

|  |  |   |  |
|--|--|---|--|
| <b>Buy</b><br><b>EUR 48.00</b> (EUR 42.50)<br><br>Price <b>EUR 33.90</b><br><b>Upside 41.6 %</b> | <b>Value Indicators:</b> EUR<br>DCF: 48.09<br>FCF-Value Potential: 51.02   | <b>Warburg ESG Risk Score: 2.7</b><br>ESG Score (MSCI based): 3.0<br>Balance Sheet Score: 4.0<br>Market Liquidity Score: 1.0  | <b>Description:</b><br>Init provides hardware and software solutions to public transport companies worldwide   |
|  | <b>Market Snapshot:</b> EUR m<br>Market cap: 337.5<br>No. of shares (m): 10.0<br>EV: 363.8<br>Freefloat MC: 174.9<br>Ø Trad. Vol. (30d): 254.47 th | <b>Shareholders:</b><br>Freefloat: 51.81 %<br>Mr. & Mrs. Dr. G.Greschner: 42.58 %<br>Remaining board members: 4.71 %<br>Employee shares: 0.53 %<br>Own shares: 0.37 % | <b>Key Figures (WRe):</b> 2024e<br>Beta: 1.2<br>Price / Book: 2.7 x<br>Equity Ratio: 47 %<br>Net Fin. Debt / EBITDA: 0.4 x<br>Net Debt / EBITDA: 0.6 x |

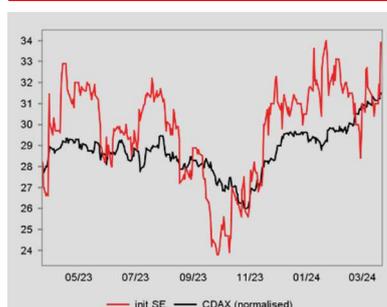
## Visibility of profitable growth is increasing

|   |        |        |        |      |   |       |        |      |  |
|---|--------|--------|--------|------|---|-------|--------|------|--|
| <b>Stated Figures Q4/2023:</b><br>FY End: 31.12. in EUR m |        |        |        |      | <b>Comment on Figures:</b><br><ul style="list-style-type: none"> <li>Q4 growth and profitability driven by strong after-sales and service business</li> <li>FY sales reached the midpoint of the EUR 200-220m target range</li> <li>EBIT margin down 1pp due to cost inflation but still within the EUR 20-25m guidance and above our estimate</li> </ul> |       |        |      |  |
|   | Q4 23  | Q4 23e | Q4 22  | yoy  | 23  | 23e   | 22     | yoy  |  |
| Sales   | 67.8   | 63.7   | 60.1   | 13 % | 210.8   | 206.7 | 191.3  | 10 % |  |
| EBIT  | 13.9   | 12.9   | 10.8   | 29 % | 21.0  | 20.0  | 21.0   | 0 %  |  |
| Margin  | 20.5 % | 20.3 % | 18.0 % |      | 10.0 %  | 9.7 % | 11.0 % |      |  |
| EPS   | 1.02   | 0.81   | 0.96   | 6 %  | 1.53  | 1.32  | 1.66   | -8 % |  |

Init has published solid figures for 2023, in line with the company's guidance and slightly above our estimates. Despite a weaker tender-market in the aftermath of the pandemic, the company was able to increase its top line by 10% to EUR 211m, which was at the midpoint of its guidance (EUR 200-220m) and above our estimate of EUR 207m. Growth was driven by the roll-out of the Houston project and a solid increase in demand from existing customers, especially in Germany, where revenue was up 33% yoy. EBIT of EUR 21m was in the lower half of the EUR 20-25m target range but slightly above our estimate of EUR 20m. The EBIT margin declined by 1pp to 10% despite a solid after-sales and service business, which increased its sales share from 57% to 60% due to cost inflation. Moreover, as business was Q4-heavy, accounts receivable were temporarily EUR 17m higher than last year, which significantly reduced operating cash flow to EUR 8m from EUR 24m last year.

For the current year, the company expects sales in the range of EUR 240-260m (WRe EUR 247m) and EBIT of EUR 24-28m (WRe EUR 29.1m). The accelerated growth rate of 14-23% is supported by the solid order backlog of EUR 175m, solid demand from existing customers and major milestones from the Houston project scheduled for the current year. The two largest orders in init's history, which the company recently received in Atlanta (USD 119m) and London (GBP 80m), will be booked in Q1 2024 and contribute to the top line between 2025 and 2028. In addition, both orders were accompanied by a 10-year maintenance contract with a total volume comparable to the initial order. These orders increase the visibility for profitable growth well beyond the current year. Moreover, init won these tenders against its main competitors Cubic (Atlanta) and Trapeze (London), which underpins its strong market position and supports our expectation that the company will benefit significantly from the current market recovery. We have adjusted our estimates for the current year in line with the guidance and increased our medium-term forecast. Our Buy recommendation is confirmed with an updated target price of EUR 48.

|   |             |        |             |       |             |       |  |  |  |
|---|-------------|--------|-------------|-------|-------------|-------|--|--|--|
| <b>Changes in Estimates:</b><br>FY End: 31.12. in EUR m |             |        |             |       |             |       | <b>Comment on Changes:</b><br><ul style="list-style-type: none"> <li>2024 sales forecast increased to reflect the high visibility provided by the solid order backlog</li> <li>2024 margin estimate reduced due to cost inflation and a lower gross margin from expected project milestones</li> <li>Outlook for 2025 and beyond increased to reflect the two record orders</li> </ul> |  |  |
|   | 2024e (old) | + / -  | 2025e (old) | + / - | 2026e (old) | + / - |  |  |  |
| Sales   | 246.8       | 3.0 %  | 289.2       | 2.2 % | n.a.        | n.m.  |  |  |  |
| EBIT  | 29.1        | -8.3 % | 37.0        | 1.4 % | n.a.        | n.m.  |  |  |  |
| EPS   | 1.88        | -7.4 % | 2.43        | 2.1 % | n.a.        | n.m.  |  |  |  |

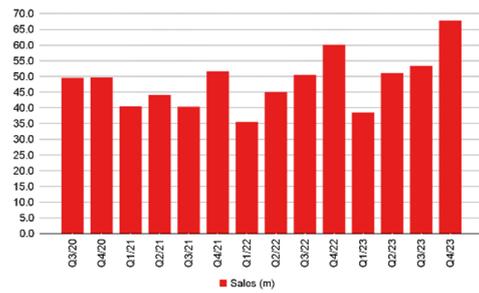


|                                  |        |
|----------------------------------|--------|
| <b>Rel. Performance vs CDAX:</b> |        |
| 1 month:                         | 5.9 %  |
| 6 months:                        | 25.1 % |
| Year to date:                    | 4.8 %  |
| Trailing 12 months:              | 6.0 %  |

|                        |     |
|------------------------|-----|
| <b>Company events:</b> |     |
| 15.05.24               | Q1  |
| 06.06.24               | AGM |
| 13.08.24               | Q2  |
| 13.11.24               | Q3  |

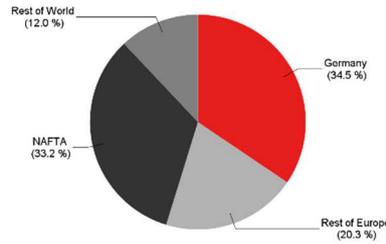
|  |        |                                       |        |        |        |        |        |        |
|--|--------|---------------------------------------|--------|--------|--------|--------|--------|--------|
| FY End: 31.12. in EUR m<br>CAGR (23-26e) |        | 2020                                  | 2021   | 2022   | 2023   | 2024e  | 2025e  | 2026e  |
| Sales                                    | 18.5 % | 180.7                                 | 176.7  | 191.3  | 210.8  | 254.3  | 295.4  | 351.1  |
| Change Sales yoy                         |        | 15.5 %                                | -2.2 % | 8.3 %  | 10.2 % | 20.6 % | 16.2 % | 18.9 % |
| Gross profit margin                      |        | 34.4 %                                | 35.5 % | 40.0 % | 38.1 % | 36.7 % | 37.5 % | 36.6 % |
| EBITDA                                   | 25.5 % | 28.9                                  | 27.4   | 31.2   | 32.3   | 39.2   | 51.4   | 63.8   |
| Margin                                   |        | 16.0 %                                | 15.5 % | 16.3 % | 15.3 % | 15.4 % | 17.4 % | 18.2 % |
| EBIT                                     | 31.4 % | 19.6                                  | 17.6   | 21.0   | 21.0   | 26.7   | 37.5   | 47.7   |
| Margin                                   |        | 10.9 %                                | 9.9 %  | 11.0 % | 10.0 % | 10.5 % | 12.7 % | 13.6 % |
| Net income                               | 27.7 % | 14.9                                  | 12.4   | 16.5   | 15.2   | 17.2   | 24.7   | 31.6   |
| EPS                                      | 27.8 % | 1.50                                  | 1.25   | 1.66   | 1.53   | 1.74   | 2.48   | 3.19   |
| EPS adj.                                 | 27.8 % | 1.50                                  | 1.25   | 1.66   | 1.53   | 1.74   | 2.48   | 3.19   |
| DPS                                      | 12.6 % | 0.55                                  | 0.55   | 0.70   | 0.70   | 0.75   | 0.85   | 1.00   |
| Dividend Yield                           |        | 2.0 %                                 | 1.4 %  | 2.7 %  | 2.4 %  | 2.2 %  | 2.5 %  | 2.9 %  |
| FCFPS                                    |        | 1.74                                  | 1.24   | 1.45   | -0.46  | 1.29   | 1.69   | 2.15   |
| FCF / Market cap                         |        | 6.3 %                                 | 3.1 %  | 5.7 %  | -1.6 % | 3.8 %  | 5.0 %  | 6.3 %  |
| EV / Sales                               |        | 1.7 x                                 | 2.3 x  | 1.4 x  | 1.5 x  | 1.4 x  | 1.2 x  | 1.0 x  |
| EV / EBITDA                              |        | 10.5 x                                | 14.9 x | 8.4 x  | 9.8 x  | 9.3 x  | 7.0 x  | 5.5 x  |
| EV / EBIT                                |        | 15.4 x                                | 23.2 x | 12.4 x | 15.0 x | 13.6 x | 9.6 x  | 7.3 x  |
| P / E                                    |        | 18.5 x                                | 31.6 x | 15.5 x | 18.9 x | 19.5 x | 13.7 x | 10.6 x |
| P / E adj.                               |        | 18.5 x                                | 31.6 x | 15.5 x | 18.9 x | 19.5 x | 13.7 x | 10.6 x |
| FCF Potential Yield                      |        | 7.3 %                                 | 5.0 %  | 9.3 %  | 7.9 %  | 7.6 %  | 10.1 % | 12.7 % |
| Net Debt                                 |        | 25.0                                  | 13.2   | 5.3    | 25.6   | 24.6   | 20.1   | 12.1   |
| ROCE (NOPAT)                             |        | 14.5 %                                | 11.4 % | 14.4 % | 12.3 % | 12.5 % | 16.8 % | 20.0 % |
| Guidance:                                |        | Sales: EUR 240-260m, EBIT: EUR 24-28m |        |        |        |        |        |        |

**Sales development**  
in EUR m



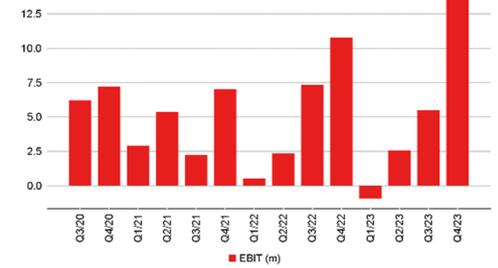
Source: Warburg Research

**Sales by regions**  
2023; in %



Source: Warburg Research

**EBIT development**  
in EUR m



Source: Warburg Research

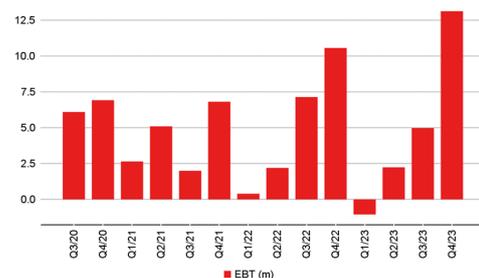
**Company Background**

- Init is a leading supplier of hardware and software solutions for public transportation and covers a vast part of the value creation of its customers.
- Founded in 1983 as a university spin-off, init provides its services to more than 700 customers worldwide with >25 subsidiaries and offices and >900 employees
- 55% of group sales are generated with new projects. The remaining 45% consists of recurring after-sales and service revenues, such as delivery, maintenance, follow-up orders and operational services.
- The product portfolio includes electronic ticketing (45% of sales), intermodal transport control systems (25%), automated passenger counting (20%) and timetable planning and dispatching (5%).

**Competitive Quality**

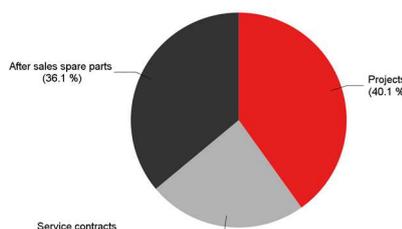
- Revenue growth is driven by structural mega-trends like smart city mobility concepts, urbanisation and growing environmental awareness.
- Focused business model with highly scalable modular platform solutions and low capex requirements
- Long-standing relationships with more than 700 customers worldwide yield significant cross-selling potential
- Large installed base includes >300 APC systems, >130 ICTS/RTPI, >120 personal assignment, >100 planning, and >130 ticketing systems, while >120,000 equipped vehicles generate a profitable stream of recurring revenues
- Deep integration into its clients' processes along the value chain creates significant switching costs for init's customers

**EBT development**  
in EUR m



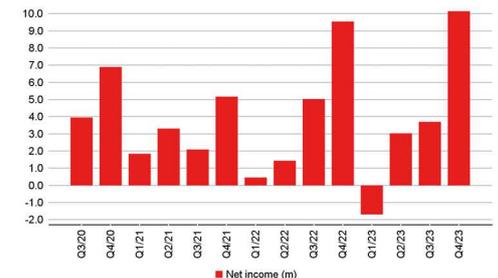
Source: Warburg Research

**Sales by segments**  
2023



Source: Warburg Research

**Net income development**  
in EUR m



Source: Warburg Research

## DCF model

| Figures in EUR m            | Detailed forecast period |        |        | Transitional period |        |        |        |        |        |        |        |        |        | Term. Value |
|-----------------------------|--------------------------|--------|--------|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------------|
|                             | 2024e                    | 2025e  | 2026e  | 2027e               | 2028e  | 2029e  | 2030e  | 2031e  | 2032e  | 2033e  | 2034e  | 2035e  | 2036e  |             |
| Sales                       | 254.3                    | 295.4  | 351.1  | 400.3               | 448.3  | 497.6  | 547.4  | 596.6  | 644.3  | 689.5  | 723.9  | 745.6  | 764.3  |             |
| Sales change                | 20.6 %                   | 16.2 % | 18.9 % | 14.0 %              | 12.0 % | 11.0 % | 10.0 % | 9.0 %  | 8.0 %  | 7.0 %  | 5.0 %  | 3.0 %  | 2.5 %  | 2.5 %       |
| EBIT                        | 26.7                     | 37.5   | 47.7   | 52.0                | 56.0   | 59.7   | 62.9   | 65.6   | 67.7   | 68.9   | 72.4   | 74.6   | 76.4   |             |
| EBIT-margin                 | 10.5 %                   | 12.7 % | 13.6 % | 13.0 %              | 12.5 % | 12.0 % | 11.5 % | 11.0 % | 10.5 % | 10.0 % | 10.0 % | 10.0 % | 10.0 % |             |
| Tax rate (EBT)              | 30.0 %                   | 30.0 % | 30.0 % | 30.0 %              | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % | 30.0 % |             |
| NOPAT                       | 18.7                     | 26.3   | 33.4   | 36.4                | 39.2   | 41.8   | 44.1   | 45.9   | 47.4   | 48.3   | 50.7   | 52.2   | 53.5   |             |
| Depreciation                | 12.5                     | 13.9   | 16.2   | 12.8                | 14.3   | 15.9   | 16.4   | 17.9   | 19.3   | 20.7   | 21.7   | 22.4   | 22.9   |             |
| in % of Sales               | 4.9 %                    | 4.7 %  | 4.6 %  | 3.2 %               | 3.2 %  | 3.2 %  | 3.0 %  | 3.0 %  | 3.0 %  | 3.0 %  | 3.0 %  | 3.0 %  | 3.0 %  |             |
| Changes in provisions       | 0.2                      | 0.2    | 0.2    | 1.2                 | 1.1    | 1.2    | 1.2    | 1.2    | 1.1    | 1.1    | 0.8    | 0.5    | 0.4    |             |
| Change in Liquidity from    |                          |        |        |                     |        |        |        |        |        |        |        |        |        |             |
| - Working Capital           | 5.0                      | 9.2    | 15.6   | 12.6                | 12.2   | 12.1   | 11.7   | 11.1   | 13.4   | 12.6   | 9.7    | 6.1    | 5.2    |             |
| - Capex                     | 13.2                     | 13.8   | 12.1   | 13.6                | 14.3   | 14.9   | 16.4   | 17.9   | 19.3   | 20.7   | 21.7   | 22.4   | 22.9   |             |
| Capex in % of Sales         | 5.2 %                    | 4.7 %  | 3.5 %  | 3.4 %               | 3.2 %  | 3.0 %  | 3.0 %  | 3.0 %  | 3.0 %  | 3.0 %  | 3.0 %  | 3.0 %  | 3.0 %  |             |
| - Other                     | 4.7                      | 4.7    | 4.7    | 0.0                 | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    | 0.0    |             |
| Free Cash Flow (WACC Model) | 8.5                      | 12.6   | 17.3   | 24.2                | 28.2   | 31.9   | 33.5   | 36.0   | 35.1   | 36.7   | 41.8   | 46.6   | 48.7   | 50          |
| PV of FCF                   | 8.0                      | 11.0   | 13.9   | 17.9                | 19.2   | 20.0   | 19.4   | 19.2   | 17.2   | 16.6   | 17.4   | 17.9   | 17.2   | 291         |
| share of PVs                | 6.51 %                   |        |        | 35.97 %             |        |        |        |        |        |        |        |        |        | 57.52 %     |

## Model parameter

|                          |               |                     |             |
|--------------------------|---------------|---------------------|-------------|
| Derivation of WACC:      |               | Derivation of Beta: |             |
| Debt ratio               | 9.00 %        | Financial Strength  | 1.20        |
| Cost of debt (after tax) | 2.8 %         | Liquidity (share)   | 1.30        |
| Market return            | 8.25 %        | Cyclicality         | 0.90        |
| Risk free rate           | 2.75 %        | Transparency        | 1.20        |
|                          |               | Others              | 1.20        |
| <b>WACC</b>              | <b>8.56 %</b> | <b>Beta</b>         | <b>1.16</b> |

## Valuation (m)

|                            |            |                              |              |
|----------------------------|------------|------------------------------|--------------|
| Present values 2036e       | 215        |                              |              |
| Terminal Value             | 291        |                              |              |
| Financial liabilities      | 45         |                              |              |
| Pension liabilities        | 8          |                              |              |
| Hybrid capital             | 0          |                              |              |
| Minority interest          | 2          |                              |              |
| Market val. of investments | 0          |                              |              |
| Liquidity                  | 27         | No. of shares (m)            | 10.0         |
| <b>Equity Value</b>        | <b>479</b> | <b>Value per share (EUR)</b> | <b>48.09</b> |

## Sensitivity Value per Share (EUR)

| Beta | WACC  | Terminal Growth |        |        |        |        |        |        | Beta | WACC  | Delta EBIT-margin |         |         |         |         |         |         |
|------|-------|-----------------|--------|--------|--------|--------|--------|--------|------|-------|-------------------|---------|---------|---------|---------|---------|---------|
|      |       | 1.75 %          | 2.00 % | 2.25 % | 2.50 % | 2.75 % | 3.00 % | 3.25 % |      |       | -1.5 pp           | -1.0 pp | -0.5 pp | +0.0 pp | +0.5 pp | +1.0 pp | +1.5 pp |
| 1.36 | 9.6 % | 37.70           | 38.37  | 39.08  | 39.85  | 40.67  | 41.55  | 42.50  | 1.36 | 9.6 % | 32.38             | 34.87   | 37.36   | 39.85   | 42.33   | 44.82   | 47.31   |
| 1.26 | 9.1 % | 41.03           | 41.84  | 42.71  | 43.64  | 44.65  | 45.75  | 46.93  | 1.26 | 9.1 % | 35.55             | 38.25   | 40.95   | 43.64   | 46.34   | 49.04   | 51.74   |
| 1.21 | 8.8 % | 42.88           | 43.77  | 44.74  | 45.78  | 46.90  | 48.12  | 49.46  | 1.21 | 8.8 % | 37.32             | 40.14   | 42.96   | 45.78   | 48.59   | 51.41   | 54.23   |
| 1.16 | 8.6 % | 44.87           | 45.86  | 46.93  | 48.09  | 49.35  | 50.72  | 52.22  | 1.16 | 8.6 % | 39.25             | 42.20   | 45.14   | 48.09   | 51.04   | 53.98   | 56.93   |
| 1.11 | 8.3 % | 47.02           | 48.12  | 49.31  | 50.61  | 52.02  | 53.57  | 55.26  | 1.11 | 8.3 % | 41.35             | 44.44   | 47.52   | 50.61   | 53.70   | 56.78   | 59.87   |
| 1.06 | 8.1 % | 49.35           | 50.57  | 51.91  | 53.36  | 54.95  | 56.70  | 58.63  | 1.06 | 8.1 % | 43.65             | 46.88   | 50.12   | 53.36   | 56.60   | 59.84   | 63.08   |
| 0.96 | 7.6 % | 54.62           | 56.16  | 57.85  | 59.70  | 61.75  | 64.02  | 66.55  | 0.96 | 7.6 % | 48.93             | 52.52   | 56.11   | 59.70   | 63.29   | 66.88   | 70.47   |

- The minority interest in CarMediaLab, TQA and SQM has not played a significant role in recent years
- To calculate the minorities, we multiplied the current book value with our target P/B 2022 of 4.0x
- Adjustments for the IFRS 16 effect are included in the "other" line
- Depreciation of usage rights is excluded from our D&A estimates in the transitional period

## Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

| in EUR m                                      | 2020          | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |              |
|---|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net Income before minorities                  | 14.9          | 12.4         | 16.5         | 15.2         | 17.2         | 24.7         | 31.6         |              |
| + Depreciation + Amortisation                 | 9.2           | 9.8          | 10.2         | 11.2         | 12.5         | 13.9         | 16.2         |              |
| - Net Interest Income                         | -0.9          | -1.0         | -0.7         | -1.7         | -2.1         | -2.3         | -2.5         |              |
| - Maintenance Capex                           | 2.9           | 2.8          | 3.1          | 3.4          | 4.1          | 4.7          | 5.6          |              |
| + Other                                       | 0.0           | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |              |
| <b>= Free Cash Flow Potential</b>             | <b>22.2</b>   | <b>20.5</b>  | <b>24.4</b>  | <b>24.8</b>  | <b>27.7</b>  | <b>36.1</b>  | <b>44.7</b>  |              |
| FCF Potential Yield (on market EV)            | 7.3 %         | 5.0 %        | 9.3 %        | 7.9 %        | 7.6 %        | 10.1 %       | 12.7 %       |              |
| WACC  | 8.56 %        | 8.56 %       | 8.56 %       | 8.56 %       | 8.56 %       | 8.56 %       | 8.56 %       |              |
| <b>= Enterprise Value (EV)</b>                | <b>302.5</b>  | <b>408.3</b> | <b>261.5</b> | <b>314.8</b> | <b>362.9</b> | <b>358.4</b> | <b>350.4</b> |              |
| <b>= Fair Enterprise Value</b>                | <b>259.4</b>  | <b>239.4</b> | <b>284.7</b> | <b>289.2</b> | <b>323.6</b> | <b>421.8</b> | <b>521.8</b> |              |
| - Net Debt (Cash)                             | 18.0          | 18.0         | 18.0         | 18.0         | 16.8         | 12.1         | 3.9          |              |
| - Pension Liabilities                         | 7.6           | 7.6          | 7.6          | 7.6          | 7.8          | 8.0          | 8.2          |              |
| - Other                                       | 0.0           | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |              |
| - Market value of minorities                  | 1.6           | 1.6          | 1.6          | 1.6          | 1.6          | 1.6          | 1.6          |              |
| + Market value of investments                 | 0.0           | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |              |
| <b>= Fair Market Capitalisation</b>           | <b>232.1</b>  | <b>212.1</b> | <b>257.4</b> | <b>261.9</b> | <b>297.4</b> | <b>400.0</b> | <b>508.0</b> |              |
| Number of shares, average                     | 10.0          | 10.0         | 9.9          | 9.9          | 9.9          | 9.9          | 9.9          |              |
| <b>= Fair value per share (EUR)</b>           | <b>23.31</b>  | <b>21.30</b> | <b>25.93</b> | <b>26.39</b> | <b>29.96</b> | <b>40.30</b> | <b>51.19</b> |              |
| premium (-) / discount (+) in %               |               |              |              |              | -11.6 %      | 18.9 %       | 51.0 %       |              |
| <b>Sensitivity Fair value per Share (EUR)</b> |               |              |              |              |              |              |              |              |
|   | 11.56 %       | 16.55        | 15.06        | 18.43        | 18.76        | 21.43        | 29.18        | 37.42        |
|   | 10.56 %       | 18.38        | 16.75        | 20.43        | 20.80        | 23.71        | 32.15        | 41.10        |
|   | 9.56 %        | 20.59        | 18.79        | 22.86        | 23.26        | 26.46        | 35.74        | 45.54        |
| WACC  | <b>8.56 %</b> | <b>23.31</b> | <b>21.30</b> | <b>25.93</b> | <b>26.39</b> | <b>29.96</b> | <b>40.30</b> | <b>51.19</b> |
|   | 7.56 %        | 26.76        | 24.48        | 29.63        | 30.14        | 34.16        | 45.78        | 57.95        |
|   | 6.56 %        | 31.26        | 28.63        | 34.56        | 35.15        | 39.77        | 53.09        | 67.00        |
|   | 5.56 %        | 37.37        | 34.27        | 41.27        | 41.97        | 47.40        | 63.03        | 79.29        |

- Maintenance capex is estimated at 1.6% of sales, reflecting low level of production equipment required
- The minority interest in iris, CarMediaLab, TQA and SQM has not played a significant role in recent years
- To calculate the minorities, we multiplied the current book value with our target P/B 2019 of 5.5x
- WACC is assumed at 7.4% consistent with cost of capital calculated in our DCF model

| Valuation                           | 2020   | 2021   | 2022   | 2023   | 2024e  | 2025e  | 2026e  |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|
| Price / Book                        | 3.1 x  | 3.8 x  | 2.2 x  | 2.4 x  | 2.7 x  | 2.4 x  | 2.1 x  |
| Book value per share ex intangibles | 5.97   | 7.36   | 8.44   | 8.27   | 8.47   | 9.43   | 11.28  |
| EV / Sales                          | 1.7 x  | 2.3 x  | 1.4 x  | 1.5 x  | 1.4 x  | 1.2 x  | 1.0 x  |
| EV / EBITDA                         | 10.5 x | 14.9 x | 8.4 x  | 9.8 x  | 9.3 x  | 7.0 x  | 5.5 x  |
| EV / EBIT                           | 15.4 x | 23.2 x | 12.4 x | 15.0 x | 13.6 x | 9.6 x  | 7.3 x  |
| EV / EBIT adj.*                     | 15.4 x | 23.2 x | 12.4 x | 15.0 x | 13.6 x | 9.6 x  | 7.3 x  |
| P / FCF                             | 16.0 x | 31.9 x | 17.7 x | n.a.   | 26.2 x | 20.0 x | 15.8 x |
| P / E                               | 18.5 x | 31.6 x | 15.5 x | 18.9 x | 19.5 x | 13.7 x | 10.6 x |
| P / E adj.*                         | 18.5 x | 31.6 x | 15.5 x | 18.9 x | 19.5 x | 13.7 x | 10.6 x |
| Dividend Yield                      | 2.0 %  | 1.4 %  | 2.7 %  | 2.4 %  | 2.2 %  | 2.5 %  | 2.9 %  |
| FCF Potential Yield (on market EV)  | 7.3 %  | 5.0 %  | 9.3 %  | 7.9 %  | 7.6 %  | 10.1 % | 12.7 % |

\*Adjustments made for: -

## Consolidated profit and loss

| In EUR m   | 2020          | 2021          | 2022          | 2023          | 2024e         | 2025e         | 2026e         |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Sales</b>                                     | <b>180.7</b>  | <b>176.7</b>  | <b>191.3</b>  | <b>210.8</b>  | <b>254.3</b>  | <b>295.4</b>  | <b>351.1</b>  |
| Change Sales yoy                                 | 15.5 %        | -2.2 %        | 8.3 %         | 10.2 %        | 20.6 %        | 16.2 %        | 18.9 %        |
| COGS   | 118.5         | 114.0         | 114.7         | 130.4         | 161.0         | 184.6         | 222.6         |
| <b>Gross profit</b>                              | <b>62.2</b>   | <b>62.7</b>   | <b>76.6</b>   | <b>80.4</b>   | <b>93.3</b>   | <b>110.8</b>  | <b>128.5</b>  |
| <i>Gross margin</i>                              | <i>34.4 %</i> | <i>35.5 %</i> | <i>40.0 %</i> | <i>38.1 %</i> | <i>36.7 %</i> | <i>37.5 %</i> | <i>36.6 %</i> |
| Research and development                         | 11.0          | 12.6          | 13.5          | 13.0          | 16.0          | 18.0          | 21.1          |
| Sales and marketing                              | 18.0          | 19.7          | 24.1          | 26.1          | 29.8          | 32.8          | 35.5          |
| Administration expenses                          | 16.8          | 17.4          | 20.4          | 23.4          | 24.4          | 26.3          | 28.4          |
| Other operating expenses                         | 0.3           | 0.4           | 1.6           | 0.4           | 0.8           | 0.9           | 1.1           |
| Other operating income                           | 3.5           | 4.9           | 4.1           | 3.6           | 4.3           | 4.7           | 5.3           |
| Unfrequent items                                 | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>EBITDA</b>                                    | <b>28.9</b>   | <b>27.4</b>   | <b>31.2</b>   | <b>32.3</b>   | <b>39.2</b>   | <b>51.4</b>   | <b>63.8</b>   |
| <i>Margin</i>                                    | <i>16.0 %</i> | <i>15.5 %</i> | <i>16.3 %</i> | <i>15.3 %</i> | <i>15.4 %</i> | <i>17.4 %</i> | <i>18.2 %</i> |
| Depreciation of fixed assets                     | 7.1           | 7.7           | 7.8           | 8.3           | 8.6           | 9.2           | 10.9          |
| <b>EBITA</b>                                     | <b>21.8</b>   | <b>19.7</b>   | <b>23.4</b>   | <b>24.0</b>   | <b>30.5</b>   | <b>42.2</b>   | <b>52.9</b>   |
| Amortisation of intangible assets                | 2.1           | 2.1           | 2.4           | 3.0           | 3.8           | 4.7           | 5.3           |
| Goodwill amortisation                            | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>EBIT</b>                                      | <b>19.6</b>   | <b>17.6</b>   | <b>21.0</b>   | <b>21.0</b>   | <b>26.7</b>   | <b>37.5</b>   | <b>47.7</b>   |
| <i>Margin</i>                                    | <i>10.9 %</i> | <i>9.9 %</i>  | <i>11.0 %</i> | <i>10.0 %</i> | <i>10.5 %</i> | <i>12.7 %</i> | <i>13.6 %</i> |
| <b>EBIT adj.</b>                                 | <b>19.6</b>   | <b>17.6</b>   | <b>21.0</b>   | <b>21.0</b>   | <b>26.7</b>   | <b>37.5</b>   | <b>47.7</b>   |
| Interest income                                  | 0.1           | 0.0           | 0.0           | 0.3           | 0.2           | 0.2           | 0.2           |
| Interest expenses                                | 1.0           | 1.0           | 0.8           | 2.0           | 2.3           | 2.5           | 2.7           |
| Other financial income (loss)                    | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>EBT</b>                                       | <b>18.7</b>   | <b>16.5</b>   | <b>20.3</b>   | <b>19.3</b>   | <b>24.6</b>   | <b>35.2</b>   | <b>45.2</b>   |
| <i>Margin</i>                                    | <i>10.4 %</i> | <i>9.4 %</i>  | <i>10.6 %</i> | <i>9.1 %</i>  | <i>9.7 %</i>  | <i>11.9 %</i> | <i>12.9 %</i> |
| Total taxes                                      | 3.8           | 4.1           | 3.8           | 4.1           | 7.4           | 10.6          | 13.5          |
| <b>Net income from continuing operations</b>     | <b>14.9</b>   | <b>12.4</b>   | <b>16.5</b>   | <b>15.2</b>   | <b>17.2</b>   | <b>24.7</b>   | <b>31.6</b>   |
| Income from discontinued operations (net of tax) | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Net income before minorities</b>              | <b>14.9</b>   | <b>12.4</b>   | <b>16.5</b>   | <b>15.2</b>   | <b>17.2</b>   | <b>24.7</b>   | <b>31.6</b>   |
| Minority interest                                | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           | 0.0           |
| <b>Net income</b>                                | <b>14.9</b>   | <b>12.4</b>   | <b>16.5</b>   | <b>15.2</b>   | <b>17.2</b>   | <b>24.7</b>   | <b>31.6</b>   |
| <i>Margin</i>                                    | <i>8.3 %</i>  | <i>7.0 %</i>  | <i>8.6 %</i>  | <i>7.2 %</i>  | <i>6.8 %</i>  | <i>8.3 %</i>  | <i>9.0 %</i>  |
| Number of shares, average                        | 10.0          | 10.0          | 9.9           | 9.9           | 9.9           | 9.9           | 9.9           |
| <b>EPS</b>                                       | <b>1.50</b>   | <b>1.25</b>   | <b>1.66</b>   | <b>1.53</b>   | <b>1.74</b>   | <b>2.48</b>   | <b>3.19</b>   |
| EPS adj.   | 1.50          | 1.25          | 1.66          | 1.53          | 1.74          | 2.48          | 3.19          |

\*Adjustments made for:

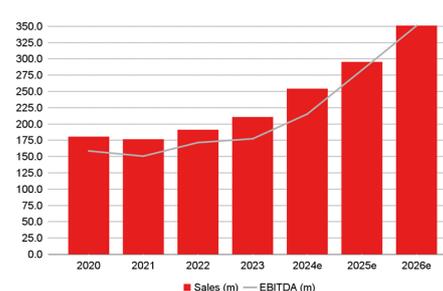
**Guidance: Sales: EUR 240-260m, EBIT: EUR 24-28m**

## Financial Ratios

|                               | 2020    | 2021    | 2022    | 2023    | 2024e   | 2025e   | 2026e   |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Total Operating Costs / Sales | 23.5 %  | 25.5 %  | 29.0 %  | 28.2 %  | 26.2 %  | 24.8 %  | 23.0 %  |
| Operating Leverage            | 1.4 x   | 4.8 x   | 2.4 x   | 0.0 x   | 1.3 x   | 2.5 x   | 1.4 x   |
| EBITDA / Interest expenses    | 28.9 x  | 26.2 x  | 41.6 x  | 16.0 x  | 17.3 x  | 20.6 x  | 23.5 x  |
| Tax rate (EBT)                | 20.2 %  | 24.8 %  | 18.6 %  | 21.4 %  | 30.0 %  | 30.0 %  | 30.0 %  |
| Dividend Payout Ratio         | 36.6 %  | 44.0 %  | 42.1 %  | 45.9 %  | 43.2 %  | 34.2 %  | 31.4 %  |
| Sales per Employee            | 179,056 | 167,449 | 181,282 | 199,811 | 223,188 | 240,055 | 264,184 |

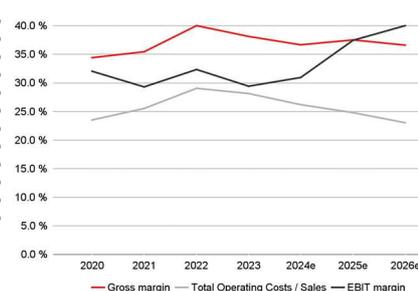
### Sales, EBITDA

in EUR m

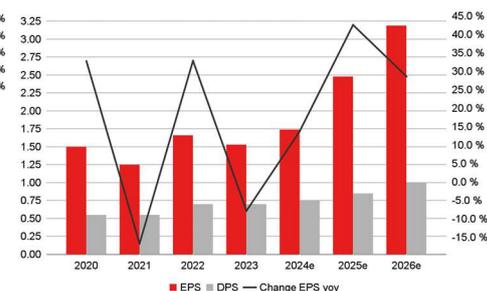


### Operating Performance

in %



### Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

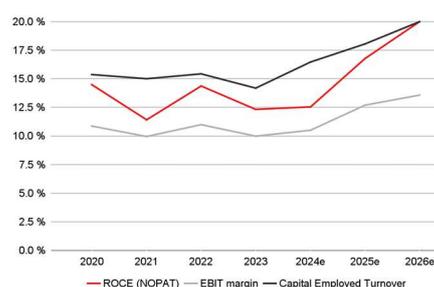
## Consolidated balance sheet

| In EUR m  | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Assets</b>   |              |              |              |              |              |              |              |
| Goodwill and other intangible assets                    | 31.1         | 29.3         | 32.5         | 38.0         | 42.8         | 46.8         | 48.1         |
| thereof other intangible assets                         | 18.6         | 16.8         | 17.3         | 15.8         | 20.6         | 24.6         | 25.9         |
| thereof Goodwill  | 12.5         | 12.5         | 12.5         | 12.5         | 12.5         | 12.5         | 12.5         |
| Property, plant and equipment                           | 57.4         | 55.7         | 65.0         | 64.1         | 64.7         | 65.2         | 64.6         |
| Financial assets  | 2.0          | 2.2          | 2.1          | 2.1          | 2.1          | 2.1          | 2.1          |
| Other long-term assets                                  | 3.1          | 3.3          | 3.5          | 3.6          | 3.6          | 3.6          | 3.6          |
| <b>Fixed assets</b>                                     | <b>93.5</b>  | <b>90.4</b>  | <b>103.2</b> | <b>107.8</b> | <b>113.2</b> | <b>117.8</b> | <b>118.4</b> |
| Inventories   | 32.6         | 34.3         | 42.1         | 49.3         | 50.9         | 53.7         | 61.6         |
| Accounts receivable                                     | 38.7         | 32.0         | 35.2         | 43.5         | 47.4         | 54.2         | 64.4         |
| Liquid assets   | 32.3         | 28.2         | 40.1         | 27.3         | 28.5         | 33.2         | 41.5         |
| Other short-term assets                                 | 29.6         | 31.9         | 25.1         | 32.6         | 32.6         | 32.6         | 32.6         |
| <b>Current assets</b>                                   | <b>133.2</b> | <b>126.5</b> | <b>142.5</b> | <b>152.7</b> | <b>159.4</b> | <b>173.7</b> | <b>200.1</b> |
| <b>Total Assets</b>                                     | <b>226.6</b> | <b>216.9</b> | <b>245.7</b> | <b>260.5</b> | <b>272.6</b> | <b>291.5</b> | <b>318.5</b> |
| <b>Liabilities and shareholders' equity</b>             |              |              |              |              |              |              |              |
| Subscribed capital                                      | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         | 10.0         |
| Capital reserve   | 6.6          | 7.6          | 6.6          | 6.9          | 6.9          | 6.9          | 6.9          |
| Retained earnings                                       | 80.3         | 87.3         | 98.4         | 106.2        | 116.5        | 133.7        | 156.8        |
| Other equity components                                 | -6.7         | -2.6         | 1.4          | -2.9         | -6.5         | -10.1        | -13.6        |
| Shareholders' equity                                    | 90.3         | 102.4        | 116.4        | 120.2        | 126.9        | 140.5        | 160.1        |
| Minority interest                                       | 0.2          | 0.2          | 0.2          | 0.4          | 0.4          | 0.4          | 0.4          |
| <b>Total equity</b>                                     | <b>90.5</b>  | <b>102.6</b> | <b>116.6</b> | <b>120.6</b> | <b>127.3</b> | <b>140.9</b> | <b>160.5</b> |
| Provisions  | 25.8         | 21.8         | 16.3         | 13.4         | 13.6         | 13.8         | 14.0         |
| thereof provisions for pensions and similar obligations | 11.8         | 10.8         | 7.3          | 7.6          | 7.8          | 8.0          | 8.2          |
| Financial liabilities (total)                           | 45.5         | 30.6         | 38.0         | 45.3         | 45.3         | 45.3         | 45.3         |
| Short-term financial liabilities                        | 17.5         | 14.1         | 18.5         | 19.7         | 19.7         | 19.7         | 19.7         |
| Accounts payable  | 7.5          | 6.9          | 9.7          | 12.0         | 12.5         | 12.9         | 15.4         |
| Other liabilities                                       | 57.2         | 55.0         | 65.1         | 69.3         | 73.9         | 78.6         | 83.3         |
| <b>Liabilities</b>                                      | <b>136.1</b> | <b>114.3</b> | <b>129.2</b> | <b>139.9</b> | <b>145.3</b> | <b>150.6</b> | <b>158.0</b> |
| <b>Total liabilities and shareholders' equity</b>       | <b>226.6</b> | <b>216.9</b> | <b>245.7</b> | <b>260.5</b> | <b>272.6</b> | <b>291.5</b> | <b>318.5</b> |

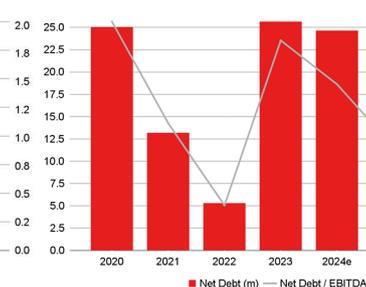
## Financial Ratios

|   | 2020   | 2021   | 2022   | 2023   | 2024e  | 2025e  | 2026e  |
|---|--------|--------|--------|--------|--------|--------|--------|
| <b>Efficiency of Capital Employment</b> |        |        |        |        |        |        |        |
| Operating Assets Turnover               | 1.5 x  | 1.6 x  | 1.5 x  | 1.5 x  | 1.7 x  | 1.9 x  | 2.0 x  |
| Capital Employed Turnover               | 1.6 x  | 1.5 x  | 1.6 x  | 1.4 x  | 1.7 x  | 1.8 x  | 2.0 x  |
| ROA                                     | 16.0 % | 13.7 % | 16.0 % | 14.1 % | 15.2 % | 20.9 % | 26.7 % |
| <b>Return on Capital</b>                |        |        |        |        |        |        |        |
| ROCE (NOPAT)                            | 14.5 % | 11.4 % | 14.4 % | 12.3 % | 12.5 % | 16.8 % | 20.0 % |
| ROE                                     | 17.0 % | 12.9 % | 15.1 % | 12.8 % | 14.0 % | 18.4 % | 21.0 % |
| Adj. ROE                                | 17.0 % | 12.9 % | 15.1 % | 12.8 % | 14.0 % | 18.4 % | 21.0 % |
| <b>Balance sheet quality</b>            |        |        |        |        |        |        |        |
| Net Debt                                | 25.0   | 13.2   | 5.3    | 25.6   | 24.6   | 20.1   | 12.1   |
| Net Financial Debt                      | 13.3   | 2.4    | -2.0   | 18.0   | 16.8   | 12.1   | 3.9    |
| Net Gearing                             | 27.7 % | 12.8 % | 4.5 %  | 21.3 % | 19.4 % | 14.3 % | 7.5 %  |
| Net Fin. Debt / EBITDA                  | 45.9 % | 8.6 %  | n.a.   | 55.8 % | 42.9 % | 23.6 % | 6.1 %  |
| Book Value / Share                      | 9.1    | 10.3   | 11.7   | 12.1   | 12.8   | 14.1   | 16.1   |
| Book value per share ex intangibles     | 6.0    | 7.4    | 8.4    | 8.3    | 8.5    | 9.4    | 11.3   |

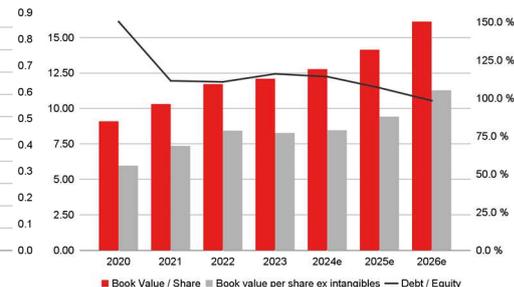
## ROCE Development



## Net debt in EUR m



## Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

## Consolidated cash flow statement

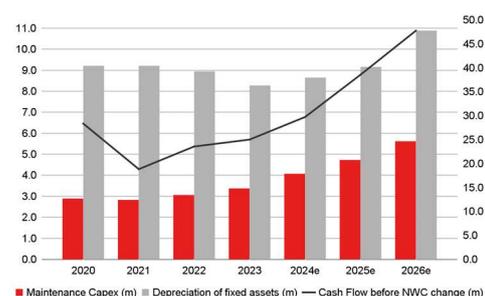
| In EUR m   | 2020         | 2021         | 2022         | 2023         | 2024e        | 2025e        | 2026e        |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Net income   | 14.9         | 12.4         | 16.5         | 15.2         | 17.2         | 24.7         | 31.6         |
| Depreciation of fixed assets                           | 9.2          | 9.2          | 8.9          | 8.3          | 8.6          | 9.2          | 10.9         |
| Amortisation of goodwill                               | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          | 0.0          |
| Amortisation of intangible assets                      | 2.1          | 2.1          | 2.4          | 3.0          | 3.8          | 4.7          | 5.3          |
| Increase/decrease in long-term provisions              | 2.7          | -4.3         | -5.7         | -2.9         | 0.2          | 0.2          | 0.2          |
| Other non-cash income and expenses                     | -0.7         | -0.7         | 1.4          | 1.6          | -0.2         | -0.2         | -0.2         |
| <b>Cash Flow before NWC change</b>                     | <b>28.3</b>  | <b>18.8</b>  | <b>23.5</b>  | <b>25.0</b>  | <b>29.7</b>  | <b>38.5</b>  | <b>47.8</b>  |
| Increase / decrease in inventory                       | -4.1         | -0.7         | -7.1         | -7.8         | -1.6         | -2.8         | -7.9         |
| Increase / decrease in accounts receivable             | 1.7          | 11.3         | 5.9          | -16.6        | -3.9         | -6.8         | -10.2        |
| Increase / decrease in accounts payable                | -0.5         | -9.7         | 2.6          | 3.0          | 0.5          | 0.4          | 2.5          |
| Increase / decrease in other working capital positions | -1.0         | -3.7         | -0.6         | 4.3          | 1.3          | 1.3          | 1.3          |
| Increase / decrease in working capital (total)         | -3.9         | -2.8         | 0.9          | -17.1        | -3.7         | -7.9         | -14.3        |
| <b>Net cash provided by operating activities [1]</b>   | <b>24.4</b>  | <b>16.0</b>  | <b>24.4</b>  | <b>8.0</b>   | <b>26.0</b>  | <b>30.6</b>  | <b>33.5</b>  |
| Investments in intangible assets                       | -1.6         | -1.6         | -5.6         | -8.4         | -8.6         | -8.8         | -6.5         |
| Investments in property, plant and equipment           | -5.5         | -2.1         | -16.6        | -7.8         | -9.3         | -9.7         | -10.3        |
| Payments for acquisitions                              | -7.8         | 0.0          | -1.1         | -1.1         | 0.0          | 0.0          | 0.0          |
| Financial investments                                  | 0.0          | 0.0          | -0.2         | -0.1         | 0.0          | 0.0          | 0.0          |
| Income from asset disposals                            | 0.3          | 0.3          | 0.3          | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>Net cash provided by investing activities [2]</b>   | <b>-14.6</b> | <b>-3.4</b>  | <b>-10.5</b> | <b>-13.5</b> | <b>-13.2</b> | <b>-13.8</b> | <b>-12.1</b> |
| Change in financial liabilities                        | 7.4          | -8.1         | 8.6          | 7.3          | 0.0          | 0.0          | 0.0          |
| Dividends paid   | -4.0         | -5.5         | -5.5         | -6.9         | -7.0         | -7.4         | -8.4         |
| Purchase of own shares                                 | -2.2         | -0.7         | -1.8         | -2.7         | 0.0          | 0.0          | 0.0          |
| Capital measures                                       | 0.0          | 0.0          | 0.0          | 0.2          | 0.0          | 0.0          | 0.0          |
| Other  | -3.9         | -3.5         | -3.5         | -4.7         | -4.7         | -4.7         | -4.7         |
| <b>Net cash provided by financing activities [3]</b>   | <b>-2.8</b>  | <b>-17.7</b> | <b>-2.2</b>  | <b>-6.8</b>  | <b>-11.6</b> | <b>-12.1</b> | <b>-13.1</b> |
| <b>Change in liquid funds [1]+[2]+[3]</b>              | <b>7.0</b>   | <b>-5.1</b>  | <b>11.6</b>  | <b>-12.3</b> | <b>1.2</b>   | <b>4.7</b>   | <b>8.2</b>   |
| Effects of exchange-rate changes on cash               | -1.0         | 1.1          | 0.3          | -0.5         | 0.0          | 0.0          | 0.0          |
| Cash and cash equivalent at end of period              | 32.2         | 28.2         | 40.1         | 27.3         | 28.5         | 33.2         | 41.4         |

## Financial Ratios

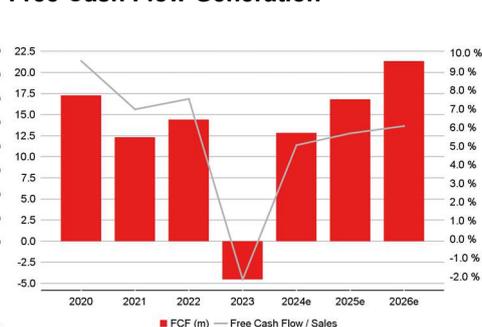
|                                      | 2020    | 2021    | 2022    | 2023    | 2024e   | 2025e   | 2026e   |
|--------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| <b>Cash Flow</b>                     |         |         |         |         |         |         |         |
| FCF                                  | 17.3    | 12.3    | 14.4    | -4.5    | 12.8    | 16.8    | 21.3    |
| Free Cash Flow / Sales               | 9.6 %   | 7.0 %   | 7.5 %   | -2.1 %  | 5.0 %   | 5.7 %   | 6.1 %   |
| Free Cash Flow Potential             | 22.2    | 20.5    | 24.4    | 24.8    | 27.7    | 36.1    | 44.7    |
| Free Cash Flow / Net Profit          | 115.8 % | 99.3 %  | 87.5 %  | -29.8 % | 74.4 %  | 68.2 %  | 67.5 %  |
| Interest Received / Avg. Cash        | 0.3 %   | 0.1 %   | 0.1 %   | 0.8 %   | 0.7 %   | 0.6 %   | 0.5 %   |
| Interest Paid / Avg. Debt            | 2.6 %   | 2.7 %   | 2.2 %   | 4.8 %   | 5.0 %   | 5.5 %   | 6.0 %   |
| <b>Management of Funds</b>           |         |         |         |         |         |         |         |
| Investment ratio                     | 4.0 %   | 2.1 %   | 11.6 %  | 7.7 %   | 7.0 %   | 6.3 %   | 4.8 %   |
| Maint. Capex / Sales                 | 1.6 %   | 1.6 %   | 1.6 %   | 1.6 %   | 1.6 %   | 1.6 %   | 1.6 %   |
| Capex / Dep                          | 77.3 %  | 37.4 %  | 217.8 % | 144.8 % | 143.3 % | 133.2 % | 104.0 % |
| Avg. Working Capital / Sales         | 34.3 %  | 33.8 %  | 32.3 %  | 34.2 %  | 31.5 %  | 29.5 %  | 28.4 %  |
| Trade Debtors / Trade Creditors      | 512.5 % | 462.2 % | 361.4 % | 363.6 % | 379.2 % | 420.2 % | 418.2 % |
| Inventory Turnover                   | 3.6 x   | 3.3 x   | 2.7 x   | 2.6 x   | 3.2 x   | 3.4 x   | 3.6 x   |
| Receivables collection period (days) | 78      | 66      | 67      | 75      | 68      | 67      | 67      |
| Payables payment period (days)       | 23      | 22      | 31      | 33      | 28      | 26      | 25      |
| Cash conversion cycle (Days)         | 151     | 146     | 166     | 171     | 148     | 141     | 138     |

## CAPEX and Cash Flow

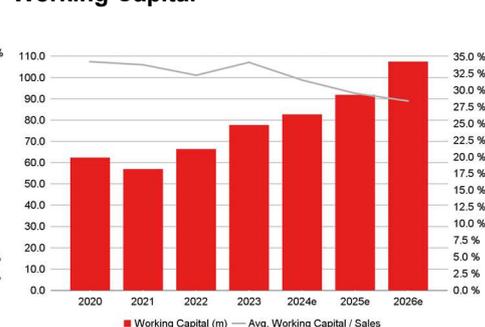
in EUR m



## Free Cash Flow Generation



## Working Capital



Source: Warburg Research

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|     |                          |   |
|-----|--------------------------|---|
| -B- | <b>Buy:</b>              | The price of the analysed financial instrument is expected to rise over the next 12 months.               |
| -H- | <b>Hold:</b>             | The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months. |
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| Rating           | Number of stocks | % of Universe |
|------------------|------------------|---------------|
| Buy              | 149              | 71            |
| Hold             | 46               | 22            |
| Sell             | 8                | 4             |
| Rating suspended | 7                | 3             |
| <b>Total</b>     | <b>210</b>       | <b>100</b>    |

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|------------------|------------------|---------------|
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| Hold             | 6                | 10            |
| Sell             | 0                | 0             |
| Rating suspended | 3                | 5             |
| <b>Total</b>     | <b>59</b>        | <b>100</b>    |

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