

Buy (old: Buy)

ESG Rating: BBB

07-March-25

Price target: EUR 37.00 (old: EUR 37.00)

Tim Wunderlich, CFA
Analyst

Price: EUR 24.02 Next result: Q4'24: 27.03.25
Bloomberg: KTN GR Market cap: EUR 1,517.5 m
Reuters: KTN.DE Enterprise Value: EUR 1,768.0 m

tim.wunderlich@ha-ib.de
Tel.: +49 40 4143885 81

No stoppin' this train – Alpha Idea exposed to the budget bazooka

Germany looks poised to **launch a special off-budget fund worth an estimated € 500bn for infrastructure** and has announced a “whatever it takes approach” to defence spending, underlined by a proposal to exempt respective investments from the debt brake. **The scale of the stimulus package is significant:** government infrastructure spending amounts to c. € 100bn per year currently. The off-budget fund would **increase this by an incremental € 50bn** per year for the next ten years.

Kontron should be a **major beneficiary** of the spending spree:

- **Road and rail projects account for an estimated 25%** of annual government spending on infrastructure in Germany. Kontron Transportation holds a **dominant market share in Germany and Europe** for connectivity modules embedded in high-speed trains (e.g. for remote signalling and control), and is the only European provider of 5G modules for the FRMCS* transition, which is slated to start in 2026. Here is the thing: Dt. Bahn has been known to postpone projects for lack of funding. **We expect this to change with the launch of the special funds.** Kontron Transportation should be € 200m+ revenue business in 2025E, growing at >30% and operating at 20%+ EBITDA margins (eHAIB). Currently, growth is mostly coming from project wins outside of Germany - we expect Dt. Bahn investments to **further accelerate the performance** of this business line, which is part of the Software & Solutions segment (25-30% of group sales).
- **Defence / Aerospace is a € 150m revenue vertical**, with growth expected to eclipse 20% on year in FY'25E, and EBITDA margins exceeding 25% (eHAIB). Kontron supplies **communication modules** to many of the key players in Germany and Europe. These modules are embedded in armoured vehicles, tanks, aircrafts and helicopters, and need to be **rugged and ultra-secure**: this is Kontron's specialty. With the increase in spending, the high-margin defence vertical should **experience strong demand for years to come**, in our view.

Buy this ALPHA IDEA with high-margin exposure to Germany's budget bazooka, which could trigger upside to 2025E / 2026E est. **The € 37.00 PT is based on DCF.**

Y/E 31.12 (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Sales	1,254.8	1,002.9	1,063.7	1,225.9	1,797.0	1,960.5	2,125.2
Sales growth	12 %	-20 %	6 %	15 %	47 %	9 %	8 %
EBITDA	130.0	90.1	70.0	126.0	209.5	246.0	282.0
EBIT (inc revaluation net)	68.6	40.1	-2.0	86.5	129.9	166.6	202.8
Net income	55.6	48.3	232.5	77.7	93.4	127.0	152.6
Net debt	104.1	116.0	-65.6	-56.0	223.0	158.0	54.6
Net gearing	25.8 %	27.7 %	-10.3 %	-9.3 %	34.8 %	21.6 %	6.5 %
Net Debt/EBITDA	0.8	1.3	0.0	0.0	1.1	0.6	0.2
EPS pro forma	0.84	0.45	-0.19	1.19	1.48	2.01	2.42
CPS	1.39	0.91	0.13	1.35	1.54	1.90	2.31
DPS	0.30	0.35	1.00	0.50	0.60	0.60	0.60
Dividend yield	1.4 %	1.7 %	6.6 %	2.6 %	2.5 %	2.5 %	2.5 %
Gross profit margin	37.2 %	37.1 %	36.1 %	39.3 %	43.1 %	43.7 %	44.2 %
EBITDA margin	10.4 %	9.0 %	6.6 %	10.3 %	11.7 %	12.6 %	13.3 %
EBIT margin	5.5 %	4.0 %	-0.2 %	7.1 %	7.2 %	8.5 %	9.5 %
ROCE	7.9 %	4.6 %	-0.2 %	8.7 %	12.1 %	13.3 %	15.0 %
EV/sales	1.2	1.5	0.9	1.0	1.0	0.9	0.8
EV/EBITDA	11.8	16.8	13.2	9.3	8.4	6.9	5.7
EV/EBIT	22.4	37.7	-457.7	13.6	13.6	10.2	7.9
PER	25.2	46.0	-79.0	16.0	16.3	11.9	9.9
Adjusted FCF yield	5.0 %	3.6 %	4.3 %	8.4 %	7.8 %	9.8 %	12.3 %

Source: Company data, HAIB Close price as of: 06.03.2025. * Future Rail Mobile Communication System



Source: Company data, HAIB

High/low 52 weeks:	24.02 / 15.16
Price/Book Ratio:	2.4
Relative performance (TecDAX):	
3 months	29.2 %
6 months	33.1 %
12 months	1.8 %

Changes in estimates

		Sales	EBIT	EPS
2024	old:	1,797.0	129.9	1.48
	Δ	-	-	-
2025	old:	1,960.5	166.6	2.01
	Δ	-	-	-
2026	old:	2,125.2	202.8	2.42
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	63.2
Authorised capital: (in € m)	12.1
Book value per share: (in €)	10.1
Ø trading volume: (12 months)	120,000

Major shareholders:

Free Float	59.6 %
Ennoconn	27.5 %
Naneva BV	5.0 %
Management	4.9 %
Amiral Gestion	3.0 %

Company description:

Leading IoT solutions provider targeting industrial, medical, avionics, smart energy, and other applications

Company guidance 2025E:

€ 1.9-2.0bn sales / at least € 220m EBITDA

Company in a Nutshell

- Kontron is one of the world's **leading manufacturers of IoT-enabled embedded solutions** and IoT connectivity software
- Embedded solutions are the **electronic 'brain' of a machine** (e.g. an industrial robot) and offer software features such as data analytics and security
- **Kontron serves >4,500 customers** across focus industries Transportation, Smart Factories, Smart Energy and Medical.

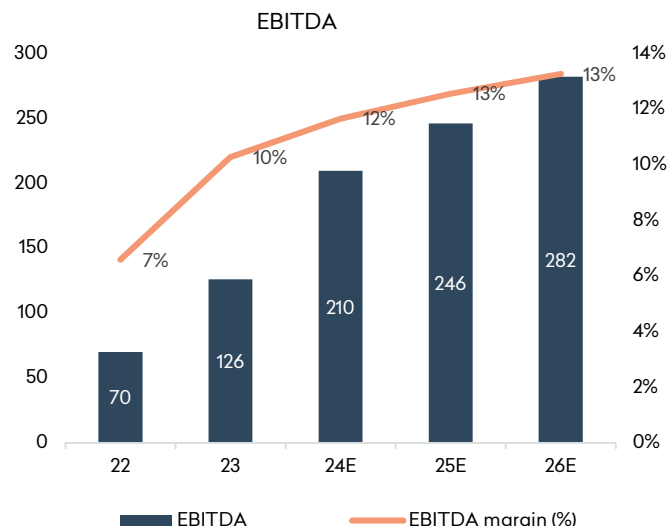
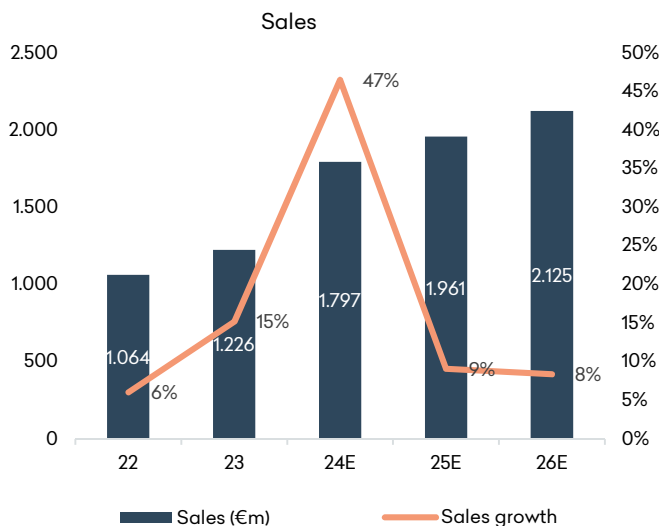
Upcoming Catalysts

- Divestments of low-margin and / or non-core activities could be important re-rating catalysts in 2025.
- Proceeds from possible divestments should be used for share buybacks, which would be value-accretive at current levels.
- High-margin verticals Transportation and Defence are set to benefit from Germany's off-budget investment funds.

Investment Case

- As a leading provider of embedded IoT solutions, Kontron benefits from customer-specific know-how and lock-in effects. **Differentiation is based on extensive software know-how**, which is backed by one of the largest engineering forces in the industry (3,600 engineers)
- With the take-over of KATEK, Kontron has a **focus on the attractive and growing markets** of Industrial IoT and GreenTec. We expect sales to grow by 20% CAGR'23-26E due to market share gains in Transportation and the proliferation of IoT devices, as well as the M&A contribution of KATEK
- The bottom-line looks set to benefit from **gross margin improvements** thanks to the rising software / transportation revenue share, coupled with cost and technology synergies with KATEK: we estimate EBIT growth of 33% CAGR'23-26E.
- **Buy with a DCF-based € 37.00 PT**, backed by 12%+ ROCEs, 27% EPS CAGR through FY'26E and a 10% adj. FCF Yield ('25E)

Key Performance Indicators



Source: Company data, Hauck Aufhäuser Investment Banking

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow summary	2022	2023	2024E	2025E	2026E
Operating cash flow	44.4	116.9	160.7	183.7	209.4
Capex	40.5	46.3	83.0	80.8	68.0
FCF	4.0	70.6	77.7	102.9	141.4
FCF per share	0.1	1.1	1.2	1.6	2.2
FCF yield	4.3 %	8.4 %	7.8 %	9.8 %	12.3 %
Net Debt/EBITDA	0.0	0.0	1.1	0.6	0.2

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios summary	2022	2023	2024E	2025E	2026E
EPS growth	392.0 %	-66.3 %	20.2 %	36.0 %	20.2 %
Capital Turnover	1.0	1.3	1.5	1.5	1.5
Avg. working capital / sales	10.8 %	13.8 %	16.0 %	16.0 %	16.0 %
Cash conversion cycle (days)	33.1	42.4	66.8	67.0	67.2
FCF / Net profit	neg.	93.8 %	83.2 %	81.0 %	92.6 %
Interest cover	0.0	5.4	4.5	7.9	9.6

Source: Company data, Hauck Aufhäuser Investment Banking

Financials

Profit and loss (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Net sales	1,254.8	1,002.9	1,063.7	1,225.9	1,797.0	1,960.5	2,125.2
Sales growth	11.7 %	-20.1 %	6.1 %	15.3 %	46.6 %	9.1 %	8.4 %
Increase/decrease in finished goods and work-in-process	17.6	21.2	23.4	24.7	18.0	19.6	21.3
Total sales	1,272.4	1,024.2	1,087.1	1,250.7	1,815.0	1,980.1	2,146.5
Other operating income	8.8	14.6	19.7	15.4	18.0	14.7	15.9
Material expenses	799.0	644.7	694.2	759.7	1,033.3	1,115.5	1,198.6
Personnel expenses	273.3	237.6	258.8	291.8	439.2	474.4	510.9
Other operating expenses	78.8	66.5	83.8	88.5	150.9	158.8	170.9
Total operating expenses	1,142.4	934.1	1,017.1	1,124.6	1,605.4	1,734.1	1,864.4
EBITDA	130.0	90.1	70.0	126.0	209.5	246.0	282.0
Depreciation	30.9	50.0	72.0	39.5	49.9	51.4	52.2
EBITA	99.1	40.1	-2.0	86.5	159.6	194.6	229.8
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	30.5	0.0	0.0	0.0	29.7	28.0	27.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	68.6	40.1	-2.0	86.5	129.9	166.6	202.8
Interest income	1.6	1.4	1.4	8.9	7.3	5.3	3.7
Interest expenses	9.3	9.0	10.0	16.1	29.2	21.2	21.2
Other financial result	-0.2	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-7.9	-7.6	-8.6	-7.3	-21.9	-15.9	-17.6
Recurring pretax income from continuing operations	60.7	32.4	-10.7	79.2	108.0	150.8	185.3
Extraordinary income/loss	0.0	0.0	0.0	n/a	0.0	0.0	0.0
Earnings before taxes	60.7	32.4	-10.7	79.2	108.0	150.8	185.3
Taxes	6.1	2.0	2.2	3.5	13.0	20.4	28.7
Net income from continuing operations	54.6	30.5	-12.8	75.7	95.1	130.4	156.5
Result from discontinued operations (net of tax)	0.0	-18.5	-244.7	-2.4	0.0	0.0	0.0
Net income	54.6	49.0	231.9	78.1	95.1	130.4	156.5
Minority interest	-1.0	0.7	-0.6	0.4	1.7	3.4	3.9
Net profit (reported)	55.6	48.3	232.5	77.7	93.4	127.0	152.6
Average number of shares	65.0	65.0	63.6	63.2	63.2	63.2	63.2
EPS reported	0.86	0.74	3.65	1.23	1.48	2.01	2.42

Profit and loss (common size)	2020	2021	2022	2023	2024E	2025E	2026E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	1.4 %	2.1 %	2.2 %	2.0 %	1.0 %	1.0 %	1.0 %
Total sales	101.4 %	102.1 %	102.2 %	102.0 %	101.0 %	101.0 %	101.0 %
Other operating income	0.7 %	1.5 %	1.8 %	1.3 %	1.0 %	0.8 %	0.8 %
Material expenses	63.7 %	64.3 %	65.3 %	62.0 %	57.5 %	56.9 %	56.4 %
Personnel expenses	21.8 %	23.7 %	24.3 %	23.8 %	24.4 %	24.2 %	24.0 %
Other operating expenses	6.3 %	6.6 %	7.9 %	7.2 %	8.4 %	8.1 %	8.0 %
Total operating expenses	91.0 %	93.1 %	95.6 %	91.7 %	89.3 %	88.5 %	87.7 %
EBITDA	10.4 %	9.0 %	6.6 %	10.3 %	11.7 %	12.6 %	13.3 %
Depreciation	2.5 %	5.0 %	6.8 %	3.2 %	2.8 %	2.6 %	2.5 %
EBITA	7.9 %	4.0 %	neg.	7.1 %	8.9 %	9.9 %	10.8 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.4 %	0.0 %	0.0 %	0.0 %	1.7 %	1.4 %	1.3 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	5.5 %	4.0 %	neg.	7.1 %	7.2 %	8.5 %	9.5 %
Interest income	0.1 %	0.1 %	0.1 %	0.7 %	0.4 %	0.3 %	0.2 %
Interest expenses	0.7 %	0.9 %	0.9 %	1.3 %	1.6 %	1.1 %	1.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	4.8 %	3.2 %	neg.	6.5 %	6.0 %	7.7 %	8.7 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	n/a	0.0 %	0.0 %	0.0 %
Earnings before taxes	4.8 %	3.2 %	neg.	6.5 %	6.0 %	7.7 %	8.7 %
Tax rate	10.0 %	6.1 %	-20.5 %	4.5 %	12.0 %	13.5 %	15.5 %
Net income from continuing operations	4.4 %	3.0 %	neg.	6.2 %	5.3 %	6.7 %	7.4 %
Income from discontinued operations (net of tax)	0.0 %	-1.8 %	-23.0 %	-0.2 %	0.0 %	0.0 %	0.0 %
Net income	4.4 %	4.9 %	21.8 %	6.4 %	5.3 %	6.7 %	7.4 %
Minority interest	neg.	0.1 %	neg.	0.0 %	0.1 %	0.2 %	0.2 %
Net profit (reported)	4.4 %	4.8 %	21.9 %	6.3 %	5.2 %	6.5 %	7.2 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	302.3	312.5	261.8	319.0	417.3	419.0	419.7
Property, plant and equipment	135.1	132.5	95.5	110.4	235.5	235.2	223.4
Financial assets	22.1	32.5	146.0	32.1	44.6	44.6	44.6
FIXED ASSETS	459.5	477.5	503.4	461.6	697.5	698.9	687.7
Inventories	159.9	187.3	192.6	229.1	427.9	466.8	506.0
Accounts receivable	204.5	214.1	148.1	213.6	231.4	252.5	273.7
Other current assets	104.2	136.5	126.0	91.1	106.1	108.7	111.4
Liquid assets	281.9	296.5	437.8	332.2	248.3	313.3	416.7
Deferred taxes	36.6	40.2	33.1	43.1	56.1	56.1	56.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	787.1	874.6	937.5	909.1	1,069.8	1,197.4	1,363.9
TOTAL ASSETS	1,246.6	1,352.1	1,440.9	1,370.7	1,767.2	1,896.3	2,051.6
SHAREHOLDERS EQUITY	404.0	418.6	633.8	602.0	640.5	730.1	845.7
MINORITY INTEREST	5.4	4.7	1.8	2.0	27.0	27.0	27.0
Long-term debt	343.2	340.2	246.5	125.4	296.4	296.4	296.4
Provisions for pensions and similar obligations	26.8	25.1	19.9	27.5	27.5	27.5	27.5
Other provisions	40.5	31.4	27.0	33.3	37.7	37.7	37.7
Non-current liabilities	410.5	396.7	293.3	186.2	361.6	361.6	361.6
short-term liabilities to banks	42.8	72.3	125.7	150.9	174.9	174.9	174.9
Accounts payable	210.0	270.0	226.3	273.1	371.7	405.5	439.6
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	160.6	176.7	154.1	151.2	186.2	191.8	197.6
Deferred taxes	13.3	13.2	5.7	5.3	5.3	5.3	5.3
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	426.6	532.2	511.9	580.5	738.1	777.5	817.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,246.6	1,352.1	1,440.9	1,370.7	1,767.2	1,896.3	2,051.6

Balance sheet (common size)	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	24.2 %	23.1 %	18.2 %	23.3 %	23.6 %	22.1 %	20.5 %
Property, plant and equipment	10.8 %	9.8 %	6.6 %	8.1 %	13.3 %	12.4 %	10.9 %
Financial assets	1.8 %	2.4 %	10.1 %	2.3 %	2.5 %	2.4 %	2.2 %
FIXED ASSETS	36.9 %	35.3 %	34.9 %	33.7 %	39.5 %	36.9 %	33.5 %
Inventories	12.8 %	13.9 %	13.4 %	16.7 %	24.2 %	24.6 %	24.7 %
Accounts receivable	16.4 %	15.8 %	10.3 %	15.6 %	13.1 %	13.3 %	13.3 %
Other current assets	8.4 %	10.1 %	8.7 %	6.6 %	6.0 %	5.7 %	5.4 %
Liquid assets	22.6 %	21.9 %	30.4 %	24.2 %	14.1 %	16.5 %	20.3 %
Deferred taxes	2.9 %	3.0 %	2.3 %	3.1 %	3.2 %	3.0 %	2.7 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	63.1 %	64.7 %	65.1 %	66.3 %	60.5 %	63.1 %	66.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	32.4 %	31.0 %	44.0 %	43.9 %	36.2 %	38.5 %	41.2 %
MINORITY INTEREST	0.4 %	0.3 %	0.1 %	0.1 %	1.5 %	1.4 %	1.3 %
Long-term debt	27.5 %	25.2 %	17.1 %	9.1 %	16.8 %	15.6 %	14.4 %
Provisions for pensions and similar obligations	2.2 %	1.9 %	1.4 %	2.0 %	1.6 %	1.5 %	1.3 %
Other provisions	3.2 %	2.3 %	1.9 %	2.4 %	2.1 %	2.0 %	1.8 %
Non-current liabilities	32.9 %	29.3 %	20.4 %	13.6 %	20.5 %	19.1 %	17.6 %
short-term liabilities to banks	3.4 %	5.3 %	8.7 %	11.0 %	9.9 %	9.2 %	8.5 %
Accounts payable	16.8 %	20.0 %	15.7 %	19.9 %	21.0 %	21.4 %	21.4 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	12.9 %	13.1 %	10.7 %	11.0 %	10.5 %	10.1 %	9.6 %
Deferred taxes	1.1 %	1.0 %	0.4 %	0.4 %	0.3 %	0.3 %	0.3 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	34.2 %	39.4 %	35.5 %	42.4 %	41.8 %	41.0 %	39.8 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	54.6	49.0	-2.0	78.1	95.1	130.4	156.5
Depreciation of fixed assets (incl. leases)	30.9	63.6	72.0	39.5	49.9	51.4	52.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	30.5	0.0	0.0	0.0	29.7	28.0	27.0
Others	-8.5	-20.3	-42.6	13.1	0.0	0.0	0.0
Cash flow from operations before changes in w/c	107.5	92.3	27.4	130.8	174.7	209.8	235.7
Increase/decrease in inventory	-13.1	-27.5	-5.3	-15.0	-44.0	-38.9	-39.2
Increase/decrease in accounts receivable	41.4	-9.6	66.0	-17.4	20.0	-21.1	-21.2
Increase/decrease in accounts payable	5.0	60.0	-43.6	18.5	10.0	33.8	34.1
Increase/decrease in other working capital positions	0.0	-19.9	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	33.3	3.0	17.1	-13.9	-14.0	-26.2	-26.4
Cash flow from operating activities	140.8	95.3	44.4	116.9	160.7	183.7	209.4
CAPEX	33.9	47.0	40.5	46.3	83.0	80.8	68.0
Payments for acquisitions	41.0	13.9	20.5	53.3	189.0	0.0	0.0
Financial investments	3.6	8.2	-13.0	-2.8	0.0	0.0	0.0
Income from asset disposals	1.3	2.8	191.7	122.5	59.0	0.0	0.0
Cash flow from investing activities	-77.2	-66.3	143.7	25.7	-213.0	-80.8	-68.0
Cash flow before financing	63.6	29.0	188.1	142.6	-52.3	102.9	141.4
Increase/decrease in debt position	-40.9	28.8	-56.7	-73.5	0.0	0.0	0.0
Purchase of own shares	12.2	20.6	0.0	45.5	0.0	0.0	0.0
Capital measures	1.4	0.0	0.0	5.8	0.0	0.0	0.0
Dividends paid	0.0	19.2	22.3	63.4	31.6	37.9	37.9
Others	-14.1	-9.3	-11.8	-13.6	0.0	0.0	0.0
Effects of exchange rate changes on cash	-8.1	4.3	0.4	-3.1	0.0	0.0	0.0
Cash flow from financing activities	-65.8	-20.2	-90.8	-190.2	-31.6	-37.9	-37.9
Increase/decrease in liquid assets	-10.2	13.0	97.7	-50.8	-83.9	64.9	103.5
Liquid assets at end of period	281.9	296.5	437.8	332.2	248.3	313.3	416.7

Quarterly results (EUR m)	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024E	FY 2024E
Sales	308.7	277.7	283.2	300.0	365.0	356.0	423.8	427.7	589.4	1,797.0
Sales growth	n/a	12 %	15 %	14 %	18 %	28 %	50 %	43 %	61 %	47 %
Gross profit	102.3	112.0	120.2	124.3	134.4	152.1	180.2	191.3	245.1	781.7
Gross profit margin	32.5 %	39.7 %	41.7 %	40.6 %	36.0 %	42.1 %	42.5 %	44.7 %	41.6 %	43.1 %
EBITDA	1.5	29.6	31.3	35.0	30.1	35.4	46.5	59.4	68.2	209.5
EBITDA margin	0.5 %	10.7 %	11.1 %	11.7 %	8.3 %	9.9 %	11.0 %	13.9 %	11.6 %	11.7 %
EBIT (inc revaluation net)	-34.7	20.6	22.2	25.0	18.6	22.0	27.4	36.6	45.0	129.9
EBIT margin	-11.2 %	7.4 %	7.8 %	8.3 %	5.1 %	6.2 %	6.5 %	8.5 %	7.6 %	7.2 %
EPS reported	3.14	0.26	0.30	0.30	0.37	0.26	0.34	0.38	0.50	1.48

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
P&L growth analysis							
Sales growth	11.7 %	-20.1 %	6.1 %	15.3 %	46.6 %	9.1 %	8.4 %
EBITDA growth	n/a	-30.7 %	-22.3 %	80.0 %	66.3 %	17.4 %	14.6 %
EBIT growth	n/a	-41.6 %	-105.0 %	-	50.3 %	28.3 %	21.7 %
EPS growth	n/a	-13.2 %	392.0 %	-66.3 %	20.2 %	36.0 %	20.2 %
Efficiency							
Total operating costs / sales	91.0 %	93.1 %	95.6 %	91.7 %	89.3 %	88.5 %	87.7 %
Sales per employee	413.6	189.1	236.0	263.3	345.0	342.8	353.9
EBITDA per employee	42.9	17.0	15.5	27.1	40.2	43.0	47.0
Balance sheet analysis							
Avg. working capital / sales	n/a	14.2 %	11.6 %	11.6 %	12.7 %	15.3 %	15.4 %
Inventory turnover (sales/inventory)	7.8	5.4	5.5	5.4	4.2	4.2	4.2
Trade debtors in days of sales	59.5	77.9	50.8	63.6	47.0	47.0	47.0
A/P turnover [(A/P*365)/sales]	61.1	98.3	77.7	81.3	75.5	75.5	75.5
Cash conversion cycle (days)	36.6	31.1	33.1	42.4	66.8	67.0	67.2
Cash flow analysis							
Free cash flow	106.9	48.3	4.0	70.6	77.7	102.9	141.4
Free cash flow/sales	8.5 %	4.8 %	0.4 %	5.8 %	4.3 %	5.2 %	6.7 %
FCF / net profit	192.2 %	100.1 %	1.7 %	90.8 %	83.2 %	81.0 %	92.6 %
Capex / depn	61.2 %	86.7 %	38.2 %	110.0 %	104.3 %	101.8 %	85.9 %
Capex / maintenance capex	71.6 %	n/a	66.2 %	83.4 %	86.4 %	80.4 %	63.7 %
Capex / sales	3.0 %	5.5 %	2.6 %	3.5 %	4.6 %	4.1 %	3.2 %
Security							
Net debt	104.1	116.0	-65.6	-56.0	223.0	158.0	54.6
Net Debt/EBITDA	0.8	1.3	0.0	0.0	1.1	0.6	0.2
Net debt / equity	0.3	0.3	neg.	neg.	0.3	0.2	0.1
Interest cover	7.4	4.5	0.0	5.4	4.5	7.9	9.6
Dividend payout ratio	35.7 %	47.9 %	27.4 %	40.6 %	40.6 %	29.8 %	24.8 %
Asset utilisation							
Capital employed turnover	1.5	1.1	1.0	1.3	1.5	1.5	1.5
Operating assets turnover	4.3	3.8	5.1	4.4	3.4	3.6	3.8
Plant turnover	9.3	7.6	11.1	11.1	7.6	8.3	9.5
Inventory turnover (sales/inventory)	7.8	5.4	5.5	5.4	4.2	4.2	4.2
Returns							
ROCE	7.9 %	4.6 %	-0.2 %	8.7 %	12.1 %	13.3 %	15.0 %
ROE	13.8 %	11.5 %	36.7 %	12.9 %	14.6 %	17.4 %	18.1 %
Other							
Interest paid / avg. debt	2.4 %	2.3 %	2.6 %	5.0 %	7.8 %	4.5 %	4.5 %
No. employees (average)	3034	5304	4508	4657	5209	5720	6005
Number of shares	65.0	65.0	63.6	63.2	63.2	63.2	63.2
DPS	0.3	0.4	1.0	0.5	0.6	0.6	0.6
EPS reported	0.86	0.74	3.65	1.23	1.48	2.01	2.42
Valuation ratios							
P/BV	3.5	3.3	1.5	2.0	2.4	2.1	1.8
EV/sales	1.2	1.5	0.9	1.0	1.0	0.9	0.8
EV/EBITDA	11.8	16.8	13.2	9.3	8.4	6.9	5.7
EV/EBITA	15.5	37.7	-457.7	13.6	11.1	8.7	7.0
EV/EBIT	22.4	37.7	-457.7	13.6	13.6	10.2	7.9
EV/FCF	14.4	31.3	233.4	16.7	22.8	16.6	11.3
Adjusted FCF yield	5.0 %	3.6 %	4.3 %	8.4 %	7.8 %	9.8 %	12.3 %
Dividend yield	1.4 %	1.7 %	6.6 %	2.6 %	2.5 %	2.5 %	2.5 %

Source: Company data, Hauck Aufhäuser Investment Banking

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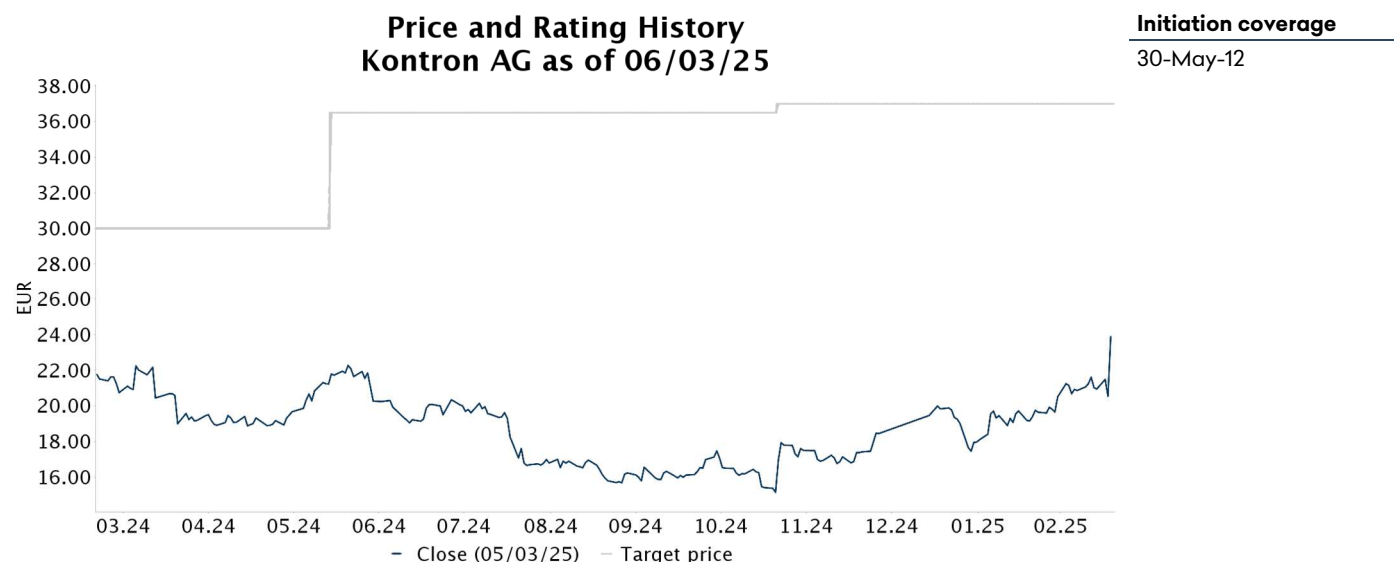
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Company	Disclosure
Kontron AG	

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



Company	Date	Analyst	Rating	Target price	Close
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Kontron AG	24.02.2025	Wunderlich, Tim	Buy	EUR 37,00	EUR 21,06
	12.02.2025	Wunderlich, Tim	Buy	EUR 37,00	EUR 19,81
	12.02.2025	Wunderlich, Tim	Buy	EUR 37,00	EUR 19,81
	06.02.2025	Wunderlich, Tim	Buy	EUR 37,00	EUR 19,75
	07.11.2024	Wunderlich, Tim	Buy	EUR 37,00	EUR 17,94
	05.08.2024	Wunderlich, Tim	Buy	EUR 36,50	EUR 17,08
	31.05.2024	Wunderlich, Tim	Buy	EUR 36,50	EUR 21,72
	06.05.2024	Wunderlich, Tim	Buy	EUR 30,00	EUR 19,00
	05.04.2024	Wunderlich, Tim	Buy	EUR 30,00	EUR 19,00

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Contacts: Hauck Aufhäuser Investment Banking

HAIB Research

Hauck Aufhäuser Investment Banking
Mittelweg 16/17
20148 Hamburg
Germany

Hauck Aufhäuser Investment Banking
Goetheplatz 9-11
60313 Frankfurt am Main
Germany

Tel.: +49 (0) 40 414 3885 97
E-Mail: research@ha-ib.de
www.ha-research.de

Tim Wunderlich, CFA
Head of Transactional Research
Tel.: +49 40 414 3885 81
E-Mail: tim.wunderlich@ha-ib.de

Marie-Thérèse Grübner
Head of Research
Tel.: +49 40 450 6342 3097
E-Mail: marie-therese.gruebner@ha-ib.de

Alexander Galitsa
Analyst
Tel.: +49 40 414 3885 83
E-Mail: alexander.galitsa@ha-ib.de

Christian Salis
Analyst
Tel.: +49 40 414 3885 96
E-Mail: christian.salis@ha-ib.de

Felix Kruse
Analyst
Tel.: +49 40 414 3885 95
E-Mail: felix.kruse@ha-ib.de

Finn Kemper
Analyst
Tel.: +49 40 450 6342 3098
E-Mail: finn.kemper@ha-ib.de

Jorge González Sadornil
Analyst
Tel.: +49 40 414 3885 84
E-Mail: jorge.gonzalez@ha-ib.de

Simon Keller, CFA
Analyst
Tel.: +49 40 414 388 573
E-Mail: simon.keller@ha-ib.de

HAIB Sales

Alexander Lachmann
Equity Sales
Tel.: +41 43 49 73 023
E-Mail: alexander.lachmann@ha-ib.de

Carlos Becke
Equity Sales
Tel.: +44 203 34 59 603
E-Mail: carlos.becke@ha-ib.de

Carsten Kinder
Head of Equities
Tel.: +41 43 49 73 024
E-Mail: carsten.kinder@ha-ib.de

Christian Bybjerg
Equity Sales
Tel.: +44 203 34 59 602
E-Mail: christian.bybjerg@ha-ib.de

Hugues Madelin
Equity Sales
Tel.: +33 1 42 68 50 12
E-Mail: hugues.madelin@ha-ib.de

Imogen Voorspuy
Equity Sales
Tel.: +44 203 34 59 601
E-Mail: imogen.voorspuy@ha-ib.de

Markus Scharhag
Equity Sales
Tel.: +49 89 23 93 28 13
E-Mail: markus.scharhag@ha-ib.de

Vincent Bischoff
Equity Sales
Tel.: +49 40 41 43 88 588
E-Mail: vincent.bischoff@ha-ib.de

HAIB Trading

Hauck Aufhäuser Investment Banking
Privatbank AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 40 414 3885 78
E-Mail: info@hal-privatbank.com
www.hal-privatbank.com

Fin Schaffer
Trading
Tel.: +49 40 414 38 85 98
E-Mail: fin.schaffer@ha-ib.de

Nils Carstens
Trading
Tel.: +49 40 414 38 85 85
E-Mail: nils.carstens@ha-ib.de

Carolin Heidrich
Middle-Office
Tel.: +49 40 414 3885 87
E-Mail: carolin.heidrich@hal-privatbank.com

Tom Warlich
Middle-Office
Tel.: +49 40 414 3885 78
E-Mail: tom.warlich@hal-privatbank.com