PARMANTIER & CIE.

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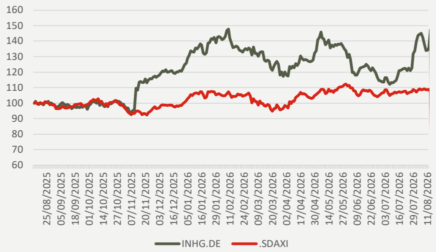
Buy

Target price **€40.00** (€36.50)
Share price* € 30.75 (+1.2%)

*XETRA closing price (12.8.2026)

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)	24.9
Market capitalisation (in € million)	765.0
Trading volume (Ø-100 days; in k€)	1,090.0
52-week high (in €)	33.70
52-week low (in €)	21.15

ANALYSTS

Daniel Großjohann
dg@parmantiercie.com

Thomas Schießle
ts@parmantiercie.com

CONTACT

Parmantier & CIE. Research
Hungener Straße 6
60389 Frankfurt am Main

INDUS Holding AG

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

All segments are showing organic growth and rising order intake – exceptional circumstances are driving revenue and margins

INDUS posted **high growth rates** in H1 (revenue: €965 million (+15.4%); adjusted EBITA: €123.5 million (+120%); EPS: €2.49 (+120%)) in H1, which are also attributable to the **well-known exceptional circumstances** (extreme price rises for tungsten carbide) in the **Materials Solutions** segment (turnover: €376.6 million (+32.4%); adj. EBITA: €84.5 million (+266%)). In our view, however, the more important message for investors is that **all three segments demonstrated organic growth** whilst **also increasing their order intake** – despite the market environment remaining challenging. At 1.14 (at Group level), the **book-to-bill ratio** implies further growth. Based on our estimates, the INDUS share is attractively valued with a 2026 P/E ratio of 7.1 and a dividend yield of over 5%.

Broad-based growth momentum. All three segments demonstrated **organic revenue** growth and **rising order intake**. The segment book-to-bill ratios ranged from **1.09** (**Materials Solutions** segment) to **1.22** (**Engineering** segment), each of which implies further growth. Positive momentum is also evident across the board within the segments: whilst the Betek investment is by far the fastest-growing within Materials Solutions, the segment's other investments are also showing organic growth.

The **build-up of working capital**, based on the strategic decision to remain capable of supplying tungsten carbide, is likely to **continue for a few more months**. This makes it all the more encouraging that **free cash flow** was nevertheless already clearly positive in Q2.

Group outlook: INDUS raised its expectations for the 2026 financial year on **29 July 2026** and confirmed them with the presentation of the H1 figures. **Group turnover** is 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 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	0.68	0.63	0.59
EV/EBITDA		5.2	5.2	4.4	4.4	3.8
P/E RATIO		10.5	8.4	7.1	7.4	5.9

Source: INDUS Holding AG, PCR

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).

There are signs of a slight **economic recovery** in the German domestic market for the second half of 2026; however, the indicators are not yet clear-cut and higher energy prices (war in Iran) could jeopardise this **macroeconomic scenario**.

According to our estimates, INDUS has **a P/E ratio of 7.1 for 2026**, with a **dividend yield of over 5%**. Fundamentally, INDUS therefore **remains attractively valued**.

Materials Solutions: Strategic decision pays off

Although the momentum demonstrated in the first half of 2026 in the "**Materials Solutions**" segment (including an increase in the adjusted EBITA margin to 22.4% (H1 2025: 8.1%); segment guidance for the 2026 financial year: 15% to 17%) **is not sustainable in this form**, it can be said that the **strategic decision** taken for Betek to remain in the market and invest in **building up inventories** (tungsten carbide) was the right one. Although the Betek investment benefited primarily from price effects, it also benefited from rising volumes attributable to the **exit of competitors**. These **gains in market share** are likely to be **sustainable**, as Betek has built up a reputation as a **reliable supplier**. Due to long procurement and lead times, as well as further rises in tungsten carbide prices, the build-up in working capital has not yet peaked and is likely to continue for several more months. In our forecast, we have assumed that inventories at Group level will be roughly at their current level (around €560 million) by the end of the year.

Engineering: Business recovery and record order book

The **order book** in the Engineering segment climbed to a new record of €430.4 million – around €60 million higher than the figure as at 31 December 2025. **New orders** (€340.6 million; +3%) exceeded the high figure recorded in the same period of the previous year. Rising order intake has also been recorded recently at sector level, although this is largely attributable to one-off major contracts. Although the operating environment in mechanical and plant engineering remains challenging, the Engineering segment achieved **turnover** of €279.6 million (+7.7%), with purely organic growth standing at 3%. Only the **adjusted EBITA**, at €15.6 million (H1 2025: €15.9 million), fell short of the prior-year figure; however, a significant improvement in margins is expected in H2.

Infrastructure: Order intake rises sharply

The Infrastructure segment recorded **order intake** of €351.8 million (+23.4%), which is well above the industry average; the sector reported growth in order intake of 3.3% in May 2026. Order intake thus also showed greater momentum than organic revenue growth, which stood at 3.9%. The acquisitions made in the previous year – KETTLER, ELECTRO TRADING and TRIGOSYS – collectively contributed 1.8% to segment growth. **Organic growth** was driven by higher demand for building envelope and waterproofing systems and – boosted by above-average temperatures – also for air-conditioning units. **Adjusted EBITA** improved **disproportionately** to €34.5 million (+30%); the margin expansion was driven by higher demand for individual product groups, the successful repositioning of an investment, as well as **cost optimisations** and **efficiency gains**.

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	-850.597	-911.974	-964.298
Personnel expenses	-536.914	-554.217	-594.961	-646.363	-699.688
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	65.16	281.45	207.21
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**	**-86.247**	**114.599**	**32.601**
Cash and cash equiv. end of the period	145.151	217.606	131.359	245.958	278.560

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**	**951.690**	**998.058**	**1,086.732**
Inventories	410.533	424.309	553.125	505.400	544.621
Trade receivables	185.245	182.319	224.779	204.272	221.125
Other receivables	28.998	42.427	42.427	42.427	42.427
Cash and securities	145.151	217.606	131.359	245.958	278.560
Other assets	16.576	15.934	15.934	15.934	15.934
Total assets	**1,806.829**	**1,904.290**	**1,999.648**	**2,053.488**	**2,146.667**
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**	**1,056.689**	**1,048.346**	**1,055.202**
Interest-bearing liabilities	686.593	761.638	761.638	761.638	761.638
Liabilities from trade payables	74.874	74.178	91.453	83.110	89.966
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**	**1,999.648**	**2,053.488**	**2,146.667**

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

Overview of key figures	2024	2025	2026e	2027e	2027e
Key valuation figures					
EV/Sales	0.66	0.67	0.68	0.63	0.59
EV/EBITDA	5.2	5.2	4.4	4.4	3.8
EV/EBIT	9.0	9.1	6.8	7.0	5.9
P/E RATIO	10.5	8.4	7.1	7.4	5.9
Price/book value	0.81	0.79	0.95	0.88	0.81
Profitability ratios in %					
Gross margin	57.5%	58.3%	58.7%	58.6%	59.6%
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%	14.4%	13.4%	15.8%
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%	40.4%	42.3%	44.4%
Dividend yield	5.7%	5.6%	5.7%	5.8%	7.3%
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%	33.2%	28.2%	28.2%
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
INDUS Holding AG	D.Grossjohann; T.Schiessle	13.08.2026	Buy	€ 40.00

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This report was published on 13.08.2026. The closing price indicated in the report is based on data from XETRA as of 12.08.2026.

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