



Buy

Price target € 19.00

Share price* € 12.85

*XETRA closing price (13 Oct 2026)

Masterflex SE

WKN: 549293 / ISIN: DE0005492938 / Bloomberg: MZX:GR

"High-tech niche leader with three underpinned growth pillars and a financeable EUR 200m target for 2030"

Masterflex SE is a profitable specialist in qualification-intensive hose and connection systems with 15 operating companies and around 61% international revenue. Gross margin 72.8%, operating EBIT margin 13.6%, ROCE 19.4% (2025); no customer reaches 10% of revenue.

The original reverse DCF at EUR 13.85 implies only around 0.8% revenue growth p.a. to 2032. We expect 4.8% organically, driven by the **largest framework agreement in the company's history** (EUR 5m to 10m p.a.), the **aerospace plant in Morocco** from Q4 2026 and expansion in medical technology. The confirmed **EUR 200m revenue target for 2030**, with EUR 50m to 60m from acquisitions, is financeable without a capital increase.

At 7.1x EV/EBITDA, Masterflex trades around 38% below the median of eight peers (11.4x) although its EBIT margin is higher. Revenue guidance was missed in 2023 and 2024, EBIT guidance always met; for 2027 we are 5.5% below revenue consensus.

Organic DCF EUR 16.63, multiple approach EUR 18.07 to 20.38, weighted EUR 17.49, plus EUR 1.39 risk-adjusted M&A contribution: **price target EUR 19.00 (Buy)**. Key variables: growth conversion, liquidity, undisclosed customer framework, M&A discipline and CEO succession in 2028.

Anchor shareholder as a catalyst: We regard the entry of Alpha Entrepreneurial Partners (7.05%, August 2026) as a clearly positive signal. The team around Sebastian Reppegather, formerly at Luxempart and Sterling Strategic Value, invests as a long-term entrepreneurial shareholder in European small caps; in our assessment, a first core investment is preceded by months of in-depth due diligence, which takes part of the analytical work off other investors. New anchor shareholders can trigger a re-rating in the small-cap segment, even if the market usually prices this in with a delay. After twelve months of sideways trading between EUR 12.05 and 14.85, we see good conditions for an upside breakout.

FY end 31 Dec; EUR m	2025	2026e	2027e	2028e	2029e	2030e
Revenue	102.60	105.50	112.50	119.00	125.50	132.00
EBITDA (operating)	19.50	20.40	22.50	24.20	25.70	27.00
EBITDA margin, %	19.0%	19.3%	20.0%	20.3%	20.5%	20.5%
EBIT (operating)	14.00	14.80	16.70	18.10	19.40	20.40
EBIT margin, %	13.6%	14.0%	14.8%	15.2%	15.5%	15.5%
Net income	8.70	9.50	10.90	11.90	12.90	13.70
EPS, EUR	0.91	0.98	1.13	1.24	1.34	1.42
DPS, EUR	0.30	0.32	0.36	0.40	0.44	0.47
EV/Sales	1.25	1.21	1.14	1.08	1.02	0.97
EV/EBITDA	6.6	6.3	5.7	5.3	5.0	4.7
P/E	14.1	13.1	11.4	10.4	9.6	9.0

Source: Masterflex SE; PCR; price 13 Oct 2026

CHART



SHAREHOLDER STRUCTURE

Free float	37.13%
J.F. Müller & Sohn AG	29.37%
Grondbach GmbH	20.01%
Alpha Entrepreneurial Partners	7.05%
Lazard Frères Gestion	5.04%
Treasury shares	1.40%

KEY SHARE DATA

Shares outstanding (m)	9.62
Market capitalisation (EUR m)	123.6
Enterprise value (EUR m)	128.1
Avg. daily volume (12M)	1,701
52-week high (EUR)	14.85
52-week low (EUR)	12.05
Free float	37.1%
Stock market segment	Prime Standard

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1. Investment summary

Buy rating, price target EUR 19.00. Masterflex SE shares (Xetra: MZX) closed at EUR 12.85 on 13 October 2026. This implies a market capitalization of EUR 123.6m, an enterprise value of EUR 128.1m and upside of around 48%. The stock trades at 7.1x, trailing EV/EBITDA (S&P Capital IQ) and 13.1x 2026e P/E, against 11.4x and 17.9x for the median of eight core peers.

Our thesis in one sentence: Masterflex is a profitable specialist in qualification-intensive hose and connection systems whose margin and balance sheet quality is already evidenced, but whose growth the market does not yet believe. Our original reverse DCF at the higher reference price of EUR 13.85 implies only around 0.8% revenue growth p.a. to 2032. We expect 4.8% organically, driven by a framework agreement, the new aerospace plant in Morocco and expansion in medical technology, and regard the acquisition path as an additional, financeable option.

Valuation drivers and catalysts

Valuation rests on three variables: the organic revenue step-up in 2027 (we expect 6.6%), the operating EBIT margin (path from 13.6% to 15.5%) and the first acquisition. Measurable catalysts over the next 12 to 24 months are the Q3 statement on 4 November 2026, the start of production in Morocco in Q4 2026, first series revenue from the framework agreement, the 2027 guidance in March 2027, a first transaction and a CEO succession decision.

Principal risks and disconfirming evidence

We take the counterarguments seriously. Revenue has been flat at around EUR 100m since 2022, and revenue guidance was missed in 2023 and 2024, while EBIT guidance was always met. First-half 2026 growth was just 1.7%. The framework agreement customer is not disclosed, trading liquidity is thin and the CEO contract ends on 31 December 2028. The EUR 200m target for 2030 was already stated in the 2023 annual report; revenue has not grown since. The credibility of the growth path is therefore the central test of the thesis.

What the market prices in and why the stock may be mispriced

At the reference price of EUR 13.85, the original reverse DCF prices in either near-stagnation, an EBIT margin falling permanently to 12.6% or a cost of capital of 11.4%. No value is ascribed to the M&A program. Our explanation is structural: EUR 123.6m market capitalization, three research houses with ongoing coverage, an average of 1,920 shares traded per day in H1 2026 and a revenue history that has not yet validated the growth narrative. The growth projects will only become visible in reported numbers from 2027. In our view, this timing gap creates the opportunity.

What would change our mind

We would reassess the thesis if (1) organic growth in 2027 remains below 2% and the operating EBIT margin falls below 12.5%, (2) an acquisition is priced above 9x EBITDA or funded with new equity, (3) the gross margin falls below 69%, which would indicate price pressure, or (4) no CEO succession solution is visible by the end of 2027.

Exhibit 1: Investment dashboard: key figures 2021A to 2030e

EUR m / FY 31 Dec	2021	2022	2023	2024	2025	2026e	2027e	2028e	2030e
Revenue	79.1	100.3	101.1	98.1	102.6	105.5	112.5	119.0	132.0
Growth	10.0%	26.8%	0.8%	-3.0%	4.6%	2.8%	6.6%	5.8%	5.2%
EBITDA (operating)	10.7	16.4	17.9	18.2	19.5	20.4	22.5	24.2	27.0
EBITDA margin	13.5%	16.4%	17.7%	18.6%	19.0%	19.3%	20.0%	20.3%	20.5%
EBIT (operating)	5.8	11.4	12.6	12.7	14.0	14.8	16.7	18.1	20.4
EBIT margin (operating)	7.3%	11.4%	12.5%	12.9%	13.6%	14.0%	14.8%	15.2%	15.5%



EUR m / FY 31 Dec	2021	2022	2023	2024	2025	2026e	2027e	2028e	2030e
EPS, EUR	0.34	0.81	0.83	0.86	0.91	0.98	1.13	1.24	1.42
DPS, EUR	0.12	0.20	0.25	0.27	0.30	0.32	0.36	0.40	0.47
Free cash flow (OCF less investments)	3.8	4.8	7.9	10.1	10.6	9.9	10.8	12.2	13.8
Net debt (+) / net cash (-)	15.9	16.8	13.1	8.7	2.7	1.7	-3.8	-10.3	-24.3
ROCE	8.0%	16.7%	17.0%	16.8%	19.4%	n.m.	n.m.	n.m.	n.m.
EV/EBITDA (price 13 Oct 2026)					6.6x	6.3x	5.7x	5.3x	4.7x
P/E (price 13 Oct 2026)					14.1x	13.1x	11.4x	10.4x	9.0x
Dividend yield					2.3%	2.5%	2.8%	3.1%	3.7%

Source: Masterflex SE (annual reports, operating figures), S&P Capital IQ (ROCE basis); PCR (forecasts; reported to 2025, analyst estimates thereafter); price as of 13 Oct 2026

Exhibit 2: What is priced in: reverse DCF versus PCR base case

Parameter	Reference: EUR 13.85	PCR base case	Reading
Revenue growth p.a. 2026e-2032e (PCR margin path)	0.8%	4.8%	Market prices in near-stagnation
Constant EBIT margin (PCR growth path)	12.6%	13.7-15.2%	below the 2025 level (13.6%)
EBIT margin at 2% growth p.a.	14.3%	-	Status quo without growth projects
Implied WACC (PCR cash flows)	11.4%	9.8%	around 1.6pp risk premium above our WACC
M&A contribution	nil	EUR 1.39	no option value priced in

Source: PCR; original reverse DCF at EUR 13.85, unchanged; latest close EUR 12.85 (13 Oct 2026).



2. Investment thesis

We summarize the thesis in seven pillars. Each pillar is linked to a verifiable metric so that investors can continuously test developments against the thesis.

Pillar 1: Niche leader in qualification-intensive applications. Masterflex supplies applications in which failure endangers safety, hygiene or product quality. In aerospace, hose systems may only be sourced from certified and explicitly approved partners; the company therefore describes entry barriers as very high. We deliberately use the term "niche leader" rather than "world leader": the "World Market Leader Champion" award by the University of St. Gallen is a company claim, and market shares are not published.

Pillar 2: Evidenced mix shift. The share of medical technology rose from 18% (2024) to 21% (2025). At the same time, the material ratio fell to 27.2% of total output from 28.7%, which the company attributes to mix, productivity and procurement.

Pillar 3: Contractually underpinned growth projects. The framework agreement is expected to add around EUR 5m of revenue p.a. from 2027, up to EUR 10m by 2030. The Morocco plant supplies from Q4 2026 and is intended to double aviation revenue in the medium term.

Pillar 4: Verifiable financial control. ROCE rose from 4.7% (2020) to 19.4% (2025), net debt fell from EUR 18.2m to EUR 2.7m, and EBIT guidance was met in every year since 2023.

Pillar 5: Financeable M&A option. Management targets EUR 50m to 60m of acquired revenue by 2030. Purchase prices of around EUR 40m would be financeable without a capital increase; in our model leverage would peak at around 0.5x EBITDA.

Pillar 6: Valuation discount without operating justification. Despite a higher EBIT margin than the peer median (13.6% vs 11.4%), Masterflex trades around one third below the median multiple. Size and liquidity explain part of the discount, but in our view not all of it.

Pillar 7: Aligned owners and incentives. AEP has been on board as an active investor since August 2026; the Board members are economically exposed to the share price through an earn-out triggered at EUR 17.00 or more as of 31 December 2028.

Exhibit 3: Seven thesis pillars and the metrics that matter

#	Pillar	Evidence (as of)	KPI that matters
1	Niche leader in qualification-intensive applications	DIN EN 9100 in aerospace, cleanroom production in medical, no customer above 10% of revenue (AR 2025)	Gross margin above 70%
2	Evidenced mix shift into medical technology	Medical technology 21% of revenue after 18% (2025 vs 2024)	Share of Life in revenue
3	Contractually underpinned growth projects	Framework agreement: around EUR 5m p.a. from 2027, up to EUR 10m by 2030; Morocco from Q4 2026	Revenue growth 2027e above 6%
4	Verifiable financial control	ROCE 19.4% after 4.7% (2025 vs 2020), EBIT guidance met every year since 2023	Operating EBIT margin above 14%
5	Financeable M&A option	Net debt EUR 4.3m, 0.2x EBITDA (30 Jun 2026); target EUR 50-60m acquired revenue	First deal below 7x EBITDA
6	Valuation discount without operating justification	7.1x EV/EBITDA vs peer median 11.4x at 13.6% EBIT margin vs 11.4%	Coverage, trading volume
7	Aligned owners and incentives	AEP 7.05%, Board earn-out from EUR 17.00 as of 31 Dec 2028	Succession solution by 2027

Source: Masterflex SE (AR 2025, H1 2026, announcements), S&P Capital IQ; PCR analysis



3. Valuation and price target

Our EUR 19.00 price target has three building blocks: an organic DCF (EUR 16.63 per share), a multiple approach (EUR 18.07 to 20.38) and a risk-adjusted M&A contribution (EUR 1.39). We weight DCF and multiples two thirds to one third, giving an organic value of EUR 17.49. Adding the M&A contribution yields a model value of EUR 18.88, which we round to EUR 19.00. All figures reconcile with the separate DCF workbook.

DCF: assumptions and result

The 9.8% WACC comprises a 2.75% risk-free rate, a 6.0% equity risk premium, a beta of 1.05 and a 1.5 percentage point premium for size and tradability, with 10% debt at 4.5% pre-tax. The perpetual growth rate is 1.5%. The terminal value accounts for 61% of enterprise value, within the usual range for a profitable industrial company. We apply no separate discount for the Management Board succession, as the transition risk is covered by the size premium.

Exhibit 4: DCF valuation, organic (mid-year convention)

DCF (EUR m)	2026 E	2027 E	2028 E	2029 E	2030 E	2031 E	2032 E
Revenue	105.5	112.4	119.0	125.5	132.0	137.3	142.1
EBIT (reported)	14.4	16.4	17.8	19.1	20.1	20.9	21.6
EBIT margin	13.7%	14.6%	15.0%	15.2%	15.2%	15.2%	15.2%
Tax (30%)	-4.3	-4.9	-5.4	-5.7	-6.0	-6.3	-6.5
+ Depreciation	5.6	5.8	6.1	6.3	6.6	6.9	7.1
- Capital expenditure	-5.5	-5.4	-5.4	-5.6	-5.9	-6.2	-6.4
- Change in working capital	-0.4	-1.0	-1.0	-1.0	-1.0	-0.8	-0.7
Free cash flow	9.8	10.9	12.2	13.0	13.7	14.5	15.1
Present value (mid-year, WACC 9.8%)	9.3	9.5	9.7	9.4	9.0	8.7	8.2
Sum of present values 2026e-2032e	63.8						
Terminal value PV (g 1.5%)	100.5						
Enterprise value	164.2						
- Net debt 30 Jun 2026	-4.3						
Fair value per share, EUR	16.63						
Terminal value as % of EV	61.2%						

Source: PCR analyst estimates; price and market data S&P Capital IQ; analyst estimates

The sensitivities illustrate the range: plus or minus 0.5 percentage points of WACC move the value to EUR 17.73 and EUR 15.64 respectively. One percentage point of additional EBIT margin across the forecast period is worth EUR 1.14 per share, one percentage point of additional growth EUR 0.73. Margin is therefore the stronger lever.

Exhibit 5: Sensitivity: fair value per share (EUR), WACC versus terminal growth

g / WACC	8.81%	9.31%	9.81%	10.31%	10.81%
1.00%	18.13	16.99	15.98	15.09	14.28
1.25%	18.55	17.35	16.30	15.36	14.52
1.50%	18.99	17.73	16.63	15.64	14.77
1.75%	19.47	18.14	16.98	15.95	15.03
2.00%	19.98	18.58	17.35	16.27	15.31

Source: PCR analyst estimates; price and market data S&P Capital IQ

Bridge to the price target

The M&A contribution does not arise in the DCF but through multiple arbitrage. At a 9.8% cost of capital, 1.5% growth and a 15% target margin, the fair capitalization factor is around 5.7x EBITDA; a purchase at 6.0x would be roughly value-neutral in the DCF. An acquisition only creates value if the



acquired margin rises from 12% to 14.5% and the group is valued at 8.5x. This is precisely why we reduce the gross value of EUR 2.93 per share for discounting and a 40% execution discount.

Exhibit 6: Bridge from organic DCF to price target

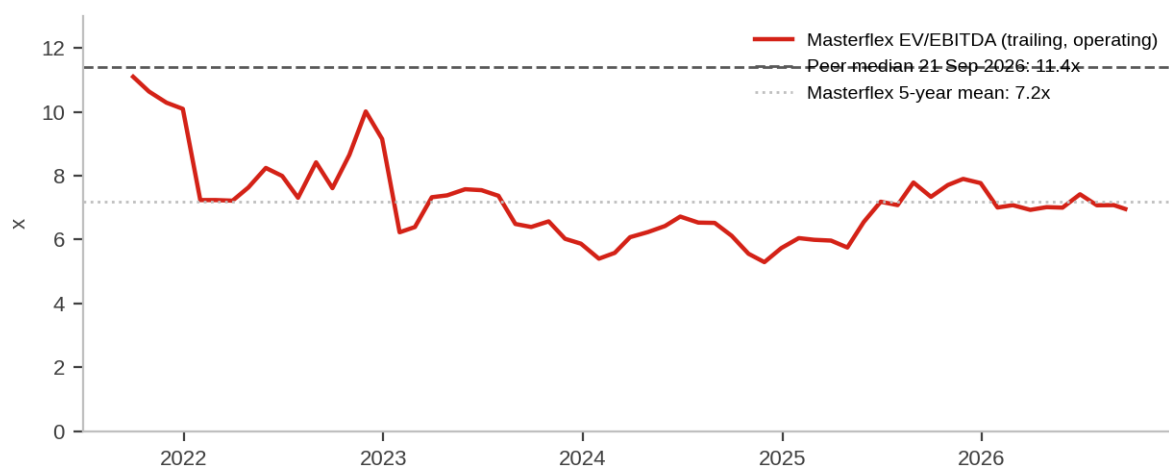
Bridge to price target	EUR m	EUR per share	Comment
Enterprise value organic (DCF)	164.2		WACC 9.8%, g 1.5%
- Net debt 30 Jun 2026	-4.3		Half-year report 2026
Fair value organic (DCF)	159.9	16.63	
Multiple approach 8.0-9.0x EBITDA 2027e		18.07-20.38	Midpoint EUR 19.23; peer median 11.4x
Weighted (2/3 DCF, 1/3 multiple)		17.49	organic value
Gross M&A value contribution	28.2	2.93	EUR 8.0m acquired EBITDA 2030e; bought 6.0x, valued 8.5x
- Discounting (2.5 years)		-0.61	9.8% cost of capital
- Execution discount 40%		-0.93	no transaction announced
Risk-adjusted M&A contribution		1.39	
Model value / price target (rounded)		18.88 / 19.00	around 48% above EUR 12.85 (13 Oct 2026)

Source: PCR analyst estimates; price and market data S&P Capital IQ, net debt per half-year report 2026

Historical valuation and consensus

Versus its own history the stock is no longer cheap: since April 2023, EV/EBITDA based on the latest operating full-year EBITDA ranged from 5.3x to 7.9x (mean 6.7x); it currently stands at 6.6x. After a 51.4% share price gain in 2025, the lever is therefore not a return to its own history but closing the gap to peers. That requires visible growth.

Exhibit 7: Masterflex EV/EBITDA (trailing) since 2021 versus peer median



Source: S&P Capital IQ (enterprise value, month-end), Masterflex SE (operating EBITDA); PCR calculation; analyst-derived

Our estimates are below the Bloomberg consensus published by the company on 19 August 2026: by 5.5% on 2027 revenue and by 12.4% on 2027 EPS. We model the project ramp-up more cautiously and reflect acquisitions only in the valuation premium. Consensus therefore represents upside risk to our estimates. Metzler rates Masterflex Buy with EUR 16.00, SMC Research EUR 19.50 and Montega EUR 21.00. The lower Metzler target is close to our organic DCF of EUR 16.63; the difference to our target is essentially the M&A contribution and the multiple component. We could not review the content of the Metzler study of 31 March 2026, as access is restricted.



Exhibit 8: PCR estimates versus consensus and third-party targets

Metric	2026e	2027e	2028e Ci	Comment
Revenue PCR, EUR m	105.5	112.5	119.0	organic only
Revenue consensus (Bloomberg), EUR m	106.3	119.0	129.0	per investor presentation 19 Aug 2026
PCR vs consensus	-0.8%	-5.5%	-7.8%	we are below
EPS PCR, EUR	0.98	1.13	1.24	
EPS consensus (Bloomberg), EUR	0.98	1.29	1.46	
PCR vs consensus	0.0%	-12.4%	-15.1%	cautious ramp-up
Third-party price targets	Montega 21.00	SMC 19.50	Metzler 16.00	all Buy, as of 12/13 Aug 2026; mean EUR 18.83

Source: Masterflex SE, investor presentation 19 Aug 2026 (Bloomberg consensus, targets); Metzler rating history; PCR; company claim or third-party opinion



4. Market definition and market sizing

Masterflex does not operate in "the hose market" but in a set of clearly definable niches. The biggest source of error in analysing small specialists is presenting broad global market figures as addressable. Grand View Research estimates the global hose market including hydraulics at USD 30.9bn (2025); Masterflex, however, is not active in hydraulic and high-pressure hoses. We therefore build the market view bottom-up: first a taxonomy of submarkets, then a classification of demonstrable activity, and finally a TAM/SAM/SOM triangulation with a disclosed methodology.

Exhibit 9: Market taxonomy I: definition, customers, technology, presence

Submarket	Definition and boundaries	End uses, customers	Materials, technology	MZX presence
Industrial hoses (spiral, clip-profile, foil hoses)	Flexible plastic hoses for air, dust, chips, granulate; excludes hydraulic and high-pressure hoses	Machinery, wood, plastics processing, agriculture	PU, PVC, TPE; extrusion with helix	demonstrated: Masterflex core
High-performance thermoplastic and elastomer hoses	Hoses with defined temperature, chemical, pressure or purity specification	Process engineering, lab, energy, appliances	Fluoropolymers, silicone, synthetic rubber, multilayer	demonstrated: Novoplast, APT, Matzen & Timm
Flexible connection and air ducting (HVAC)	Acoustic air ducting in buildings	US hospitals, schools, sports facilities, heat pumps	Foil, helix, insulation	demonstrated: Masterduct (US, Brazil)
Engineered polymer components and connectors	Injection moulded and moulded parts, connectors, drip chambers	Medical, aerospace, industrial	Injection moulding, cleanroom assembly	demonstrated: Fleima-Plastic
Medical and pharmaceutical tubing	Mono-, multilayer, co- and micro-extrusion; disposables	Intensive care, reproductive medicine, pulmonology, nephrology	medical-grade polymers, cleanroom	demonstrated: 21% of group revenue 2025
Food and hygienic-process hoses	Conveying, extraction, reactor hoses with food approval	Industrial bakeries, confectionery, dairies, biotech	PU with smooth inner lining (Master-PUR DualFlow)	demonstrated: Life target group
Aerospace hoses, bellows and air ducting	Flexible air and vacuum ducting; excludes rigid titanium or steel ducts	Airbus supply chain, ECS, bleed air, cabin, vacuum toilets, GSE	Synthetic rubber, hand-built, lightweight	demonstrated: Matzen & Timm, DIN EN 9100
Automotive and rail	Functional hoses in sub-assemblies; excludes fuel or coolant lines	Seat technology, adaptive aerodynamics; rail, marine	Thermoplastics, 2D/3D moulded hoses	demonstrated, small; rail/marine weak in 2026
Chemical, semiconductor, cleanroom, life science	High-purity and chemically resistant media transfer	Semiconductors, chemicals, pharma, lab	PTFE, FEP, PFA, heat-shrink tubing	demonstrated: APT; semiconductor positive in H1 2026
Material conveying, suction, extraction	Abrasion-resistant, antistatic, conductive extraction and conveying hoses	Wood and furniture, paint shops, recycling	PU, ATEX-compliant versions	demonstrated: core business
Digital and sensor-enabled hose systems	Chip in hose, data platform, life-cycle data	Industrial customers with maintenance and ESG needs	AMPIUS, digital product passport	early: revenue not disclosed
Replacement demand versus OEM/project	Recurring replacement versus series and project business	all end markets		split not disclosed

Source: Masterflex SE (AR 2025, H1 2026, brand profiles); PCR classification; company claims and analyst judgement

Exhibit 10: Market taxonomy II: buying criteria, qualification, customisation, lifetime

Submarket	Buying criteria	Qualification, regulation	Customisation	Lifetime, replacement
Industrial hoses (spiral, clip-profile, foil hoses)	Abrasion, flexibility, price, lead time	low to medium; ATEX for dust	medium	wear part; months to years
High-performance thermoplastic and elastomer hoses	Media resistance, temperature, purity	Customer release, material certificates	high	years; replaced per maintenance plan
Flexible connection and air ducting (HVAC)	Acoustics, fire safety, codes, price	Building codes (US)	medium	long; project-driven



Submarket	Buying criteria	Qualification, regulation	Customisation	Lifetime, replacement
Engineered polymer components and connectors	Dimensional accuracy, cleanroom, cost per part	ISO quality, validation in medical	very high	consumable or assembly lifetime
Medical and pharmaceutical tubing	Biocompatibility, process reliability, traceability	ISO 13485 at customer, validation, MDR environment	very high	single-use; volume-driven
Food and hygienic-process hoses	Hygiene, cleanability, approvals	Food contact rules (EU/FDA compliance)	medium	wear; regular replacement
Aerospace hoses, bellows and air ducting	Weight, reliability, certification, delivery performance	DIN EN 9100, release per part number	very high	programme life; replacement via MRO
Automotive and rail	Cost, PPAP approval, delivery	IATF environment at customer	high	vehicle lifetime
Chemical, semiconductor, cleanroom, life science	Purity, particle-free, resistance	Customer qualification, SEMI environment	high	years; replaced at tool maintenance
Material conveying, suction, extraction	Service life, explosion protection, TCO	ATEX, occupational safety	medium	wear part; recurring
Digital and sensor-enabled hose systems	Value of data, integration	Product passport rules (EU) evolving	high	platform, no replacement cycle yet
Replacement demand versus OEM/project	Availability, lead time versus specification			drives visibility

Source: Masterflex SE (AR 2025); PCR assessment based on application descriptions; analyst judgement

Exhibit 11: Market taxonomy III: revenue character, cyclicity, drivers, competition

Submarket	Revenue character	Cyclicity	Drivers (+) / headwinds (-)	Competitors, substitutes (selection)
Industrial hoses (spiral, clip-profile, foil hoses)	mostly recurring	high	+ automation, safety; - machinery cycle	Norres, Schauenburg, Merlett, Kuriyama (Tigerflex)
High-performance thermoplastic and elastomer hoses	series and replacement	medium	+ chemicals, energy, hydrogen; - price pressure	Saint-Gobain, Trelleborg, Semperit, generalists
Flexible connection and air ducting (HVAC)	project	medium to high	+ building services, heat pumps; - construction cycle, USD	US duct makers; rigid ducts as substitute
Engineered polymer components and connectors	series	low to medium	+ medtech, system integration; - customer concentration	Nolato, Dätwyler, contract manufacturers
Medical and pharmaceutical tubing	recurring (consumables)	low	+ demographics, single-use, purity; - customer destocking	Raumedic, Freudenberg Medical, Nordson Medical, Saint-Gobain
Food and hygienic-process hoses	recurring	low	+ hygiene rules, automation; - weak capex	Merlett, Kuriyama, silicone specialists
Aerospace hoses, bellows and air ducting	series per programme plus replacement	low to medium	+ backlog, rate ramp; - supply chain, rate delays	Senior plc, Eaton, Parker, Smiths (Titeflex)
Automotive and rail	series	high	+ powertrain-agnostic; - car volumes, price pressure	Auto suppliers, integrated systems
Chemical, semiconductor, cleanroom, life science	project and replacement	high (semiconductors)	+ fab build-out Europe/US; - capex cycles	Saint-Gobain, Zeus, Swagelok (hoses)
Material conveying, suction, extraction	recurring	medium to high	+ dust-explosion safety, recycling; - furniture cycle	Norres, Schauenburg, Flexaust
Digital and sensor-enabled hose systems	future service	low	+ product passport, circularity; - willingness to pay	sensor and IoT providers
Replacement demand versus OEM/project	mix not disclosed		+ installed base; - project timing	

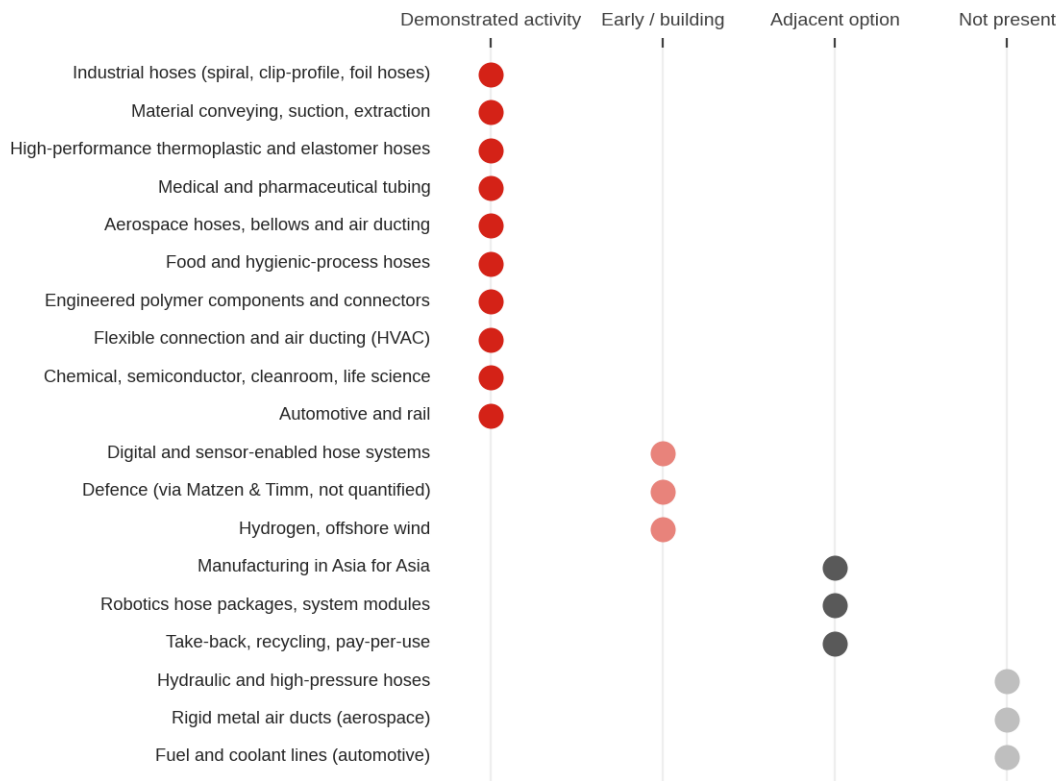
Source: Masterflex SE (AR 2025, H1 2026); PCR compilation; competitors as an indicative, non-exhaustive selection

The market map separates demonstrable activity from mere options. Masterflex has demonstrable activity in ten of the twelve submarkets; for digital hose systems and aftermarket business, a revenue figure is lacking. Defence, hydrogen and offshore wind are application areas with company references



but no quantified revenue. Manufacturing in Asia for Asia, robotics hose packages and circular models are adjacent options. Hydraulics, rigid metal ducts and fuel lines are not part of the Masterflex market.

Exhibit 12: Market map: where Masterflex participates and where it does not



Source: Masterflex SE (AR 2025, H1 2026, announcements); PCR classification; analyst judgement

Market size: why estimates diverge

Published market sizes differ by a factor of two to four in some cases. For industrial hoses, MarketsandMarkets cites USD 12.0bn and The Insight Partners USD 21.9bn (both 2025). For fluoropolymer tubing, estimates range from USD 0.58bn to 2.18bn. The causes are differing definitions (materials, semi-finished goods, assembly), base years and regions. We therefore use ranges rather than point estimates.

Exhibit 13: Third-party market size estimates and reasons for divergence

Market (provider)	Size	Year	Growth p.a.	Why estimates diverge
All hoses incl. hydraulic (Grand View Research)	USD 30.9bn	2025	4.7% (2026-33)	broadest scope, not addressable
Industrial hoses (MarketsandMarkets)	USD 12.0bn	2025		scoped by materials and media
Industrial hoses (The Insight Partners)	USD 21.9bn	2025	around 10% (to 2034)	includes more applications; factor 1.8 vs Markets and Markets
Medical tubing (Mordor Intelligence)	USD 14.5bn	2026	8.5% (2026-31)	incl. catheter and specialty tubing
Medical tubing (Research and Markets)	USD 13.2bn	2024	7.7% (2024-30)	similar scope, different base year
Aerospace and defence ducting (Future Market Insights)	USD 6.6bn	2025	4.0% (2025-35)	rigid ducts lead with 39.5%; flexible part smaller
Fluoropolymer tubing (Market Research Future)	USD 2.18bn	2025	6.6% (2025-35)	broad scope incl. semi-finished goods
Fluoropolymer tubing (Credence Research)	USD 0.58bn	2024	4.3% (to 2032)	narrow scope; factor 3.8 vs alternative



Market (provider)	Size	Year	Growth p.a. Why estimates diverge
Food-grade hoses (Dataintelto)	USD 2.8bn	2025	5.6% (to 2034) low source quality, indicative only

Source: Grand View Research, MarketsandMarkets, The Insight Partners, Mordor Intelligence, Research and Markets, Future Market Insights, Market Research Future, Credence Research, Dataintelto (published 2023-2026); third-party data

TAM, SAM, SOM

As TAM we take the global hose market of around EUR 27bn, fully aware that most of it is not addressable. We derive the SAM from five submarkets in which Masterflex is demonstrably active, limited to the technically relevant slice and to Europe and North America. The result is a range of EUR 2.8bn to 5.7bn. Revenue of EUR 102.6m corresponds to an implied share of 1.8% to 3.7%. With SAM growth of 5.5% p.a. in the base case, 7.5% in the upside and 3.0% in the downside case, the EUR 200m target for 2030 would require a share of 2.7% to 5.4%. This is ambitious but not implausible, particularly as a quarter of the target is to be achieved through acquisitions. The shares are analyst estimates; the denominators are only partially comparable.

Exhibit 14: TAM/SAM/SOM triangulation with methodology

Addressable submarket	Global (third party)	Relevant slice	Region EU+NA	SAM 2025, EUR bn
Thermoplastic industrial and extraction hoses	USD 12.0-21.9bn	15-20%	50%	0.78-1.91
Medical and pharma tubing, components	USD 13.2-14.5bn	10-15%	60%	0.69-1.14
Flexible aerospace hoses, bellows	USD 6.6bn	20-30%	70%	0.81-1.21
Fluoropolymer tubing	USD 0.58-2.18bn	100%	55%	0.28-1.05
Food and hygienic hoses	USD 2.8bn	20-30%	50%	0.24-0.37
Total SAM (analyst estimate)				2.8-5.7
Masterflex revenue 2025 / implied share				0.10 / 1.8-3.7%
SAM 2030e: base 5.5% / high 7.5% / low 3.0% p.a.				3.7-7.4 / 4.0-8.2 / 3.2-6.6
Target EUR 200m 2030 / share of SAM (base)				2.7-5.4%

Source: third-party studies as in Exhibit 13; slices and regions: PCR assumptions; USD/EUR 0.8721 (S&P Capital IQ); analyst-derived

Structural drivers and headwinds

Drivers: medical technology (demographics, single-use products, purity requirements), aerospace (combined Airbus and Boeing backlog of around 16,100 aircraft at the end of August 2026), semiconductors and cleanrooms (one of the positive end markets in H1 2026), automation and robotics, food safety, the energy transition (offshore wind, hydrogen, heat pumps), supply-chain regionalization and rising traceability requirements. **Headwinds:** industrial weakness in Europe, customer destocking, delays in the aerospace ramp-up, price pressure from low-cost suppliers in the standard range, substitution by rigid or metallic solutions and slow market penetration in Asia.



5. Industry structure and competitive landscape

The technical hose market is fragmented. Masterflex itself describes its environment as characterized by numerous, generally smaller competitors, a wide range of target sectors and a diverse customer base. The large listed players (Trelleborg, Semperit, Gates) are mainly active in elastomer and hydraulic hoses and overlap only partially with Masterflex. The more direct competitors are predominantly private: Norres and Schauenburg in extraction and conveying hoses, Raumedic and Freudenberg Medical in medical technology, and Senior plc, Eaton and Parker in aerospace air ducting.

What Masterflex competes on. The evidence suggests Masterflex competes primarily on technical performance, reliability, customization and certification rather than price. A gross margin of 72.8% (2025) is hardly compatible with pure price competition. In the standard range of extraction hoses, by contrast, there is noticeable price competition. A cost structure with a material ratio below 30% shows that value lies in engineering and processing, not in the material.

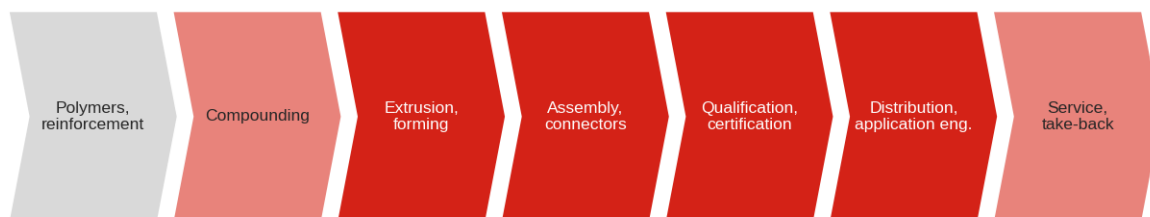
Exhibit 15: Porter's Five Forces, company-specific

Force	Intensity	Masterflex-specific evidence	Margin implication
Rivalry	medium	numerous, mostly smaller competitors (AR 2025); niches rather than mass market	price competition in standard range, less in qualified parts
Buyer power	medium	no customer above 10% of revenue; aerospace and medical OEMs with strong purchasing	broad base limits pressure; large projects negotiate hard
Supplier power	medium	polymers and fluoropolymers from few chemical majors; material ratio 26.9% (H1 2026)	low material ratio cushions raw-material risk
New entrants	low to medium	aerospace only with certified, explicitly approved partners (AR 2025); cleanroom in medical	qualification protects incumbent positions
Substitutes	low to medium	rigid ducts, metal hoses, customer in-house production	limited, as hose is small cost share with high failure cost

Source: Masterflex SE (AR 2025, H1 2026); PCR assessment; analyst judgement

Value chain. Masterflex buys in polymers and reinforcement materials and handles extrusion, forming, assembly, qualification and application engineering itself. Through the framework agreement and Hero@Zero, the company is extending value creation towards system components and services. Vertical integration by customers is a theoretical risk but limited in practice, as the hose usually accounts for only a small share of system cost while its failure causes high consequential costs.

Exhibit 16: Value chain and Masterflex positioning



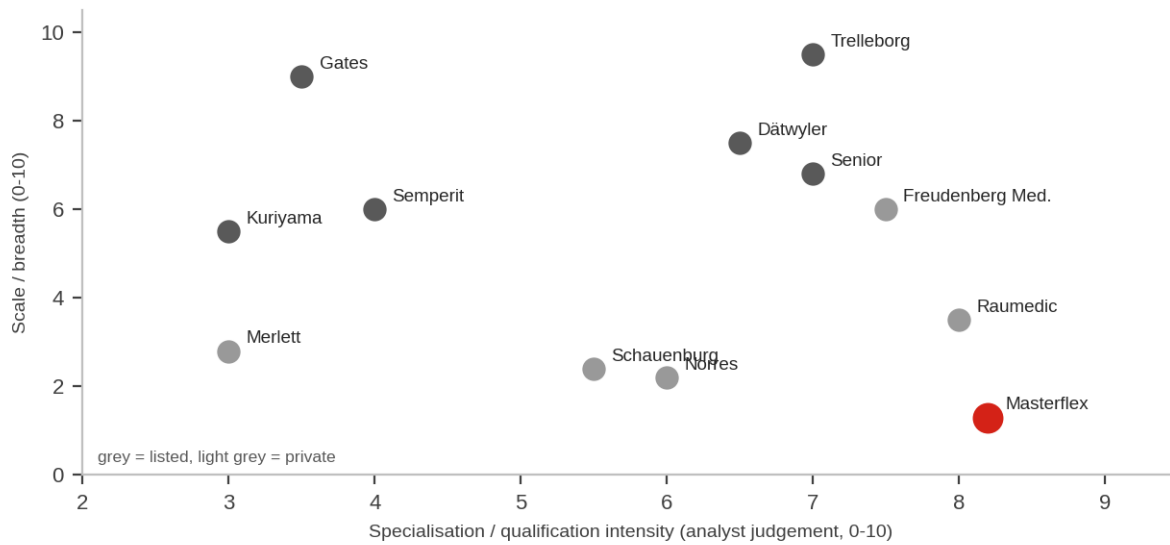
red = Masterflex in-house; light red = partial (material selection, AMPIUS/Hero@Zero); grey = third parties

Source: Masterflex SE (AR 2025); PCR illustration; analyst judgement

Consolidation. Fragmentation makes the industry attractive for buy-and-build strategies, including private equity. For Masterflex this means, on the one hand, a sufficient supply of targets with EUR 5m to 25m revenue and, on the other, competition for the best assets and thus pressure on purchase prices.



Exhibit 17: Competitive positioning: specialisation versus scale



Source: PCR positioning based on public company descriptions; qualitative analyst judgement, no market share data

Exhibit 18: Competitors by overlap with Masterflex

Competitor	Status	Overlap with Masterflex	Relevance
Norres Schlauchtechnik	private (DE)	Extraction, conveying, food hoses	high
Schauenburg Hose Technology	private (DE)	Spiral and extraction hoses	high
Merlett Tecnoplastic	private (IT)	Thermoplastic hoses, food	medium
Kuriyama (Tigerflex)	listed (JP)	Industrial hoses North America	medium
Raumedic	private (DE)	Medical tubing, injection moulding	high in medical
Freudenberg Medical	private (DE, group)	Medical tubing, components	medium
Saint-Gobain Life Sciences	group division (FR)	Fluoropolymer and pharma tubing	medium
Senior plc (Aerospace)	listed (UK)	Aerospace ducting, flexible lines	medium
Trelleborg, Semperit, Gates	listed	Elastomer and hydraulic hoses; partial overlap only	reference

Source: PCR compilation (indicative, non-exhaustive); analyst judgement



6. Business model

Masterflex develops and manufactures demanding connection and hose systems made from high-performance plastics. The group comprises 15 operating subsidiaries; its main production sites are Gelsenkirchen, Düsseldorf, Halberstadt, Norderstedt and Houston. In addition, there are branches, some with small production lines, in Europe, the Americas and Asia, and since 2025 a company in Morocco. Masterflex employed 605 people at the end of 2025 and 610 at mid-2026.

The business model combines materials expertise, processing technology and application consulting. Customer relationships often begin in the development phase; once qualified, solutions are difficult to replace over the product life cycle. The customer base is broad: no customer accounted for more than 10% of group revenue in 2025 or 2024. The company does not publish a split into direct and distributor business, series and replacement demand or framework contracts. As only one segment is reported, we do not fabricate segment profitability but use regions, target industry groups and margin trends as proxies.

Exhibit 19: Brands, products, end markets and sites

Brand / entity	Products	Focus end markets	Sites (selection)
Masterflex	extruded spiral, clip-profile, foil hoses, connectors	Industrial, extraction, food	Gelsenkirchen; sales FR, CZ, SE, UK
Matzen & Timm	special hoses, bellows, moulded parts in synthetic rubber, hand-built	Aerospace, rail, defence	Norderstedt; from Q4 2026 Casablanca
Novoplast Schlauchtechnik	thermoplastic tubing and profiles 0.1-50 mm, 2D/3D moulded hoses	Medical, automotive, industrial	Halberstadt
Fleima-Plastic	injection moulded parts, custom components	Medical technology	Germany
APT	smooth and heat-shrink fluoropolymer tubing	Lab, process, paint, appliances	Germany
Masterduct	spiral hoses, acoustic HVAC hoses	North and South America, building services	Houston (US), Brazil
Asia	sales, limited production	Asia-Pacific	Singapore (since 2012), Kunshan

Source: Masterflex SE (company website, AR 2025); company claims



7. Products, technologies and applications

The portfolio ranges from extruded spiral, clip-profile and foil hoses through precision thermoplastic tubing with diameters of 0.1 to 50 mm, fluoropolymer and heat-shrink tubing, to hand-built bellows and moulded parts in synthetic rubber and injection-moulded components for medical technology. In medicine, mono-, multilayer, co- and micro-extrusion are used, together with connectors, clamps, distributors, drip chambers and separating membranes, mainly in intensive care and reproductive medicine. In aerospace, Masterflex hoses are used in the exhaust control of ECU systems, cabin air distribution, vacuum toilets and bleed-air systems in almost all aircraft types.

Innovation and digitalisation. In 2025 Masterflex launched, among other products, the Master-PUR DualFlow food hose with a seamless inner lining, which is recyclable in its mono-material version. With AMPIUS the group has a data platform; all hose systems contain a chip as standard. Recognised R&D expenses are low at EUR 0.7m (2025). We do not interpret this as weak innovation but as a result of development work being largely customer-specific and embedded in application engineering and production. A direct comparison with the R&D ratios of large peers is therefore of limited value.



8. End-market analysis

Masterflex manages sales through four target industry groups. **Life** comprises medical technology, food, pharma, lab and biotechnology and was again the growth driver in H1 2026. **Tech** (machinery, semiconductors, agriculture, robotics) was slightly below the prior year; semiconductors and agriculture developed positively, machinery weaker. **Mobility** (aviation, rail, automotive, airport infrastructure) declined more markedly, as airport projects and the marine and rail areas were weak, while the aviation OEM business grew. **Infrastructure** (renewables, US HVAC including heat pumps) was slightly below the prior year, partly due to the weaker US dollar.

Revenue and earnings by target group are not reported. Our margin classification in Exhibit 20 is an estimate based on qualitative company statements (high margins in medical and lab applications, mix effect on the material ratio) and not a reported figure. What matters for the thesis is the direction: growth in Life and aviation improves the mix, weakness in Tech and Infrastructure weighs on volume.

Exhibit 20: Target industry groups: scope, trend, drivers, margin profile

Target industry group	Scope (company)	H1 2026 trend	Structural driver	Margin profile (PCR estimate)
Life	Medical, food, pharma, lab, biotech	growth driver, clear growth in medical and food	demographics, single-use, hygiene	above group
Tech	Machinery, semiconductors, agriculture, robotics	slightly down; semiconductors and agriculture positive	automation, fab build-out	around group
Mobility	Aviation, rail, automotive, airport infrastructure	more pronounced decline; aviation OEM good, airport projects weak	aircraft backlog	aviation above, auto below group
Infrastructure	Renewables, US HVAC incl. heat pumps	slightly down; USD effect	energy transition, building services	below group

Source: Masterflex SE (AR 2025, H1 2026); margin profile: PCR estimate, not reported

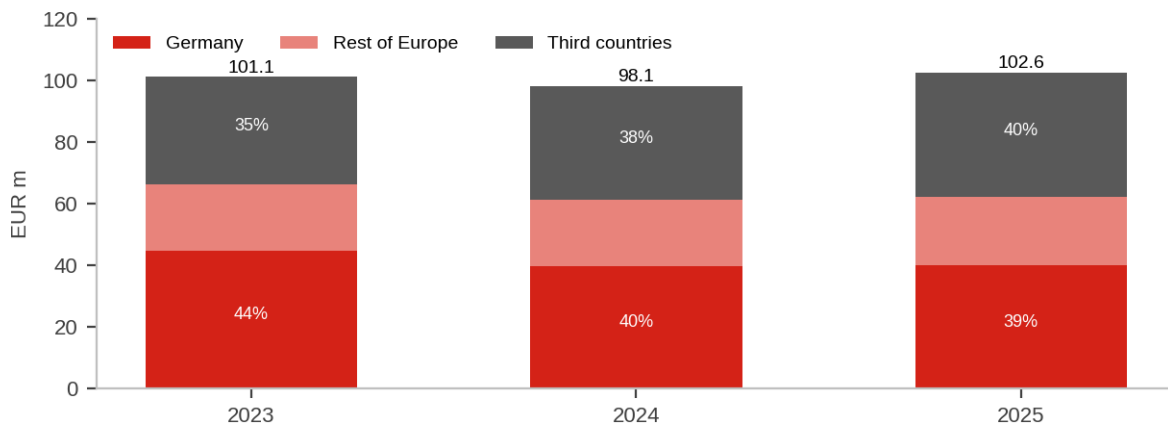


9. Regional and international growth

In 2025, EUR 39.8m of revenue was generated in Germany, EUR 22.2m in the rest of Europe and EUR 40.6m in third countries. Masterflex therefore generates around 61% of revenue abroad, a high degree of internationalisation for a company with 605 employees and EUR 123.6m market capitalisation. The 9.8% increase in third countries in 2025 was driven mainly by the US subgroup. In 2026 currency effects weigh: the US dollar lost around 12% against the euro during 2025 (closing rate EUR 0.851 per USD after 0.963), and US business declined in H1 2026 mainly due to currency. Germany (medical technology) and Asia grew.

Asia as an option, the US as a lever. In Asia, Masterflex is predominantly sales-oriented, complemented by limited production in Kunshan and a sales company in Singapore since 2012. We do not model a growth contribution from Asia. In the US, the group is established with its own production in Houston; the M&A strategy explicitly names North America as a regional focus. Acceleration requires building local production, sales and qualifications in Asia. If this is delayed, Asia remains an option without earnings impact.

Exhibit 21: Revenue by region 2023 to 2025 (EUR m)



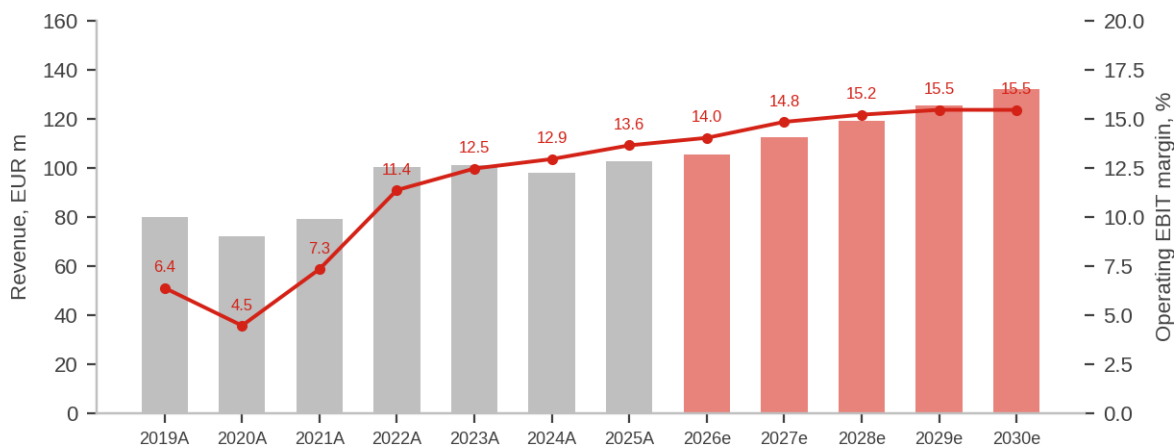
Source: Masterflex SE (AR 2025, segment disclosure), S&P Capital IQ; reported



10. Financial history and operating KPIs

Between 2019 and 2025, revenue rose from EUR 80.0m to EUR 102.6m (3.6% p.a.), operating EBIT from EUR 5.1m to EUR 14.0m and EPS from EUR 0.26 to EUR 0.91. Growth, however, was concentrated in 2021 and 2022; since 2022 revenue has been stable at around EUR 100m. Earnings improvement since then has come from margin, not volume. Throughout this study we show the company's operating figures; S&P Capital IQ values differ due to the treatment of leases under IFRS 16 and one-off items and are used only for gross margin and ROCE.

Exhibit 22: Revenue and operating EBIT margin 2019A to 2030e



Source: Masterflex SE (reported to 2025); PCR (estimates from 2026)

Exhibit 23: Income statement 2019A to 2030e

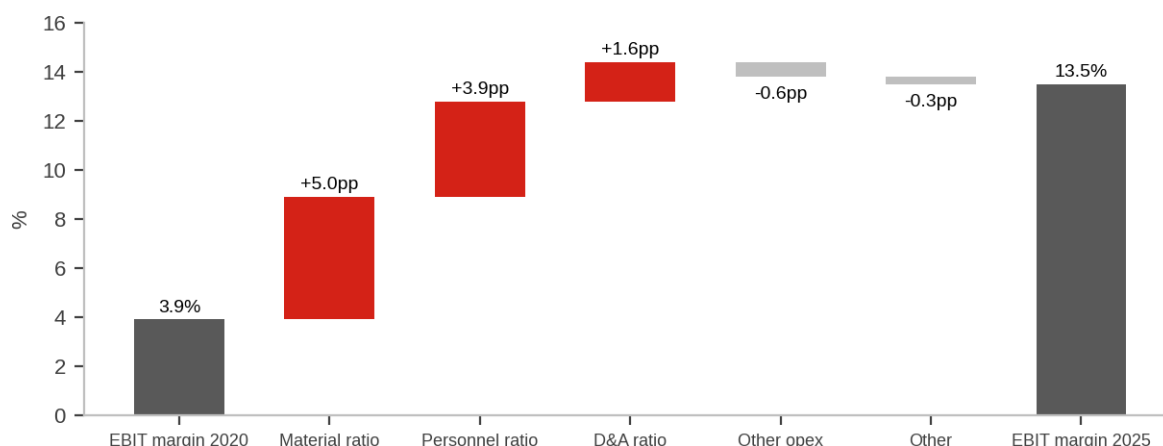
EUR m	2019	2020	2021	2022	2023	2024	2025	2026e	2027e	2028e	2029e	2030e
Revenue	80.0	71.9	79.1	100.3	101.1	98.1	102.6	105.5	112.5	119.0	125.5	132.0
Growth %		-10.1	10.0	26.8	0.8	-3.0	4.6	2.8	6.6	5.8	5.5	5.2
Gross margin % (CIQ)	67.8	67.8	67.7	66.2	68.1	71.1	72.8					
EBITDA operating	9.7	7.9	10.7	16.4	17.9	18.2	19.5	20.4	22.5	24.2	25.7	27.0
Margin %	12.1	11.0	13.5	16.4	17.7	18.6	19.0	19.3	20.0	20.3	20.5	20.5
D&A	-4.6	-4.7	-4.9	-5.0	-5.3	-5.5	-5.5	-5.6	-5.8	-6.1	-6.3	-6.6
EBIT operating	5.1	3.2	5.8	11.4	12.6	12.7	14.0	14.8	16.7	18.1	19.4	20.4
Margin %	6.4	4.5	7.3	11.4	12.5	12.9	13.6	14.0	14.8	15.2	15.5	15.5
Net income	2.4	0.8	3.3	7.8	8.0	8.2	8.7	9.5	10.9	11.9	12.9	13.7
EPS, EUR	0.26	0.08	0.34	0.81	0.83	0.86	0.91	0.98	1.13	1.24	1.34	1.42
DPS, EUR	0.07	0.08	0.12	0.20	0.25	0.27	0.30	0.32	0.36	0.40	0.44	0.47
Payout %	27	100	35	25	30	31	33	33	32	32	33	33
Employees	676	613	585	629	662	601	605					

Source: Masterflex SE (operating figures, reported), S&P Capital IQ (gross margin); PCR (estimates from 2026)

Margin bridge 2020 to 2025: how sustainable is the expansion?

The EBIT margin (S&P Capital IQ basis) rose from 3.9% to 13.5%. Around 5.0 percentage points came from the lower material ratio (mix, procurement, productivity and pricing, which the company does not disclose separately), 3.9 points from a lower personnel ratio and 1.6 points from lower depreciation relative to revenue. Other expenses cost 0.6 points. Important for sustainability: 2020 was a pandemic trough. The personnel and depreciation effects of 5.5 points combined are largely operating leverage from the volume recovery in 2021/2022 and therefore not endlessly repeatable. The roughly 5 points from the material ratio, by contrast, we regard as structural, because they continued in 2024 and 2025 without revenue growth. Acquisition or consolidation effects play no role.



Exhibit 24: EBIT margin bridge 2020 to 2025 (percentage points of revenue)


Source: S&P Capital IQ (cost structure 2020 and 2025); PCR calculation; analyst-derived

Cash-flow quality and working capital

Correction versus the previous edition. Our earlier studies showed 2025 free cash flow of EUR 13.6m and cash conversion of 156%. These figures were based on the S&P Capital IQ "levered free cash flow" definition. The group cash flow statement shows free cash flow (operating cash flow EUR 14.8m less capex EUR 4.2m) of EUR 10.6m; after lease payments of EUR 1.5m it is EUR 9.0m, equivalent to 104% of net income. The message remains positive, but the magnitude is lower than previously presented. From this edition onwards we use the company's cash flow statement exclusively.

Inventory. Inventory amounted to EUR 20.2m or 19.7% of revenue at the end of 2025, after 22.3% a year earlier; the reduction mainly concerned raw materials and supplies. Relative to material costs this equals around 260 days. The level reflects the wide range of variants, customers' short lead-time requirements and stockholding of critical materials. The company does not disclose a split between strategic stock and customer-driven inventory. We therefore regard working capital as a manageable but real capital commitment: in growth phases part of the additional EBITDA is tied up in current assets, which we model at 15% of the revenue increase. Receivable days rose to 39 at year-end 2025.

Exhibit 25: Cash flow, working capital, balance sheet and returns 2019 to 2025

EUR m/ days	2019	2020	2021	2022	2023	2024	2025
Operating cash flow	6.7	11.5	6.8	10.1	12.4	12.9	14.8
Capex (incl. intangibles)	-2.2	-1.8	-3.0	-5.3	-4.5	-2.8	-4.2
Free cash flow	4.5	9.7	3.8	4.8	7.9	10.1	10.6
Lease payments						-1.5	-1.5
FCF after leases						8.7	9.0
FCF / net income %	188	n.m.	115	62	99	123	122
FCF / operating EBITDA %	46	123	36	29	44	55	54
Receivable days (DSO)	34	29	33	32	36	35	39
Inventory days (DIO, on materials)	263	244	246	229	252	282	264
Payable days (DPO)	32	26	29	26	23	28	27
Inventory % of revenue	23.2	21.5	21.8	21.2	22.0	22.3	19.7
Net debt	23.9	18.2	15.9	16.8	13.1	8.7	2.7
Net debt / operating EBITDA	2.5x	2.3x	1.5x	1.0x	0.7x	0.5x	0.1x
Equity ratio %	51.5	54.1	56.7	57.6	61.5	67.7	73.3
ROCE % (EBIT/equity+ND)	6.7	4.7	8.0	16.7	17.0	16.8	19.4
Interest cover (EBIT/interest)	3.4x	3.1x	6.4x	19.1x	9.9x	9.0x	11.8x

Source: Masterflex SE (cash flow statement, balance sheet), S&P Capital IQ; PCR calculation (year-end days); reported or analyst-derived



Guidance quality

The guidance record is mixed: EBIT guidance was met in 2023, 2024 and 2025, whereas revenue guidance was missed in 2023 and 2024. For 2026 guidance is EUR 103m to 108m revenue and EUR 13m to 16m EBIT; after the first half (EUR 54.3m revenue, EUR 7.9m EBIT) it is on track, provided the second half delivers start-up revenue from Morocco and the framework agreement. Our reading: management controls costs reliably but tends to be too optimistic on revenue. This argues for a haircut on revenue targets, but not on margin targets. The EUR 200m target requires around 14% growth p.a. from 2025; organically we consider around 5% achievable, the rest depends on acquisitions.

Exhibit 26: Guidance versus actual 2023 to 2026

Year	Revenue guidance	Actual Hit	EBIT guidance	Actual Hit
2023	EUR 103-110m	101.1 missed	EUR 11-14m	12.4 midpoint
2024	EUR 100-107m	98.1 missed	EUR 12-15m	12.5 lower half
2025	EUR 100-105m	102.6 met	EUR 12-15m	13.7 upper half
2026	EUR 103-108m	H1: 54.3 on track	EUR 13-16m	H1: 7.9 on track

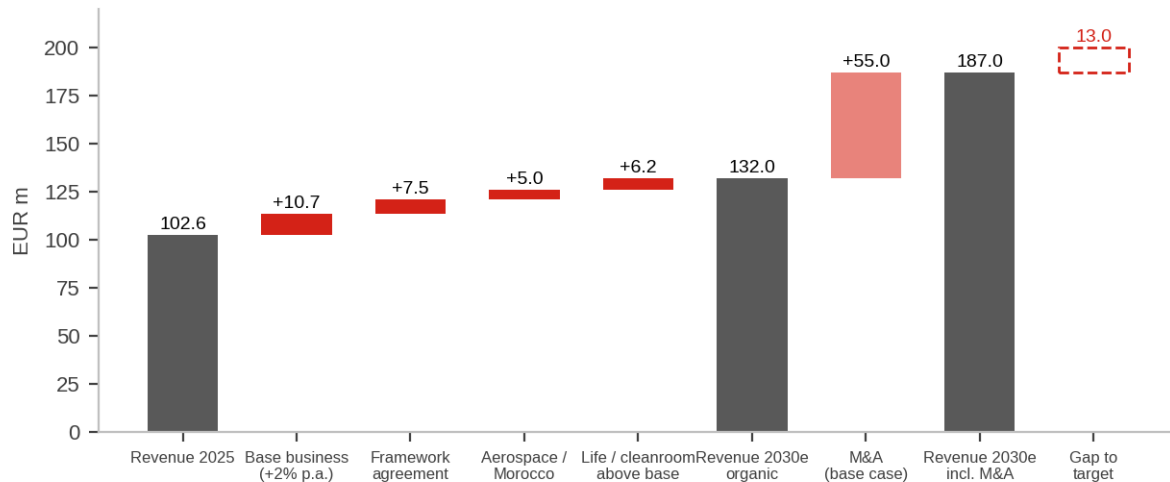
Source: Masterflex SE (annual reports 2022 to 2025, half-year report 2026); reported



11. Organic growth strategy

Our organic model takes revenue from EUR 102.6m (2025) to EUR 132.0m (2030e). The bridge consists of four building blocks, whose sizes are analyst estimates: base business at 2% p.a. (plus EUR 10.7m), the framework agreement (plus EUR 7.5m, the midpoint of the EUR 5m to 10m range), aerospace and Morocco (plus EUR 5.0m) and Life and cleanroom expansion above base growth (plus EUR 6.2m). In our base case with EUR 55m of acquisitions, around EUR 13m is still missing to reach the company's EUR 200m target, which would require additional organic acceleration.

Exhibit 27: Revenue bridge 2025 to 2030e: organic and M&A (EUR m)



Source: Masterflex SE (2025 revenue, 2030 target); PCR analyst estimates for all building blocks

Exhibit 28: Assessment of growth drivers

Driver	Evidence	Timing	Revenue 2030e	Margin	Capex	Key risk	Confidence
Framework agreement	contract, development costs secured	end-2026 to 2027	EUR 5-10m	above group	partly customer	call-off volumes, customer undisclosed	high
Aerospace, Morocco	plant, EUR 3.0m equipment over 5 years	from Q4 2026, full capacity 2030	EUR 4-7m (PCR)	above group after ramp	low	customer releases, rate delays	medium
Medtech, cleanroom	share 21% after 18%; capacity expansion	ongoing	EUR 5-8m (PCR)	above group	medium	validation times, destocking	medium to high
United States	US subgroup drove 2025 growth	ongoing	in base	around group	low	USD, tariffs	medium
Asia	sales Singapore, production Kunshan	after 2028	not modelled		high	local build-out required	low
AMPIUS, Hero@Zero	chip in hoses, recycling pilot	after 2028	0 (not modelled)	open	medium	willingness to pay	low
Defence	M&T addresses defence	open	not modelled	open		approvals, access	low

Source: Masterflex SE (AR 2025, H1 2026, announcements); revenue potential, margin and confidence assessments: PCR estimates

Aerospace: from order backlog to supplier revenue

The Airbus (9,362 aircraft) and Boeing (6,748) order backlog at the end of August 2026 is not revenue for Masterflex. Transmission runs through OEM production rates, system supplier call-offs, qualified content per aircraft and available capacity. Masterflex discloses neither aviation revenue nor content per aircraft. What is robust is that Masterflex hoses are installed in almost all aircraft types and that the Morocco plant is intended to double aviation revenue in the medium term; the equipment investment



of around EUR 3.0m over five years is small, and full capacity is planned for 2030. Risks are rate delays, concentration on a few system houses and the time needed for customer releases of the new site.

Exhibit 29: Transmission mechanism from aircraft backlog to revenue

Stage	Mechanism	What we know	What is open
1	OEM order backlog	Airbus 9,362, Boeing 6,748 aircraft (end of August 2026)	backlog is not revenue
2	Production rates	deliveries drive tier-1 and tier-2 call-offs	rate ramps repeatedly delayed
3	Qualified content per aircraft	Masterflex: hoses in almost all aircraft types, ECS, bleed air, cabin	content per aircraft not disclosed
4	Customers	release only for certified partners	concentration on few system houses possible
5	Capacity	Morocco from Q4 2026, aim: double aviation revenue	aviation revenue not quantified
6	Replacement (MRO, GSE)	ground support (TSU) hoses in portfolio	replacement share unknown

Source: Forecast International (backlogs end of August 2026), Masterflex SE (AR 2025, H1 2026); PCR analysis



12. M&A strategy and the EUR 200m target

Management most recently confirmed the target of around EUR 200m revenue by 2030 with a sustained double-digit EBIT margin in August 2026; EUR 50m to 60m is to come from acquisitions, with companies of EUR 5m to 25m revenue named as target sizes. According to the annual report, Masterflex pursues three directions: regional expansion with a focus on North America and Europe, expansion of technological expertise and sector-specific expansion. No transaction has been announced to date. The acquisition track record of recent years is thin; we therefore regard sourcing and integration capability as unproven.

Three scenarios. S1 assumes no acquisitions: revenue reaches EUR 132m and net cash of around EUR 24m builds up by 2030. That would be a capital allocation issue to be solved through dividends or share buybacks. S2 assumes two small acquisitions with combined revenue of EUR 25m; the risk-adjusted value contribution is EUR 0.63 per share. S3 reflects the full target of EUR 55m; with purchase prices of around EUR 40m, leverage peaks at around 0.5x EBITDA, no capital increase is needed, and the risk-adjusted value contribution is EUR 1.39. The group EBITDA margin falls from 20.5% to 18.7% in S3 because targets come in at lower margins; EBIT rises markedly in absolute terms.

Exhibit 30: Three M&A scenarios to 2030e

Metric 2030e	S1: organic only	S2: small deals	S3: full target
Acquired revenue (PCR assumption)	0	25.0	55.0
Revenue	132.0	157.0	187.0
EBITDA operating	27.0	30.6	35.0
EBITDA margin	20.5%	19.5%	18.7%
EBIT	20.1	22.7	25.8
Total purchase prices (6.0x entry EBITDA)	0	18.0	39.6
Net debt end-2030 (- = net cash)	-24.3	-12.0	5.1
Peak leverage (ND/EBITDA)	0.1x	0.2x	0.5x
Share count, m	9.62	9.62	9.62
Gross value per share, EUR	0	1.33	2.93
Discounted per share, EUR	0	1.05	2.32
Risk-adjusted (40% discount), EUR	0	0.63	1.39
Value per share (organic EUR 17.49 + M&A)	17.49	18.12	18.88

Source: Masterflex SE (EUR 50-60m target range, EUR 5-25m target sizes); all other parameters PCR assumptions; no transaction announced

When acquisitions create value. The value contribution is highly sensitive to purchase price and execution probability. At 5.0x and full execution it would be EUR 2.86 per share, at 9.0x and 40% execution only EUR 0.28. Above roughly 9x the contribution approaches zero unless the margin can be lifted above 14.5%. Capital discipline in the first transaction is therefore the single most important indicator for the M&A narrative. Supporting factors are the unencumbered balance sheet, the network of the new anchor shareholder AEP and industry fragmentation; against them stand limited management bandwidth, competition from financial investors for targets and the parallel Board succession.

Exhibit 31: M&A value per share (EUR): purchase multiple versus execution

Purchase multiple \ execution	40%	60%	80%	100%
5.0x	1.14	1.72	2.29	2.86
6.0x	0.93	1.39	1.86	2.32
7.0x	0.71	1.07	1.42	1.78
8.0x	0.49	0.74	0.99	1.23
9.0x	0.28	0.41	0.55	0.69

Source: PCR calculation based on S3 (EUR 55m, 12% entry margin, 14.5% target margin, 8.5x valuation); analyst estimate



13. Sustainability and digitalisation

We separate three levels. **Operational sustainability** already has an economic effect: the material ratio fell to 27.2% of total output in 2025, which the company attributes to mix, productivity and better material utilisation; lean manufacturing has been introduced in all plants. **Product sustainability** is evidenced but not quantified: the Master-PUR DualFlow food hose is recyclable in its mono-material version, and since September 2025 extraction hoses made from fully recycled plastic have been tested in real operation. **Sustainability as a commercial differentiator** is still an option: under Hero@Zero, take-back, recycling and eco-certification are to be offered by 2035; the company sees this as doubling its addressable market through the second half of the product life cycle.

Recycling rates, scrap rates, material savings or financial benefits are not published, and we do not estimate them without a robust methodology. The CEO himself concedes that adjustment pressure among customers is currently low. Hero@Zero therefore enters our forecast at zero. We consider greenwashing risk low, as the company makes no inflated quantitative promises; customers' willingness to pay for circular products, however, is unproven. Regulation (EU product passport, plastic levies, CO₂ pricing) could accelerate demand; with AMPIUS and a chip in the hose, Masterflex has already created the data basis.

Exhibit 32: Sustainability: evidence, quantification, economic relevance

Topic	Evidence (primary source)	Quantified?	Economic relevance (PCR)
Material efficiency	material ratio 27.2% after 28.7% (2025); mix, productivity, procurement	yes, indirectly	high: direct margin effect
Scrap, lean	lean manufacturing in all plants (AR 2025)	no	medium; not quantifiable
Recyclability	Master-PUR DualFlow recyclable as mono-material; extraction hoses from 100% recyclate in trial (since 09/2025)	no	option; no customer mandate yet
Circular model Hero@Zero	take-back, recycling, eco-certification planned by 2035; partners REMONDIS, EPEA	no	long-term; company sees doubling of addressable market
Digital product passport (AMPIUS)	chip as standard in hose systems	no	data basis for service and regulation
Customer demand	CEO: little pressure to adapt, low customer interest		greenwashing risk low, price premium unproven

Source: Masterflex SE (AR 2025, sustainability report, interviews); relevance assessment: PCR



14. Management, ownership and governance

The Management Board consists of Dr Andreas Bastin (CEO, at the helm since 2006) and Mark Becks (CFO). On 22 January 2025, the Supervisory Board extended Bastin's contract to 31 December 2028 and Becks' to 31 December 2030. The Supervisory Board has three members; since June 2025 these are Georg van Hall (Chair), Dr Gerson Link and Rein Groot. The execution record is measurable: ROCE from 4.7% to 19.4%, net debt from EUR 18.2m to EUR 2.7m, dividend raised every year since 2020. Revenue targets, by contrast, were missed twice, and the EUR 200m target has been unchanged since 2024 although revenue has not grown.

Earn-out and insider transaction

On 6 July 2026, BBC GmbH, the investment company of the two Board members, sold 644,950 shares (6.61%) off-market at EUR 14.00 to J.F. Müller & Sohn. According to the managers' transactions notice of 8 July 2026, the purchase price increases by EUR 1.00 per share if the 100-day average share price as of 31 December 2028 is at least EUR 17.00; payment would fall due on 16 January 2029. The obligor is J.F. Müller & Sohn, not Masterflex SE. The maximum amount of EUR 0.64m is therefore neither earnings- nor cash-relevant for the company and causes no dilution. Economically, the Board members remain exposed to the share price until the end of the CEO contract. Two readings are possible: negatively, the Board members sold their entire holding close to the current price; positively, the anchor shareholder invested EUR 9.0m and additionally committed to a price-linked top-up. Ancillary terms of the purchase agreement are not disclosed.

Shareholder structure and AEP

Around 56% of the capital sits with three holders: J.F. Müller & Sohn (29.37%, 22.03% at the end of 2025), Grondbach (20.01%) and AEP (7.05%). J.F. Müller & Sohn is immediately below the 30% control threshold under section 29 WpÜG; crossing it would trigger a mandatory offer. Alpha Entrepreneurial Partners acquired its stake on 19 August 2026 as its first core investment after fund launch and emphasises confidence in management and strategy. We regard AEP as a supportive, non-activist shareholder whose network can help with the M&A programme and investor outreach. The fund does not yet have its own track record.

Exhibit 33: Shareholder structure, insider transaction and Board contracts

Shareholder / event	Stake / detail	Date	Assessment
J.F. Müller & Sohn AG	29.37%	after 6 Jul 2026	just below the 30% threshold of section 29 WpÜG
Grondbach GmbH	20.01%	2026	long-term anchor
Alpha Entrepreneurial Partners	7.05%	19.08.2026	first core investment, supportive
Lazard Frères Gestion	5.04%	2026	financial investor
Free float	37.13%	2026	investable around EUR 50m
Sale by BBC GmbH (Board)	644,950 shares at EUR 14.00	06.07.2026	private diversification; buyer J.F. Müller
Earn-out	+EUR 1.00/share if 100-day average at least EUR 17.00 as of 31 Dec 2028	due 16 Jan 2029	obligor J.F. Müller, not the company; max. EUR 0.64m
Board contracts	CEO to 31 Dec 2028, CFO to 31 Dec 2030	22.01.2025	staggered transition possible

Source: Masterflex SE (shareholder structure, H1 2026, AR 2025), managers' transactions notice 8 Jul 2026, announcement 22 Jan 2025, AEP announcement 19 Aug 2026; reported

CEO succession 2028

Succession is a material but manageable execution and governance issue. The attractiveness of the role argues for an external solution: Prime Standard listing, 15 operating companies, around 61% international revenue, a 13.6% operating EBIT margin, a 73.3% equity ratio and a clear growth and M&A mandate. An internal solution would favour continuity, but no designated person is publicly known. The



staggered contract terms, with a CFO until 2030, facilitate the handover. A realistic timeline requires the search to begin in 2027. An early, convincing solution could act as a positive catalyst; a delayed one would weigh on M&A execution and capital-market perception. Institutional quality (six independent brands, qualifications at company and plant level, AMPIUS as a platform) reduces key-person dependence but does not remove it.

Exhibit 34: Succession monitoring indicators

Indicator	Positive signal	Warning signal	Window
Search process	Supervisory Board communicates process and profile	no statement by end-2027	2026-2027
Candidate profile	experience in regulated niches and M&A	purely internal solution without profile	2027
Handover model	overlap, CFO continuity to 2030	abrupt change	2027-2028
Remuneration	long-term, share-based component	short-term bonuses only	remuneration report
Strategy	200m target and Hero@Zero reaffirmed	strategy shift, payout halt	ongoing
Capital allocation	M&A discipline below 7x EBITDA	large deal before succession	ongoing

Source: PCR analyst judgement based on announcement 22 Jan 2025 and AR 2025



15. Peer comparison

A fully comparable listed peer group does not exist for Masterflex SE. We reviewed eleven listed companies and classified them by business relevance: engineered polymer solutions (Trelleborg, Dätwyler, Hexpol), medical polymer components (Nolato), aerospace ducting (Senior), hydraulic and industrial hoses (Gates, Semperit, Kuriyama, Tigers Polymer) and joining technology (NORMA). We exclude NORMA (restructuring, disposal effects) and Tigers Polymer (large net cash, EV/EBITDA 1.1x) from the median. Peer figures are from S&P Capital IQ as of 21 September 2026 (Japanese stocks 18 September 2026 due to a holiday) on a trailing twelve-month basis; Masterflex market data and price performance updated to 13 October 2026; differences between IFRS and US GAAP, adjusted and reported figures and lease accounting are not harmonised.

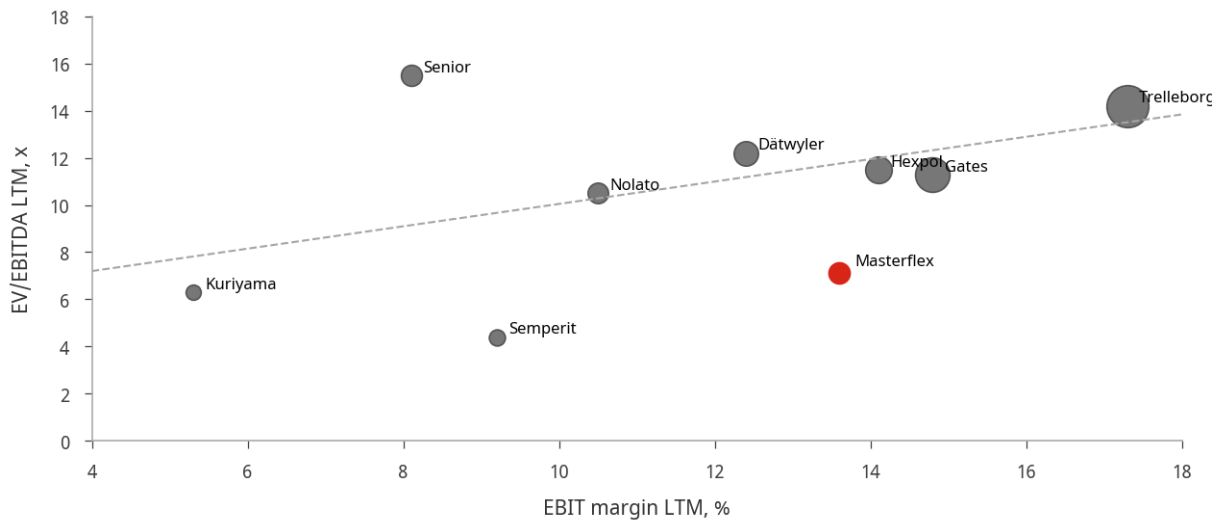
Exhibit 35: Peer matrix

Company	Category	Mkt cap EUR m	Revenue LTM	Growth	EBITDA m.	EBIT m.	EV/Sales	EV/EBIT DA	P/E	Perf. 3Y	Perf. 5Y
Masterflex	Niche hose systems	123.6	103	1.7%	19.1%	13.6%	1.2x	7.1x	13.6x	48%	83%
Trelleborg	Engineered polymers	8,848	3,132	n.a.	21.8%	17.3%	3.1x	14.2x	25.8x	69%	115%
Dätwyler	Elastomer components, healthcare	2,271	1,214	n.a.	18.0%	12.4%	2.2x	12.2x	25.5x	-26%	-57%
Gates	Hydraulic hoses, drives	5,619	3,056	3.3%	21.1%	14.8%	2.4x	11.3x	17.9x	102%	58%
Hexpol	Compounds, engineered products	2,905	1,683	-5.3%	16.7%	14.1%	1.9x	11.5x	17.9x	0%	-15%
Nolato	Medical polymer parts	1,282	835	-2.1%	16.0%	10.5%	1.7x	10.5x	20.2x	23%	-54%
Senior	Aerospace ducting	1,407	883	5.7%	11.5%	8.1%	1.8x	15.5x	n.m.	83%	72%
Semperit	Industrial hoses, elastomers	375	698	7.1%	16.3%	9.2%	0.7x	4.4x	9.3x	7%	-41%
Kuriyama	Industrial hoses	201	537	19.6%	7.2%	5.3%	0.5x	6.3x	8.9x	79%	29%
Tigers Polymer	Hoses, ducts	111	286	3.5%	10.7%	5.9%	0.1x	1.1x	9.1x	29%	72%
NORMA	Joining technology	504	808	-4.5%	n.m.	n.m.	0.3x	n.m.	n.m.	0%	-52%
Median core peers (8)		1,839	1,049	4.5%	16.5%	11.4%	1.9x	11.4x	17.9x	46%	7%

Source: S&P Capital IQ (market data, LTM fundamentals, price performance excluding dividends), Masterflex SE (operating LTM figures); PCR calculation; FX rates S&P Capital IQ

Masterflex's EBIT margin is above the median (13.6% vs 11.4%) and, at 0.2x net debt to EBITDA, it has the soundest balance sheet in the group, yet it trades at 7.1x EV/EBITDA, around 38% below the 11.4x median, and at 13.6x P/E, around 24% below 17.9x. A simple regression of EV/EBITDA on EBIT margin across the peer group implies around 11.8x for a 13.6% margin; with eight data points the explanatory power is limited and serves only as context. A discount to the large peers is justified: Masterflex is 10 to 30 times smaller, less liquid, geographically narrower and currently growing more slowly. Semperit and Kuriyama trade lower but also have markedly lower margins. In our view, size and liquidity justify a 15% to 30% discount to the median, i.e. 8.0x to 9.7x. Each turn of EV/EBITDA equals around EUR 1.87 per share.



Exhibit 36: EV/EBITDA versus EBIT margin (bubble size: market capitalisation)


Source: S&P Capital IQ (peers: 21 Sep 2026; Masterflex: 13 Oct 2026), Masterflex SE; PCR regression (illustrative only); analyst-derived

Exhibit 37: Re-rating potential by valuation level

Valuation basis	EV/EBITDA LTM	Value per share, EUR	vs price Precondition
Today	7.1x	12.85	0% status quo
Own 5-year range, top	9.0x	16.37	27% growth visible from 2027
30% discount to peer median	8.0x	14.50	13% size and liquidity discount persists
15% discount to peer median	9.7x	17.68	38% coverage, liquidity, first deal
Peer median	11.4x	20.86	62% scaling towards EUR 200m
Per 1.0x EV/EBITDA		1.87	

Source: S&P Capital IQ (LTM EBITDA basis EUR 18.0m), Masterflex SE (net debt 30 Jun 2026); PCR calculation



16. Scenario analysis and catalysts

Bull case (25%): the framework agreement and Morocco ramp up as planned, growth in 2027 reaches around 12% and the EBIT margin 15.5%. First acquisitions are made below 6x EBITDA, the EUR 200m target is reached in 2030, and succession is settled in 2027. Value: EUR 23.00 to 25.00. **Base case (55%):** 6.6% growth in 2027, 14.6% EBIT margin, EUR 55m of acquired revenue at 6x, orderly succession by 2028. Value: EUR 19.00. **Bear case (20%):** project delays, industrial weakness, 12.5% margin, no or overpriced acquisitions, delayed succession. Value: EUR 12.00 to 13.00, supported by the balance sheet and a dividend yield of around 2.5%.

The probabilities are analyst judgement. The weighted value is EUR 18.95, which supports our price target. The risk-reward is asymmetric: around 48% upside in the base case and 79% to 95% in the bull case compare with around 7% downside to around 1% upside in the bear case.

Exhibit 38: Bull, base and bear case with probabilities

Scenario	Prob.	Rev. 2027e	EBIT m. 2027e	EPS 2027e	Rev. 2030e M&A	Succession	Value/share
Bull	25%	118	15.5%	1.30	200 EUR 50-60m below 6x	settled 2027	23.00-25.00
Base	55%	112.5	14.6%	1.13	187 EUR 55m at 6x	orderly by 2028	19.00
Bear	20%	104	12.5%	0.92	132 none / overpaid	delayed	12.00-13.00
Probability-weighted							18.95

Source: PCR analyst estimates and probability judgement

Exhibit 39: Catalyst calendar

Catalyst	Timing	Metric	Direction
Q3 statement 9M 2026	04.11.2026	Q3 revenue growth, order backlog	+/-
Morocco start-up	Q4 2026	first deliveries, start-up costs	+
First series revenue framework agreement	end-2026 to 2027	call-off volumes	+
Annual report 2026, 2027 guidance	March 2027	revenue guidance above EUR 110m	+
First acquisition	2026-2027	multiple, margin, financing	+/-
CEO succession	2027	profile, handover	+
Additional coverage, conferences	ongoing	number of houses, trading volume	+
AEP as active shareholder	ongoing	stake increase, board seat	+

Source: Masterflex SE (financial calendar 2026, announcements); PCR



17. Risks and monitoring framework

The risk matrix classifies 15 risks by probability, financial impact, early-warning indicators, mitigants and whether the risk is already reflected in the share price. The highest impact comes from persistently weak organic growth and overpaying for acquisitions. Based on our reverse DCF, growth risk is largely priced in; M&A risk is not in the share price because no M&A value is in it either, and is reflected in our target via the 40% discount. Liquidity and limited coverage are the main cause of the valuation discount and remain a real risk for institutional investors when building or exiting positions.

Exhibit 40: Risk matrix

Risk	Prob.	Impact	Early warning	Mitigant	Priced in?
European industrial cycle	medium	medium	Tech revenue, orders	Life, aviation	partly
Slow organic growth	medium	high	growth below 3% in 2027	projects, M&A	largely (reference: 0.8%)
Undisclosed framework customer	low	medium	series start delay	secured development costs	partly
Aerospace rate delays	medium	medium	Airbus deliveries	replacement, backlog	partly
Medical/defence qualification	medium	low	validation times	cleanroom experience	yes
Raw-material prices	medium	low	material ratio above 29%	27% material ratio, pass-through	yes
Currency (USD)	high	low	EUR/USD	local production Houston	yes
Inventory, working capital	medium	medium	DIO above 290 days	variant range managed	partly
Competitive/price pressure	medium	medium	gross margin below 70%	qualification	no
M&A overpayment, integration	medium	high	price above 8x EBITDA	balance sheet, governance	not in price, 40% in target
Financing, leverage	low	medium	ND/EBITDA above 1.5x	0.2x today	yes
CEO succession	medium	medium	no solution by end-2027	CFO to 2030, structures	via WACC premium
Governance, disclosure	low	medium	segment and customer data	Prime Standard	partly
Liquidity, coverage	high	medium	trading volume	AEP, conferences	yes (discount)
Minority shareholders	low	medium	30% threshold (J.F. Müller)	mandatory offer if crossed	no

Source: Masterflex SE (risk report AR 2025, H1 2026); classifications: PCR analyst judgement

Exhibit 41: Leading indicators: what confirms or invalidates the thesis

Leading indicator	Confirms thesis	Invalidates thesis	Status today
Organic revenue growth	above 5% in 2027	below 2% in 2027	H1 2026: +1.7%
Operating EBIT margin	above 14.5%	below 12.5%	H1 2026: 14.8%
Gross margin (CIQ)	above 72%	below 69%	2025: 72.8%
Order backlog	above EUR 22m	below EUR 18m	30 Jun 2026: EUR 21.8m
FCF after leases / net income	above 90%	below 60%	2025: 104%
First acquisition	below 7x EBITDA, margin-neutral	above 9x or equity raise	none announced
Medical share	above 23% in 2027	decline below 19%	2025: 21%
Xetra trading volume	above 3,000 shares/day	below 1,500	H1 2026: 1,920

Source: Masterflex SE (H1 2026, AR 2025); thresholds: PCR



18. Conclusion

In our view, Masterflex is an underfollowed, high-quality niche compounder: gross margin is above 70%, ROCE is 19.4%, the balance sheet is almost debt-free and the customer base is broad. At EUR 12.85 the market prices in practically no growth, although the growth projects are contractually underpinned and should become visible in the numbers from 2027. The M&A option is financeable and not reflected in the share price. We confirm our Buy rating with a price target of EUR 19.00.

In intellectual honesty, five variables determine whether the valuation gap closes: the conversion of projects into revenue growth, the stock's liquidity, concentration on the framework agreement customer, capital discipline in the first acquisition and a convincing CEO succession. None of these variables argues against the thesis today; all are observable and will confirm or refute the price target over the next 12 to 24 months.

SWOT

STRENGTHS	WEAKNESSES
Qualified positions in aerospace (DIN EN 9100) and medtech (cleanroom)	Revenue flat at around EUR 100m since 2022; revenue guidance missed in 2023 and 2024
Gross margin 72.8%, operating EBIT margin 13.6% (2025)	Single segment, no earnings transparency by end market
ROCE 19.4%, net debt 0.1x EBITDA (2025)	Inventory days around 260
No customer above 10% of revenue	Low liquidity (around 1,900 shares/day)
EBIT guidance met every year since 2023	Asia sales-oriented only
OPPORTUNITIES	RISKS
Framework agreement EUR 5-10m p.a.	European industrial weakness, USD
Morocco: double aviation revenue	Aerospace rate delays
M&A: EUR 50-60m acquired revenue by 2030	M&A overpayment or integration issues
Re-rating to 9-11x EV/EBITDA	CEO succession 2028
Circular economy and product passport as a service	Undisclosed large customer in framework agreement

Source: Masterflex SE (AR 2025, H1 2026, announcements), S&P Capital IQ; PCR assessment



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