

Kontron AG

Austria - IT Services



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 30.00 (old: EUR 30.00)

Price:	EUR 19.76	Next result:	Q4'23: tba
Bloomberg:	KTN GR	Market cap:	EUR 1,317.2 m
Reuters:	KTN.DE	Enterprise Value:	EUR 1,180.6 m

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Q3 net income ahead of expectations; FY guidance increased

Topic: Kontron released strong Q3 results this morning, delivering a beat on the bottom-line. Having generated net income of c. € 55m as of 9M'23 ahead of the seasonally strong Q4, it is no surprise that management chose to **raise its FY'23E guidance**, now expecting to achieve net income of above € 72m vs. € 66m before, which is slightly ahead of expectations (€ 72m both eHAIB / eCons). It is the second guidance hike this year, **highlighting strong execution**. It also reveals the more dynamic growth and stronger earnings profile of the now focused group post the IT services divestment. See next page for the quarterly table. Key highlights from the release:

- **Q3 sales rose by 14% yoy to € 300m**, in-line with eHAIB of € 301m and eCons of € 299m. Organic growth was 6% yoy vs. 7-9% expected, given a higher M&A contribution of c. € 30m versus € 15-20m expected, while Kontron discontinued / divested some € 6m of sales in Eastern Europe. Best performer was Software + Solutions (+42% yoy to € 56m), helped by M&A as well as strong demand in Transportation (ie high-speed trains) and for susietec software. Despite the Avionics recovery, segment Global was a weak spot (-7% yoy to € 49m) due to USD softness and muted demand in China amidst weak macro. Segment Europe performed well (+14% yoy to € 195m) thanks to M&A and brisk demand from smart factories and defense.
- **Q3 order intake arrived at € 356m** for a book-to-bill of 1.2x, well ahead of expectations (eHAIB: € 310m). Bookings were particularly strong across end-markets Avionics, Defense and Transportation, with segment Software + Solutions showing a Q3 b-t-b of 1.6x, while Global struggled (0.65x b-t-b) due to soft macro in China. The group backlog rose to € 1.66bn (+13% vs end of 2022), **providing visibility into 2024E**.
- **Q3 net income more than doubled yoy to € 19.0m**, beating even our € 18.0m expectation, which was already well ahead of the € 16.4m expected by eCons. **Dynamic Q3 bottom-line growth mostly reflects favourable mix effects** due to the growing share of software and transportation sales. The Q3 gross margin improved by 4.3pp yoy to 41.4%, overcompensating for diseconomies of scale, which should relate to the dilutive impact of M&A deals pre-synergies. Higher other operating income of € 3.7m also delivered a c. 0.7pp margin boost. The profitability contribution from M&A should have been relatively small, in our view.

Cash flow was another highlight, arriving at € +34m in 9M'23 vs. € -65m a year ago, helped by a normalization of inventory turn and receivables collection vs a year ago.

A CC will be held today at 9:00 am CET. **Reiterate Buy with a € 30.00 PT based on DCF. Continued**

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	128.3	143.7	163.1
EBIT	61.8	68.6	40.1	-2.0	82.9	96.8	116.1
Net income	49.1	55.6	48.3	232.5	72.0	85.5	102.9
Net debt	91.5	104.1	116.0	-65.6	-156.5	-198.9	-205.6
EPS pro forma	0.74	0.84	0.45	-0.19	1.13	1.34	1.62
CPS	0.88	1.67	0.87	-0.15	1.15	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 %	39.5 %	39.1 %	39.2 %
EBITDA margin	9.9 %	10.4 %	9.0 %	6.4 %	10.7 %	10.3 %	10.6 %
EBIT margin	5.5 %	5.5 %	4.0 %	-0.2 %	6.9 %	6.9 %	7.5 %
ROCE	8.8 %	9.9 %	4.5 %	-0.2 %	9.0 %	9.5 %	11.7 %
EV/EBITDA	13.3	11.5	16.8	18.2	9.2	7.9	6.9
EV/EBIT	24.1	21.9	37.7	-630.7	14.2	11.8	9.7
PER	27.9	24.6	45.9	-107.5	18.3	15.4	12.8
Adjusted FCF yield	5.6 %	6.4 %	3.4 %	1.3 %	7.8 %	9.1 %	10.7 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 02.11.2023



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 20.78 / 14.30
Price/Book Ratio: 2.1
Relative performance (TecDAX):
 3 months 5.6 %
 6 months 24.7 %
 12 months 36.0 %

Changes in estimates

		Sales	EBIT	EPS
2023	old:	1,201.0	82.9	1.13
	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 €) 9.5
 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	Q3'23	Q3'23 est	Q3'23 cons.	Q3'22	yoy	Q2'23	qoq	9M'23	9M'22	yoy
Sales	300	301	299	262	14%	283	6%	861	755	14%
EBITDA	34.9	32.0	31.2	20.0	75%	31.3	11%	95.9	69.5	38%
EBITDA margin	11.6%	10.6%	10.4%	7.6%	+ 4.0 pp	11.1%	+ 0.6 pp	11.1%	9.2%	+ 1.9 pp
Net income	19.0	18.0	16.4	8.5	106%	17.5	0%	54.6	24.3	125%
Net margin	5.8%	6.0%	5.5%	3.2%	+ 2.6 pp	6.2%	- 0.3 pp	6.3%	3.2%	+ 3.1 pp

Source: HAIB, Company data. Continued operations only

Note: the Q3'22 net income figure differs from our preview due to a change in accounting for continued / discontinued operations

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	8.0	7.0	7.7
Material expenses	715.4	799.0	644.7	726.6	734.2	858.1	950.0
Personnel expenses	245.2	273.3	237.6	258.8	278.8	319.5	352.5
Other operating expenses	74.2	78.8	66.5	83.8	80.5	94.9	103.6
Total operating expenses	1,026.7	1,142.4	934.1	1,049.5	1,085.3	1,265.5	1,398.4
EBITDA	111.7	130.0	90.1	70.0	128.3	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	102.4	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	82.9	96.8	116.1
Interest income	1.3	1.6	1.4	1.4	6.7	6.9	7.2
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	-1.0	0.4	0.8
Recurring pretax income from continuing operations	54.1	60.7	32.4	-10.7	81.9	97.2	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	81.9	97.2	116.9
Taxes	4.6	6.1	2.0	2.2	9.8	11.7	14.0
Net income from continuing operations	49.5	54.6	30.5	-12.8	72.0	85.5	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	72.0	85.5	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	72.0	85.5	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	1.13	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 %	61.1 %	61.5 %	61.5 %
Personnel expenses	21.8 %	21.8 %	23.7 %	23.6 %	23.2 %	22.9 %	22.8 %
Other operating expenses	6.6 %	6.3 %	6.6 %	7.6 %	6.7 %	6.8 %	6.7 %
Total operating expenses	91.4 %	91.0 %	93.1 %	95.7 %	90.4 %	90.7 %	90.5 %
EBITDA	9.9 %	10.4 %	9.0 %	6.4 %	10.7 %	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.	8.5 %	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.	6.9 %	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.	6.8 %	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.	6.8 %	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.	6.0 %	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 %	6.0 %	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 %	6.0 %	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	451.5	473.9	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	986.6	1,072.6	1,155.4
TOTAL ASSETS	1,225.7	1,246.6	1,352.1	1,440.9	1,360.6	1,431.4	1,522.9
SHAREHOLDERS EQUITY	372.7	404.0	418.6	633.8	605.9	651.7	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	1,360.6	1,431.4	1,522.9

Balance sheet (common size)	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	24.1 %	24.2 %	23.1 %	18.2 %	19.2 %	18.0 %	17.1 %
Property, plant and equipment	8.1 %	10.8 %	9.8 %	6.6 %	6.0 %	4.8 %	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 %	27.5 %	25.1 %	24.1 %
Inventories	12.0 %	12.8 %	13.9 %	13.4 %	15.5 %	17.1 %	19.5 %
Accounts receivable	17.3 %	16.4 %	15.8 %	10.3 %	11.9 %	13.2 %	13.7 %
Other current assets	8.4 %	8.4 %	10.1 %	8.7 %	9.5 %	9.2 %	8.9 %
Liquid assets	25.5 %	22.6 %	21.9 %	30.4 %	33.2 %	33.1 %	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 %	72.5 %	74.9 %	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 %	44.5 %	45.5 %	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 %	19.8 %	18.2 %	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 %	23.3 %	21.4 %	20.1 %
short-term liabilities to banks	5.1 %	3.4 %	5.3 %	8.7 %	1.8 %	1.0 %	1.0 %
Accounts payable	16.7 %	16.8 %	20.0 %	15.7 %	18.3 %	20.2 %	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 %	11.4 %	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 %	32.2 %	33.0 %	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	72.0	85.5	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	117.4	132.4	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	107.3	112.3	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	154.5	80.7	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	13.7	22.5	14.4
Liquid assets at end of period	312.3	281.9	296.5	437.8	451.5	473.9	488.3

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 %	42.4 %	105.3 %	27.2 %
EBIT growth	0.4 %	11.5 %	-35.1 %	-102.9 %	106.8 %	-	40.1 %
EPS growth	9.2 %	25.7 %	-0.1 %	327.0 %	52.5 %	-63.2 %	42.8 %
Efficiency							
Total operating costs / sales	91.4 %	91.0 %	93.1 %	95.7 %	90.4 %	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	28.3	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	30.5	30.7	40.7
Cash flow analysis							
Free cash flow	56.3	106.9	48.3	4.0	61.7	60.7	52.5
Free cash flow/sales	5.0 %	8.5 %	4.8 %	0.4 %	5.1 %	4.3 %	3.4 %
FCF / net profit	114.6 %	192.2 %	100.1 %	1.7 %	85.6 %	70.9 %	51.1 %
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	-156.5	-198.9	-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	10.8	14.8	18.4
Dividend payout ratio	0.0 %	35.7 %	47.9 %	27.4 %	53.0 %	44.6 %	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 %	9.0 %	9.5 %	11.7 %
ROE	13.2 %	13.8 %	11.5 %	36.7 %	11.9 %	13.1 %	14.6 %
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	1.13	1.34	1.62
Valuation ratios							
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	9.2	7.9	6.9
EV/EBITA	17.4	15.1	37.7	-630.7	11.5	9.8	8.3
EV/EBIT	24.1	21.9	37.7	-630.7	14.2	11.8	9.7
EV/FCF	26.5	14.0	31.3	321.6	19.1	18.8	21.5
Adjusted FCF yield	5.6 %	6.4 %	3.4 %	1.3 %	7.8 %	9.1 %	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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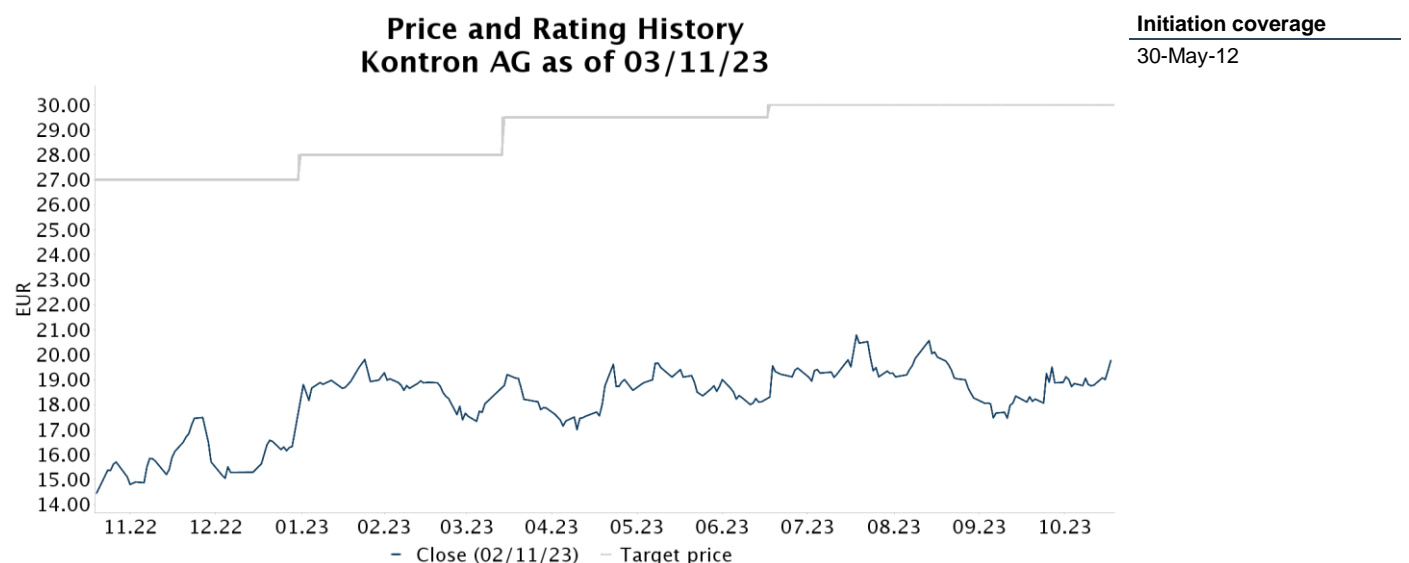
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Company	Disclosure
Kontron AG	

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



Company	Date	Analyst	Rating	Target price	Close
Kontron AG	30.10.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 19,07
	12.10.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 19,50
	25.09.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 17,69
	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
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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Buy	74.43 %	90.91 %
Sell	4.55 %	0.00 %
Hold	21.02 %	9.09 %

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