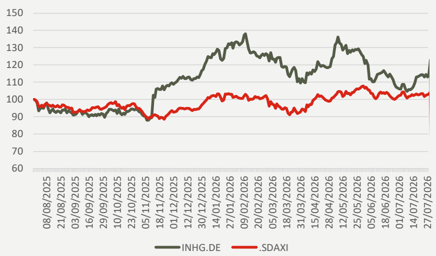
Buy

Target price	**€36.50** (€35.75)
Share price*	€ 29.80 (+7.6%)

*XETRA closing price (29.7.2026)

CHART



SHAREHOLDER STRUCTURE

H.J. Selzer et al.	5.8%
Versicherungskammer Bayern	5.4%
Wirtgen Invest Holding	3.9%
Volkswagen Stiftung	3.1%
Prof. Dr.-Ing. E.h. Friedhelm Loh	3.1%
Protector Forsikring ASA	3.0%
EPINA GmbH & Co. KG	2.8%
Treasury shares	3.5%
Other shareholders	69.3%

KEY SHARE DATA

Number of shares (in millions)	25.8
Market capitalisation (in € million)	742.0
Trading volume (Ø-100 days; in k€)	1,008.0
52-week high (in €)	33.70
52-week low (in €)	21.15

INDUS Holding AG

WKN: 620010 / ISIN: DE0006200108 / Bloomberg: INH:GR

Forecast ranges raised again – exceptional circumstances in the Materials Solutions segment drive revenue and margins

INDUS has reported **preliminary H1 figures** that were significantly above market expectations. H1 revenue reached €965.2 million (+15.3%), whilst adjusted EBITA rose to €123.5 million (+120%) – with the adjusted EBITA margin improving by 6.1 percentage points to 12.6%. This continues to be driven by the exceptional circumstances in the **Materials Solutions** segment (and at the subsidiary **BETEK**). The tight supply situation for tungsten carbide (triggered by export controls) has led to extreme price rises. INDUS has taken the **strategic decision** to remain able to supply, whilst some competitors have exited the market. This ties up liquidity (working capital build-up), but is already paying off in terms of margins. H1 FCF was negative at € -36.9 million (H1 2025: € -7.9 million) – although Q2 2026 already delivered a positive contribution of € 37.2 million. Based on our updated estimates, the INDUS share is attractively valued with a 2026 P/E ratio of 6.8 and a dividend yield of over 5%.

Whilst the **Engineering** and **Infrastructure** segments performed as expected, it was once again the **Materials Solutions** segment that triggered the upward revision of the Group-level forecast following an increase in segment targets: Segment revenue is expected to continue to "**rise sharply**", whilst earnings are expected to "**rise very sharply**" – accordingly, the margin range has been raised to 15% to 17% (previously 8% to 10%). The margin effects resulting from the exceptional circumstances are thus greater than initially assumed, and there are valid arguments for this in the form of **shortages**, the **reduced number of suppliers** and the **recent tightening of Chinese export regulations**.

Group outlook: On **29 July 2026**, INDUS once again raised its expectations for the 2026 financial year. **Group turnover** is now expected to be between **€1.9 billion and €2.1 billion** (previously €1.85 billion and €2.05 billion), whilst **adjusted EBITA** is expected to be between **€220 million and €260 million** (previously: €160 million to €190 million). This corresponds to an **adjusted EBITA margin** of between **11.0% and 13.0%**. **FCF** is still expected to be "at least at break-even level".

FY 31.12.; in million euros	(24-28e)	2024	2025	2026e	2027e	2028e
Turnover	7.4%	1,721.80	1,735.36	1,978.31	2,116.80	2,291.43
EBITDA	11.9%	226.12	221.60	306.64	306.52	354.72
EBITDA margin, %		13.1%	12.8%	15.5%	14.5%	15.5%
Adjusted EBITA	15.1%	153.68	149.16	223.86	223.04	269.78
Adj. EBITA margin, %		8.9%	8.6%	11.3%	10.5%	11.8%
Consolidated earnings	24.5%	53.71	69.03	108.46	103.62	128.86
EPS, in euros	25.8%	2.07	2.77	4.36	4.16	5.18
Dividend per share, in euros	16.8%	1.20	1.30	1.75	1.79	2.23
EV/Sales		0.66	0.67	0.67	0.62	0.58
EV/EBITDA		5.2	5.2	4.3	4.3	3.7
P/E RATIO		10.5	8.4	6.8	7.2	5.8

Source: INDUS Holding AG, PCR

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INVESTMENT THESES

INDUS Holding AG (INDUS) pursues a long-term 'buy, hold and develop' approach and holds an **actively managed and diversified portfolio** of medium-sized companies, positioned across various megatrends and **technological expertise**. As such, the INDUS share represents one of the few opportunities to invest in the SME sector in a diversified manner.

INDUS pursues an investor-friendly **capital market strategy.** This includes, amongst other things, a high degree of **transparency** in **capital market communications, share buybacks,** and a **shareholder-friendly dividend policy** underpinned by a long history. INDUS has paid a dividend every financial year **for over 25 years – including during the economically challenging years** after 2000, during the financial crisis and throughout the COVID-19 pandemic. On a long-term average, between 40% and 50% of INDUS Holding AG's retained earnings are to be distributed. Accordingly, a **distribution of €1.30 per share** has been proposed to the Annual General Meeting for 2025, representing an increase of 8.3% compared with the previous year.

The **EMPOWERING MITTELSTAND growth strategy** – based on the three dimensions **of acquisitions**, **technology** (AI, innovation, digitalisation) and **internationalisation –** is intended to open up growth opportunities for the SME portfolio companies in the given macroeconomic environment (persistent macroeconomic **growth weakness** in the home market; protectionist tendencies) that would be more difficult for individual SMEs to exploit on their own (e.g. through support with AI implementation or through international expansion backed by sister companies). The implementation of the growth strategy will not only lead to a **significant increase in revenue** to around €3 billion by 2030, but will also contribute to a **disproportionately large rise in earnings**. EPS could more than double compared to 2024.

INDUS is making significant progress towards its **sustainability targets**, with Scope 1 & 2 emissions – measured in CO2 per revenue – being a key metric, having fallen by 7.5% last year (a reduction of 65.4% since 2018). However, the **'local-for-local' approach** – even though it supports sustainability targets – should not primarily be viewed in this context. Rather, it represents the ambition to grow alongside customers and capitalise on market opportunities as they arise. INDUS is thus participating (through its US sites) in the ongoing reindustrialisation of North America and building **natural resilience against protectionist measures** (tariffs).

An **economic recovery** in the German home market in the second half of 2026 would significantly bolster the Group's growth; however, the risk of not just temporarily higher energy prices (war in Iran) jeopardises this **macroeconomic scenario**.

According to our estimates, INDUS has **a P/E ratio of 6.8 for 2026**, with a **dividend yield of over 5**%. Fundamentally**,** INDUS therefore **remains attractively valued.**

Finance

Income statement (in million euros)	2024	2025	2026e	2027e	2027e
Sales revenue	**1,721.796**	**1,735.363**	**1,978.314**	**2,116.796**	**2,291.431**
Own work capitalised	4.004	5.058	5.766	6.170	6.679
Other operating income	27.824	25.190	28.717	30.727	33.262
Change in inventories	-7.286	-1.674	-1.908	-2.042	-2.210
Total operating performance	**1,746.338**	**1,763.937**	**2,010.888**	**2,151.650**	**2,329.162**
Cost of materials	-757.026	-752.432	-824.597	-884.154	-934.183
Personnel expenses	-536.914	-554.217	-620.961	-674.183	-729.803
Other operating expenses	-226.281	-235.692	-258.689	-286.797	-310.458
EBITDA	**226.117**	**221.596**	**306.640**	**306.516**	**354.718**
Depreciation (excl. PPA)	-72.442	-72.437	-82.776	-83.481	-84.936
Adjusted EBITA	**153.675**	**149.159**	**223.864**	**223.036**	**269.781**
PPA	-20.300	-20.753	-25.941	-32.427	-40.533
Impairment losses/gains	-6.700	-1.400	-0.091	-0.097	-0.105
EBIT	**126.675**	**127.006**	**197.832**	**190.512**	**229.143**
Financial result	-30.590	-28.705	-29.964	-30.095	-29.929
Pre-tax result	**96.085**	**98.301**	**167.868**	**160.416**	**199.213**
Taxes	-41.384	-28.510	-58.641	-56.038	-69.591
Result from discontinued operations	0.000	0.000	0.000	0.000	0.000
Net income before minority interests	**54.701**	**69.791**	**109.227**	**104.378**	**129.623**
Minority interests	-0.992	-0.762	-0.762	-0.762	-0.762
Net profit for the year	**53.709**	**69.029**	**108.465**	**103.616**	**128.861**
Number of shares (outstanding)	**25.957**	**24.890**	**24.890**	**24.890**	**24.890**
Number of shares (total)	26.896	24.890	24.890	24.890	24.890
EPS (outstanding shares)	**2.07**	**2.77**	**4.36**	**4.16**	**5.18**
EPS (total shares)	2.00	2.77	4.36	4.16	5.18
DPS	**1.20**	**1.30**	**1.75**	**1.79**	**2.23**

Source: Company information (history)/PCR (forecast)

Cash flow statement (in million euros)	2024	2025	2026e	2027e	2027e
Cash flow from operating activities	143.68	150.19	114.61	179.07	202.84
Cash flow from investing activities	-65.368	-72.321	-119.046	-123.380	-129.975
Cash flow from financing activities	-199.879	-2.551	-32.357	-43.467	-44.632
Change in cash and cash equivalents	**-121.565**	**75.313**	**-36.789**	**12.221**	**28.236**
Cash and cash equiv. end of the period	145.151	217.606	180.817	193.038	221.274

Source: Company information (history)/PCR (forecast)

Balance sheet (in million euros)	2024	2025	2026e	2027e	2027e
Fixed assets	**1,020.326**	**1,021.695**	**1,032.024**	**1,039.496**	**1,044.001**
Intangible assets	661.750	655.572	657.072	659.572	662.072
Property, plant and equipment	341.047	354.016	362.845	367.817	369.822
Financial assets	17.529	12.107	12.107	12.107	12.107
Current assets	**769.927**	**866.661**	**944.800**	**1,005.430**	**1,094.713**
Inventories	410.533	424.309	513.712	547.572	590.272
Trade receivables	185.245	182.319	207.844	222.393	240.740
Other receivables	28.998	42.427	42.427	42.427	42.427
Cash and securities	145.151	217.606	180.817	193.038	221.274
Other assets	16.576	15.934	15.934	15.934	15.934
Total assets	**1,806.829**	**1,904.290**	**1,992.758**	**2,060.860**	**2,154.648**
Shareholders' equity	**699.998**	**730.714**	**807.584**	**868.496**	**953.486**
Reserves	697.543	729.424	805.532	865.682	949.910
Minority interests	2.455	1.290	2.052	2.814	3.576
Accrued liabilities	**71.036**	**65.709**	**66.922**	**68.194**	**69.526**
Accounts payable	**959.705**	**1,039.414**	**1,049.799**	**1,055.718**	**1,063.183**
Interest-bearing liabilities	686.593	761.638	761.638	761.638	761.638
Liabilities from trade payables	74.874	74.178	84.563	90.482	97.947
Other non-interest-bearing liabilities	198.238	203.598	203.598	203.598	203.598
Other liabilities Other liabilities	**76.090**	**68.453**	**68.453**	**68.453**	**68.453**
Total liabilities	**1,806.829**	**1,904.290**	**1,992.758**	**2,060.860**	**2,154.648**

Source: Company information (history)/PCR (forecast)

Overview of key figures	2024	2025	2026e	2027e	2027e
Key valuation figures					
EV/Sales	0.66	0.67	0.67	0.62	0.58
EV/EBITDA	5.2	5.2	4.3	4.3	3.7
EV/EBIT	9.0	9.1	6.7	6.9	5.8
P/E RATIO	10.5	8.4	6.8	7.2	5.8
Price/book value	0.81	0.79	0.92	0.86	0.78
Profitability ratios in %					
Gross margin	57.5%	58.3%	60.0%	59.9%	60.9%
EBITDA margin	12.7%	12.7%	15.5%	14.5%	15.5%
EBIT margin	7.4%	7.3%	10.0%	9.0%	10.0%
Pre-tax margin	5.6%	5.7%	8.5%	7.6%	8.7%
Net margin	3.1%	4.0%	5.5%	4.9%	5.6%
ROE	7.7%	9.8%	14.2%	12.5%	14.2%
ROCE	10.5%	10.5%	14.7%	13.4%	15.2%
Key productivity figures					
Turnover/employee (in € thousand)	197.4	195.2	222.0	236.2	255.7
Net revenue/employee (in € thousand)	6.16	7.76	12.17	11.56	14.38
Number of employees	8,722	8,891	8,911	8,961	8,961
Key financial figures					
Equity ratio	38.7%	38.4%	40.5%	42.1%	44.3%
Dividend yield	5.7%	5.6%	5.9%	6.0%	7.5%
Other key figures					
Cash flow per share	5.72	6.39	8.73	8.87	10.27
Free cash flow per share	4.22	4.45	5.95	5.90	7.06
Working capital/sales (in %)	30.3%	30.7%	30.7%	30.7%	30.7%
Depreciation/sales (in %)	4.2%	4.2%	4.2%	3.9%	3.7%
Tax rate (in %)	43.1%	29.0%	34.9%	34.9%	34.9%

Source: PCR

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Company	Analysts	Date	Recommendation	Target price
INDUS Holding AG	D.Grossjohann; T.Schiessle	15.08.2025	Buy	€ 32.45
INDUS Holding AG	D.Grossjohann; T.Schiessle	17.11.2025	Buy	€ 35.00
INDUS Holding AG	D.Grossjohann; T.Schiessle	25.02.2026	Buy	€ 35.00

INDUS Holding AG	D.Grossjohann; T.Schiessle	30.03.2026	Buy	€ 35.00
INDUS Holding AG	D.Grossjohann; T.Schiessle	18.05.2026	Buy	€ 35.75
INDUS Holding AG	D.Grossjohann; T.Schiessle	30.07.2026	Buy	€ 36.50

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This report was published on 30.07.2026. The closing price indicated in the report is based on data from XETRA as of 29.07.2026.

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