current estimates do **not** account for an IT Service divestment.

Reiterate BUY with a new € 27.00 PT, based on DCF.

Y/E 31.12 (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Sales	990.9	1,122.9	1,254.8	1,342.0	1,430.0	1,558.7	1,667.8
Sales growth	12 %	13 %	12 %	7 %	7 %	9 %	7 %
EBITDA	90.5	111.7	130.0	126.3	135.9	161.3	187.6
EBIT	61.5	61.8	68.6	62.7	70.9	95.1	125.9
Net income	45.0	49.1	55.6	48.3	56.8	74.2	88.5
Net debt	-52.7	91.5	104.1	116.0	114.4	53.6	-4.7
Net gearing	-14.8 %	24.5 %	25.8 %	27.7 %	25.0 %	10.4 %	-0.8 %
Net Debt/EBITDA	0.0	0.8	0.8	0.9	0.8	0.3	0.0
EPS pro forma	0.68	0.74	0.84	0.73	0.89	1.17	1.39
CPS	0.32	0.88	1.67	0.96	0.74	1.59	1.66
DPS	0.16	0.00	0.30	0.22	0.22	0.26	0.31
Dividend yield	1.1 %	0.0 %	2.1 %	1.6 %	1.6 %	1.8 %	2.2 %
Gross profit margin	36.0 %	37.2 %	37.2 %	37.5 %	37.5 %	37.7 %	37.9 %
EBITDA margin	9.1 %	9.9 %	10.4 %	9.4 %	9.5 %	10.4 %	11.3 %
EBIT margin	6.2 %	5.5 %	5.5 %	4.7 %	5.0 %	6.1 %	7.5 %
ROCE	11.9 %	8.8 %	9.9 %	7.1 %	7.9 %	10.1 %	12.6 %
EV/sales	0.9	0.9	0.8	0.8	0.7	0.6	0.5
EV/EBITDA	9.8	9.4	8.1	8.4	7.6	6.0	4.9
EV/EBIT	14.4	16.9	15.4	17.0	14.5	10.2	7.2
PER	20.6	18.8	16.6	19.1	15.7	12.0	10.1
Adjusted FCF yield	7.4 %	8.1 %	9.1 %	8.7 %	9.9 %	12.5 %	14.8 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 12.07.2022



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 23.74 / 11.46
Price/Book Ratio: 2.1
Relative performance (TecDAX):
 3 months -3.3 %
 6 months 21.2 %
 12 months -11.6 %

Changes in estimates

		Sales	EBIT	EPS
2022	old:	1,460.0	80.4	0.99
	Δ	-2.1%	-11.7%	-9.8%
2023	old:	1,591.4	111.2	1.33
	Δ	-2.1%	-14.5%	-12.5%
2024	old:	1,702.8	133.7	1.43
	Δ	-2.1%	-5.8%	-2.7%

Key share data:

Number of shares: (in m pcs) 63.6
 Authorised capital: (in € m) 12.1
 Book value per share: (in €) 7.2
 Ø trading volume: (12 months) 155,000

Major shareholders:

Free Float 63.1 %
 Ennoconn 26.6 %
 Amiral Gestion 5.2 %
 Naneva BV 5.1 %
 Treasury Shares 3.7 %

Company description:

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

Financials

Profit and loss (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Net sales	990.9	1,122.9	1,254.8	1,342.0	1,430.0	1,558.7	1,667.8
<i>Sales growth</i>	12.3 %	13.3 %	11.7 %	6.9 %	6.6 %	9.0 %	7.0 %
Increase/decrease in finished goods and work-in-process	15.1	15.5	17.6	21.5	15.7	16.4	17.5
Total sales	1,006.0	1,138.4	1,272.4	1,363.4	1,445.7	1,575.1	1,685.3
Other operating income	7.5	8.0	8.8	13.5	15.7	7.8	8.3
Material expenses	644.3	715.4	799.0	851.7	903.8	982.0	1,047.4
Personnel expenses	194.6	245.2	273.3	314.2	328.9	339.8	353.6
Other operating expenses	84.0	74.2	78.8	84.7	93.0	99.8	105.1
Total operating expenses	915.4	1,026.7	1,142.4	1,237.1	1,309.9	1,413.7	1,497.7
EBITDA	90.5	111.7	130.0	126.3	135.9	161.3	187.6
Depreciation	29.0	25.9	30.9	34.6	35.9	37.2	36.7
EBITA	61.5	85.8	99.1	91.7	99.9	124.1	150.9
Amortisation of goodwill	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	n/a	24.0	30.5	29.0	29.0	29.0	25.0
Impairment charges	n/a	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	61.5	61.8	68.6	62.7	70.9	95.1	125.9
Interest income	1.0	1.3	1.6	1.6	1.6	1.6	1.6
Interest expenses	6.2	9.0	9.3	10.0	9.5	9.5	9.5
Other financial result	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Financial result	-5.2	-7.7	-7.9	-8.5	-7.9	-7.9	-7.9
Recurring pretax income from continuing operations	56.3	54.1	60.7	54.2	63.1	87.2	118.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	56.3	54.1	60.7	54.2	63.1	87.2	118.0
Taxes	7.9	4.6	6.1	5.3	6.3	13.1	29.5
Net income from continuing operations	48.5	49.5	54.6	49.0	56.8	74.2	88.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	48.5	49.5	54.6	49.0	56.8	74.2	88.5
Minority interest	3.5	0.4	-1.0	0.7	0.0	0.0	0.0
Net profit (reported)	45.0	49.1	55.6	48.3	56.8	74.2	88.5
Average number of shares	66.1	66.1	65.0	65.0	63.6	63.6	63.6
EPS reported	0.68	0.74	0.86	0.74	0.89	1.17	1.39

Profit and loss (common size)	2018	2019	2020	2021	2022E	2023E	2024E
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	1.5 %	1.4 %	1.4 %	1.6 %	1.1 %	1.1 %	1.1 %
Total sales	101.5 %	101.4 %	101.4 %	101.6 %	101.1 %	101.1 %	101.1 %
Other operating income	0.8 %	0.7 %	0.7 %	1.0 %	1.1 %	0.5 %	0.5 %
Material expenses	65.0 %	63.7 %	63.7 %	63.5 %	63.2 %	63.0 %	62.8 %
Personnel expenses	19.6 %	21.8 %	21.8 %	23.4 %	23.0 %	21.8 %	21.2 %
Other operating expenses	8.5 %	6.6 %	6.3 %	6.3 %	6.5 %	6.4 %	6.3 %
Total operating expenses	92.4 %	91.4 %	91.0 %	92.2 %	91.6 %	90.7 %	89.8 %
EBITDA	9.1 %	9.9 %	10.4 %	9.4 %	9.5 %	10.4 %	11.3 %
Depreciation	2.9 %	2.3 %	2.5 %	2.6 %	2.5 %	2.4 %	2.2 %
EBITA	6.2 %	7.6 %	7.9 %	6.8 %	7.0 %	8.0 %	9.0 %
Amortisation of goodwill	n/a	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	n/a	2.1 %	2.4 %	2.2 %	2.0 %	1.9 %	1.5 %
Impairment charges	n/a	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	6.2 %	5.5 %	5.5 %	4.7 %	5.0 %	6.1 %	7.5 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.6 %	0.8 %	0.7 %	0.7 %	0.7 %	0.6 %	0.6 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	5.7 %	4.8 %	4.8 %	4.0 %	4.4 %	5.6 %	7.1 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	5.7 %	4.8 %	4.8 %	4.0 %	4.4 %	5.6 %	7.1 %
Tax rate	14.0 %	8.4 %	10.0 %	9.7 %	10.0 %	15.0 %	25.0 %
Net income from continuing operations	4.9 %	4.4 %	4.4 %	3.6 %	4.0 %	4.8 %	5.3 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	4.9 %	4.4 %	4.4 %	3.6 %	4.0 %	4.8 %	5.3 %
Minority interest	0.4 %	0.0 %	neg.	0.1 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	4.5 %	4.4 %	4.4 %	3.6 %	4.0 %	4.8 %	5.3 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	207.6	294.9	302.3	312.5	315.3	311.2	311.2
Property, plant and equipment	37.1	99.8	135.1	132.5	128.1	125.2	125.2
Financial assets	0.3	22.8	22.1	32.5	32.5	32.5	32.5
FIXED ASSETS	244.9	417.5	459.5	477.5	475.9	468.9	468.9
Inventories	130.8	146.8	159.9	187.3	195.9	202.4	216.6
Accounts receivable	202.7	212.2	204.5	232.5	270.3	294.7	315.3
Other current assets	68.0	102.6	104.2	118.1	121.0	124.0	127.1
Liquid assets	171.8	312.3	281.9	296.5	298.1	358.9	417.2
Deferred taxes	29.8	34.4	36.6	40.2	40.2	40.2	40.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	603.0	808.2	787.1	874.6	925.5	1,020.2	1,116.4
TOTAL ASSETS	847.9	1,225.7	1,246.6	1,352.1	1,401.4	1,489.1	1,585.3
SHAREHOLDERS EQUITY	356.0	372.7	404.0	418.6	458.2	515.8	585.4
MINORITY INTEREST	11.3	12.4	5.4	4.7	4.7	4.7	4.7
Long-term debt	79.4	341.0	343.2	340.2	340.2	340.2	340.2
Provisions for pensions and similar obligations	14.6	30.0	26.8	25.1	25.1	25.1	25.1
Other provisions	28.0	54.4	40.5	31.4	31.4	31.4	31.4
Non-current liabilities	122.0	425.4	410.5	396.7	396.7	396.7	396.7
short-term liabilities to banks	39.6	62.8	42.8	72.3	72.3	72.3	72.3
Accounts payable	177.0	205.0	210.0	270.0	274.2	298.9	319.9
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)	129.4	134.2	160.6	176.7	182.0	187.5	193.1
Deferred taxes	12.6	13.4	13.3	13.2	13.2	13.2	13.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	358.6	415.3	426.6	532.2	541.8	571.9	598.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	847.9	1,225.7	1,246.6	1,352.1	1,401.4	1,489.1	1,585.3

Balance sheet (common size)	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	24.5 %	24.1 %	24.2 %	23.1 %	22.5 %	20.9 %	19.6 %
Property, plant and equipment	4.4 %	8.1 %	10.8 %	9.8 %	9.1 %	8.4 %	7.9 %
Financial assets	0.0 %	1.9 %	1.8 %	2.4 %	2.3 %	2.2 %	2.0 %
FIXED ASSETS	28.9 %	34.1 %	36.9 %	35.3 %	34.0 %	31.5 %	29.6 %
Inventories	15.4 %	12.0 %	12.8 %	13.9 %	14.0 %	13.6 %	13.7 %
Accounts receivable	23.9 %	17.3 %	16.4 %	17.2 %	19.3 %	19.8 %	19.9 %
Other current assets	8.0 %	8.4 %	8.4 %	8.7 %	8.6 %	8.3 %	8.0 %
Liquid assets	20.3 %	25.5 %	22.6 %	21.9 %	21.3 %	24.1 %	26.3 %
Deferred taxes	3.5 %	2.8 %	2.9 %	3.0 %	2.9 %	2.7 %	2.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	71.1 %	65.9 %	63.1 %	64.7 %	66.0 %	68.5 %	70.4 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	42.0 %	30.4 %	32.4 %	31.0 %	32.7 %	34.6 %	36.9 %
MINORITY INTEREST	1.3 %	1.0 %	0.4 %	0.3 %	0.3 %	0.3 %	0.3 %
Long-term debt	9.4 %	27.8 %	27.5 %	25.2 %	24.3 %	22.8 %	21.5 %
Provisions for pensions and similar obligations	1.7 %	2.4 %	2.2 %	1.9 %	1.8 %	1.7 %	1.6 %
Other provisions	3.3 %	4.4 %	3.2 %	2.3 %	2.2 %	2.1 %	2.0 %
Non-current liabilities	14.4 %	34.7 %	32.9 %	29.3 %	28.3 %	26.6 %	25.0 %
short-term liabilities to banks	4.7 %	5.1 %	3.4 %	5.3 %	5.2 %	4.9 %	4.6 %
Accounts payable	20.9 %	16.7 %	16.8 %	20.0 %	19.6 %	20.1 %	20.2 %
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)	15.3 %	10.9 %	12.9 %	13.1 %	13.0 %	12.6 %	12.2 %
Deferred taxes	1.5 %	1.1 %	1.1 %	1.0 %	0.9 %	0.9 %	0.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	42.3 %	33.9 %	34.2 %	39.4 %	38.7 %	38.4 %	37.8 %
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)	2018	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	48.5	49.5	54.6	49.0	56.8	74.2	88.5
Depreciation of fixed assets (incl. leases)	29.9	49.9	30.9	63.6	35.9	37.2	36.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	30.5	0.0	29.0	29.0	25.0
Others	-17.7	3.7	-8.5	-1.8	0.0	0.0	0.0
Cash flow from operations before changes in w/c	60.7	103.1	107.5	110.8	121.7	140.4	150.2
Increase/decrease in inventory	-4.1	-16.0	-13.1	-27.5	-8.5	-6.5	-14.2
Increase/decrease in accounts receivable	-23.1	-30.0	41.4	-28.1	-37.8	-24.3	-20.6
Increase/decrease in accounts payable	2.1	49.7	5.0	60.0	4.3	24.7	20.9
Increase/decrease in other working capital positions	0.0	-23.5	0.0	-19.9	0.0	0.0	0.0
Increase/decrease in working capital	-25.1	-19.8	33.3	-15.5	-42.1	-6.2	-13.9
Cash flow from operating activities	35.5	83.4	140.8	95.3	79.6	134.2	136.4
CAPEX	25.1	27.1	33.9	47.0	55.8	59.2	61.7
Payments for acquisitions	39.6	27.2	41.0	13.9	7.5	0.0	0.0
Financial investments	-0.5	4.3	3.6	8.2	0.0	0.0	0.0
Income from asset disposals	1.1	2.9	1.3	2.8	0.0	0.0	0.0
Cash flow from investing activities	-63.1	-55.7	-77.2	-66.3	-63.3	-59.2	-61.7
Cash flow before financing	-27.6	27.7	63.6	29.0	16.3	74.9	74.7
Increase/decrease in debt position	1.2	128.1	-40.9	28.8	0.0	0.0	0.0
Purchase of own shares	0.0	14.6	12.2	20.6	0.0	0.0	0.0
Capital measures	2.2	0.0	1.4	0.0	0.0	0.0	0.0
Dividends paid	8.3	10.6	0.0	19.2	14.7	14.2	16.3
Others	-15.9	-19.1	-14.1	-9.3	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.3	1.1	-8.1	4.3	0.0	0.0	0.0
Cash flow from financing activities	-20.9	83.8	-65.8	-20.2	-14.7	-14.2	-16.3
Increase/decrease in liquid assets	-48.2	112.6	-10.2	13.0	1.6	60.7	58.3
Liquid assets at end of period	171.8	312.3	281.9	296.5	298.1	358.9	417.2

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Domestic	98.4	102.2	106.7	107.4	114.4	124.7	133.4
yoy change	-9.1 %	3.8 %	4.4 %	0.7 %	6.6 %	9.0 %	7.0 %
Rest of Europe	300.0	336.9	373.9	393.2	433.3	472.3	505.3
yoy change	23.6 %	12.3 %	11.0 %	5.2 %	10.2 %	9.0 %	7.0 %
NAFTA	133.2	152.7	178.2	197.3	195.9	213.5	228.5
yoy change	0.8 %	14.7 %	16.7 %	10.7 %	-0.7 %	9.0 %	7.0 %
Asia Pacific	n/a	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	459.4	531.1	596.0	644.1	686.4	748.2	800.5
yoy change	15.2 %	15.6 %	12.2 %	8.1 %	6.6 %	9.0 %	7.0 %
TTL	990.9	1,122.9	1,254.8	1,342.0	1,430.0	1,558.7	1,667.8
yoy change	12.3 %	13.3 %	11.7 %	6.9 %	6.6 %	9.0 %	7.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
P&L growth analysis							
Sales growth	12.3 %	13.3 %	11.7 %	6.9 %	6.6 %	9.0 %	7.0 %
EBITDA growth	33.0 %	23.4 %	43.6 %	13.0 %	4.5 %	27.8 %	38.1 %
EBIT growth	47.3 %	0.4 %	11.5 %	1.5 %	3.5 %	51.8 %	77.5 %
EPS growth	58.9 %	9.2 %	25.7 %	-0.1 %	4.3 %	57.0 %	56.0 %
Efficiency							
Total operating costs / sales	92.4 %	91.4 %	91.0 %	92.2 %	91.6 %	90.7 %	89.8 %
Sales per employee	254.1	259.8	242.1	254.4	231.9	248.7	263.4
EBITDA per employee	23.2	25.9	25.1	23.9	22.0	25.7	29.6
Balance sheet analysis							
Avg. working capital / sales	14.0 %	13.8 %	12.4 %	11.3 %	12.1 %	11.2 %	12.1 %
Inventory turnover (sales/inventory)	7.6	7.7	7.8	7.2	7.3	7.7	7.7
Trade debtors in days of sales	74.6	69.0	59.5	63.3	69.0	69.0	69.0
A/P turnover [(A/P*365)/sales]	65.2	66.6	61.1	73.4	70.0	70.0	70.0
Cash conversion cycle (days)	48.5	39.2	36.6	27.8	37.4	33.1	33.0
Cash flow analysis							
Free cash flow	10.4	56.3	106.9	48.3	23.8	74.9	74.7
Free cash flow/sales	1.1 %	5.0 %	8.5 %	3.6 %	1.7 %	4.8 %	4.5 %
FCF / net profit	23.2 %	114.6 %	192.2 %	100.1 %	42.0 %	101.1 %	84.3 %
Capex / deprn	82.3 %	62.9 %	61.2 %	86.7 %	85.9 %	89.5 %	100.0 %
Capex / maintenance capex	n/a	74.6 %	114.5 %	111.3 %	96.9 %	103.6 %	118.9 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-52.7	91.5	104.1	116.0	114.4	53.6	-4.7
Net Debt/EBITDA	0.0	0.8	0.8	0.9	0.8	0.3	0.0
Net debt / equity	neg.	0.2	0.3	0.3	0.2	0.1	neg.
Interest cover	10.0	6.9	7.4	6.2	7.5	10.0	13.3
Dividend payout ratio	23.5 %	0.0 %	35.7 %	30.5 %	25.0 %	22.0 %	22.0 %
Asset utilisation							
Capital employed turnover	1.9	1.3	1.5	1.5	1.5	1.6	1.6
Operating assets turnover	5.1	4.4	4.3	4.8	4.5	4.8	4.9
Plant turnover	26.7	11.3	9.3	10.1	11.2	12.5	13.3
Inventory turnover (sales/inventory)	7.6	7.7	7.8	7.2	7.3	7.7	7.7
Returns							
ROCE	11.9 %	8.8 %	9.9 %	7.1 %	7.9 %	10.1 %	12.6 %
ROE	12.6 %	13.2 %	13.8 %	11.5 %	12.4 %	14.4 %	15.1 %
Other							
Interest paid / avg. debt	5.3 %	3.4 %	3.7 %	2.5 %	2.4 %	2.3 %	2.3 %
No. employees (average)	3900	4322	5184	5275	6168	6268	6331
Number of shares	66.1	66.1	65.0	65.0	63.6	63.6	63.6
DPS	0.2	0.0	0.3	0.2	0.2	0.3	0.3
EPS reported	0.68	0.74	0.86	0.74	0.89	1.17	1.39
Valuation ratios							
P/BV	2.6	2.5	2.3	2.2	1.9	1.7	1.5
EV/sales	0.9	0.9	0.8	0.8	0.7	0.6	0.5
EV/EBITDA	9.8	9.4	8.1	8.4	7.6	6.0	4.9
EV/EBITA	14.4	12.2	10.7	11.6	10.3	7.8	6.0
EV/EBIT	14.4	16.9	15.4	17.0	14.5	10.2	7.2
EV/FCF	85.0	18.6	9.9	22.1	43.2	12.9	12.2
Adjusted FCF yield	7.4 %	8.1 %	9.1 %	8.7 %	9.9 %	12.5 %	14.8 %
Dividend yield	1.1 %	0.0 %	2.1 %	1.6 %	1.6 %	1.8 %	2.2 %

Source: Company data, Hauck Aufhäuser Investment Banking

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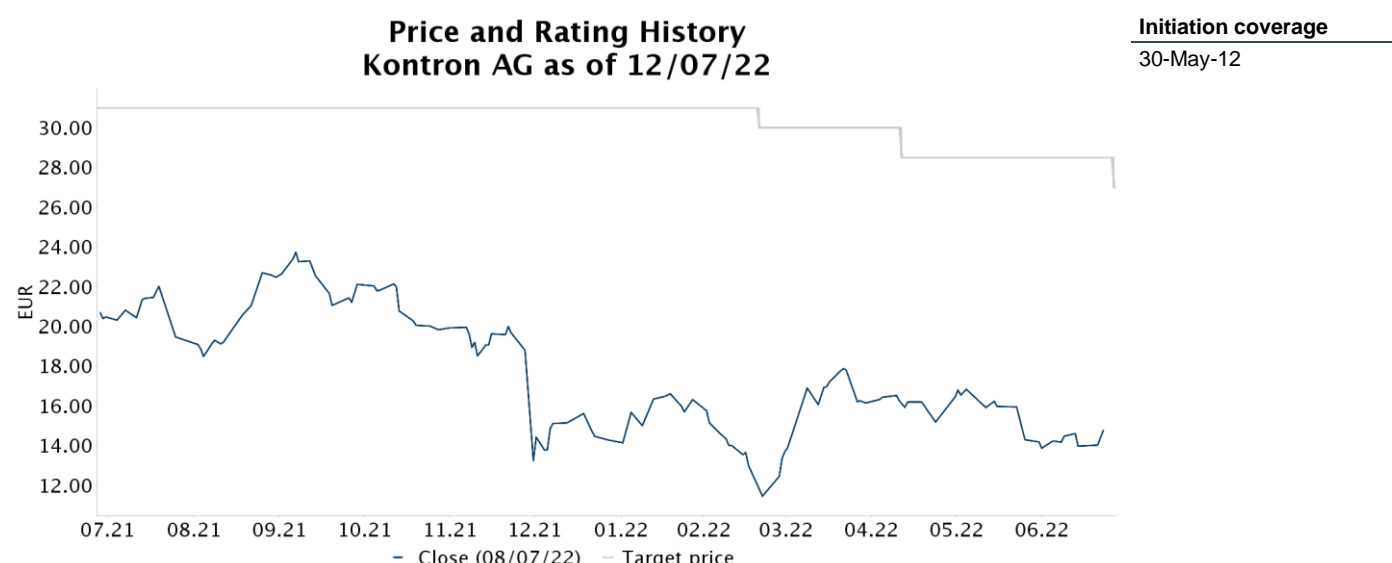
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Company	Disclosure
Kontron AG	

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



Company	Date	Analyst	Rating	Target price	Close
Kontron AG	17.05.2022	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 16,80
	28.04.2022	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 15,93
	05.04.2022	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 17,77
	22.03.2022	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 13,90
	09.03.2022	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 11,46

15.02.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 16,32
01.02.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 16,48
26.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 15,01
18.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,66
11.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,47
10.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,47
03.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 15,62
24.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 15,12
23.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 15,12
22.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,85
20.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 13,78
17.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,43
10.11.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 20,02
26.10.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,82
12.10.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,22
10.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 22,70
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
06.08.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 22,02
03.08.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,46

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Buy	78.66 %	96.55 %
Sell	3.66 %	0.00 %
Hold	17.68 %	3.45 %

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