

Kontron AG

Austria - IT Services



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 27.00 (old: EUR 27.00)

Price:	EUR 16.85	Next result:	tba
Bloomberg:	KTN GR	Market cap:	EUR 1,072.2 m
Reuters:	KTN.DE	Enterprise Value:	EUR 1,211.6 m

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Tim Wunderlich, CFA
Analyst

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

IT Services divested to French VINCI SA for c. 10x EBITDA

French company VINCI SA will acquire most of Kontron's Eastern European IT Services business with € 337m sales / 37.4m (reported) EBITDA for approx. **€ 385m or c. 10x EBITDA in an all-cash deal**, which includes c. € 15m of net cash. It is a bolt-on deal for VINCI, which owns Axians, a pan-European IT Service company with € 2.8bn in sales. The deal is still pending regulatory approval and should close by January 2023 at the latest. **Kontron is set to receive € 340m at closing**, while € 60m will be held in an escrow account until June 2024 for possible contingent liabilities (e.g. taxes). **Management expects to receive at least 99% of the total purchase price.**

VINCI did not buy all of IT Services in the deal. Kontron will keep the subsidiaries in Austria, Hungary and Romania, which is unexpected. Put simply, Kontron sold 75% of what we expected it to sell. **Two reasons:** (I) The carve-out process of the Austrian entity was complex and there were concerns that tax loss carry forwards (€ 60-70m) may be lost; (II) Romania and Hungary are relatively low-margin entities (c. 5% EBITDA margin), thus lacking appeal to VINCI. The divested IT Services parts operate at c. 10% EBITDA. Note that VINCI decided to buy the lambasted Moldovan entity, **which is positive news.** In total, c. € 228m revenue and € 12m EBITDA will stay with Kontron.

Management **provided an adjusted FY'22E guidance** for the "new" Kontron post-divestment of € 1.12bn sales and € 112m EBITDA (prior: € 1.5bn / 150m). It also released a bottom-line outlook for the first time, expecting to achieve **more than € 56m of net income** for the current fiscal year, excluding any divestment gain. This would be up yoy thanks to much reduced amortisation. Gross cash should reach € 600m post divestment, **while net cash is seen at c. € 300m.** As a result, the "new" Kontron should **trade on less than 7x EBITDA '22E**, which looks attractive, considering that the less appealing IT Services business was sold for c. 10x in a challenging market environment.

What to do with the cash? We expect Kontron to (I) launch a 10% share buyback program and pay a higher dividend (€ 150m cash usage) as well as (III) engage in M&A for c. € 250m. It has two high-margin IoT targets on the shortlist for this year and expects to close at least one "game changing" technology deal in 2023. Even with these cash drains, management expects to hold more than € 300m of gross cash at the end of 2023.

Upcoming newsflow: management will present the new Kontron at a Capital Markets Day at the end of August. Expect grosso tec AG to re-engage in share purchases now that all material information has been disclosed. The insider-owned vehicle should have firepower to buy another 4-5% of outstanding shares (eHAIB). **Reiterate BUY with a € 27.00 PT (DCF):** we will adjust figures post regulatory approval.

Y/E 31.12 (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Sales	990.9	1,122.9	1,254.8	1,342.0	1,430.0	1,558.7	1,667.8
Sales growth	12 %	13 %	12 %	7 %	7 %	9 %	7 %
EBITDA	90.5	111.7	130.0	126.3	135.9	161.3	187.6
EBIT	61.5	61.8	68.6	62.7	70.9	95.1	125.9
Net income	45.0	49.1	55.6	48.3	56.8	74.2	88.5
Net debt	-52.7	91.5	104.1	116.0	114.4	53.6	-4.7
EPS pro forma	0.68	0.74	0.84	0.73	0.89	1.17	1.39
DPS	0.16	0.00	0.30	0.22	0.22	0.26	0.31
Dividend yield	0.9 %	0.0 %	1.8 %	1.3 %	1.3 %	1.5 %	1.8 %
Gross profit margin	36.0 %	37.2 %	37.2 %	37.5 %	37.5 %	37.7 %	37.9 %
EBITDA margin	9.1 %	9.9 %	10.4 %	9.4 %	9.5 %	10.4 %	11.3 %
EBIT margin	6.2 %	5.5 %	5.5 %	4.7 %	5.0 %	6.1 %	7.5 %
ROCE	11.9 %	8.8 %	9.9 %	7.1 %	7.9 %	10.1 %	12.6 %
EV/EBITDA	11.9	11.1	9.6	9.9	8.9	7.1	5.8
EV/EBIT	17.5	20.0	18.1	20.0	17.1	12.1	8.7
PER	24.8	22.7	20.0	23.0	18.9	14.5	12.1
Adjusted FCF yield	6.1 %	6.8 %	7.7 %	7.4 %	8.3 %	10.4 %	12.2 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 10.08.2022



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks:	23.74 / 11.46
Price/Book Ratio:	2.1
Relative performance (TecDAX):	
3 months	-7.2 %
6 months	4.6 %
12 months	-2.9 %

Changes in estimates

		Sales	EBIT	EPS
2022	old:	1,430.0	70.9	0.89
	Δ	-	-	-
2023	old:	1,558.7	95.1	1.17
	Δ	-	-	-
2024	old:	1,667.8	125.9	1.39
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	63.6
Authorised capital: (in € m)	12.1
Book value per share: (in €)	7.2
Ø trading volume: (12 months)	155,000

Major shareholders:

Free Float	63.1 %
Ennoconn	26.6 %
Amiral Gestion	5.2 %
Naneva BV	5.1 %
Treasury Shares	3.7 %

Company description:

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

Financials

Profit and loss (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Net sales	990.9	1,122.9	1,254.8	1,342.0	1,430.0	1,558.7	1,667.8
<i>Sales growth</i>	12.3 %	13.3 %	11.7 %	6.9 %	6.6 %	9.0 %	7.0 %
Increase/decrease in finished goods and work-in-process	15.1	15.5	17.6	21.5	15.7	16.4	17.5
Total sales	1,006.0	1,138.4	1,272.4	1,363.4	1,445.7	1,575.1	1,685.3
Other operating income	7.5	8.0	8.8	13.5	15.7	7.8	8.3
Material expenses	644.3	715.4	799.0	851.7	903.8	982.0	1,047.4
Personnel expenses	194.6	245.2	273.3	314.2	328.9	339.8	353.6
Other operating expenses	84.0	74.2	78.8	84.7	93.0	99.8	105.1
Total operating expenses	915.4	1,026.7	1,142.4	1,237.1	1,309.9	1,413.7	1,497.7
EBITDA	90.5	111.7	130.0	126.3	135.9	161.3	187.6
Depreciation	29.0	25.9	30.9	34.6	35.9	37.2	36.7
EBITA	61.5	85.8	99.1	91.7	99.9	124.1	150.9
Amortisation of goodwill	n/a	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	n/a	24.0	30.5	29.0	29.0	29.0	25.0
Impairment charges	n/a	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	61.5	61.8	68.6	62.7	70.9	95.1	125.9
Interest income	1.0	1.3	1.6	1.6	1.6	1.6	1.6
Interest expenses	6.2	9.0	9.3	10.0	9.5	9.5	9.5
Other financial result	0.0	0.0	-0.2	0.0	0.0	0.0	0.0
Financial result	-5.2	-7.7	-7.9	-8.5	-7.9	-7.9	-7.9
Recurring pretax income from continuing operations	56.3	54.1	60.7	54.2	63.1	87.2	118.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	56.3	54.1	60.7	54.2	63.1	87.2	118.0
Taxes	7.9	4.6	6.1	5.3	6.3	13.1	29.5
Net income from continuing operations	48.5	49.5	54.6	49.0	56.8	74.2	88.5
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	48.5	49.5	54.6	49.0	56.8	74.2	88.5
Minority interest	3.5	0.4	-1.0	0.7	0.0	0.0	0.0
Net profit (reported)	45.0	49.1	55.6	48.3	56.8	74.2	88.5
Average number of shares	66.1	66.1	65.0	65.0	63.6	63.6	63.6
EPS reported	0.68	0.74	0.86	0.74	0.89	1.17	1.39

Profit and loss (common size)	2018	2019	2020	2021	2022E	2023E	2024E
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	1.5 %	1.4 %	1.4 %	1.6 %	1.1 %	1.1 %	1.1 %
Total sales	101.5 %	101.4 %	101.4 %	101.6 %	101.1 %	101.1 %	101.1 %
Other operating income	0.8 %	0.7 %	0.7 %	1.0 %	1.1 %	0.5 %	0.5 %
Material expenses	65.0 %	63.7 %	63.7 %	63.5 %	63.2 %	63.0 %	62.8 %
Personnel expenses	19.6 %	21.8 %	21.8 %	23.4 %	23.0 %	21.8 %	21.2 %
Other operating expenses	8.5 %	6.6 %	6.3 %	6.3 %	6.5 %	6.4 %	6.3 %
Total operating expenses	92.4 %	91.4 %	91.0 %	92.2 %	91.6 %	90.7 %	89.8 %
EBITDA	9.1 %	9.9 %	10.4 %	9.4 %	9.5 %	10.4 %	11.3 %
Depreciation	2.9 %	2.3 %	2.5 %	2.6 %	2.5 %	2.4 %	2.2 %
EBITA	6.2 %	7.6 %	7.9 %	6.8 %	7.0 %	8.0 %	9.0 %
Amortisation of goodwill	n/a	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	n/a	2.1 %	2.4 %	2.2 %	2.0 %	1.9 %	1.5 %
Impairment charges	n/a	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	6.2 %	5.5 %	5.5 %	4.7 %	5.0 %	6.1 %	7.5 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.6 %	0.8 %	0.7 %	0.7 %	0.7 %	0.6 %	0.6 %
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	5.7 %	4.8 %	4.8 %	4.0 %	4.4 %	5.6 %	7.1 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	5.7 %	4.8 %	4.8 %	4.0 %	4.4 %	5.6 %	7.1 %
Tax rate	14.0 %	8.4 %	10.0 %	9.7 %	10.0 %	15.0 %	25.0 %
Net income from continuing operations	4.9 %	4.4 %	4.4 %	3.6 %	4.0 %	4.8 %	5.3 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	4.9 %	4.4 %	4.4 %	3.6 %	4.0 %	4.8 %	5.3 %
Minority interest	0.4 %	0.0 %	neg.	0.1 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	4.5 %	4.4 %	4.4 %	3.6 %	4.0 %	4.8 %	5.3 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	207.6	294.9	302.3	312.5	315.3	311.2	311.2
Property, plant and equipment	37.1	99.8	135.1	132.5	128.1	125.2	125.2
Financial assets	0.3	22.8	22.1	32.5	32.5	32.5	32.5
FIXED ASSETS	244.9	417.5	459.5	477.5	475.9	468.9	468.9
Inventories	130.8	146.8	159.9	187.3	195.9	202.4	216.6
Accounts receivable	202.7	212.2	204.5	232.5	270.3	294.7	315.3
Other current assets	68.0	102.6	104.2	118.1	121.0	124.0	127.1
Liquid assets	171.8	312.3	281.9	296.5	298.1	358.9	417.2
Deferred taxes	29.8	34.4	36.6	40.2	40.2	40.2	40.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	603.0	808.2	787.1	874.6	925.5	1,020.2	1,116.4
TOTAL ASSETS	847.9	1,225.7	1,246.6	1,352.1	1,401.4	1,489.1	1,585.3
SHAREHOLDERS EQUITY	356.0	372.7	404.0	418.6	458.2	515.8	585.4
MINORITY INTEREST	11.3	12.4	5.4	4.7	4.7	4.7	4.7
Long-term debt	79.4	341.0	343.2	340.2	340.2	340.2	340.2
Provisions for pensions and similar obligations	14.6	30.0	26.8	25.1	25.1	25.1	25.1
Other provisions	28.0	54.4	40.5	31.4	31.4	31.4	31.4
Non-current liabilities	122.0	425.4	410.5	396.7	396.7	396.7	396.7
short-term liabilities to banks	39.6	62.8	42.8	72.3	72.3	72.3	72.3
Accounts payable	177.0	205.0	210.0	270.0	274.2	298.9	319.9
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)	129.4	134.2	160.6	176.7	182.0	187.5	193.1
Deferred taxes	12.6	13.4	13.3	13.2	13.2	13.2	13.2
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	358.6	415.3	426.6	532.2	541.8	571.9	598.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	847.9	1,225.7	1,246.6	1,352.1	1,401.4	1,489.1	1,585.3

Balance sheet (common size)	2018	2019	2020	2021	2022E	2023E	2024E
Intangible assets	24.5 %	24.1 %	24.2 %	23.1 %	22.5 %	20.9 %	19.6 %
Property, plant and equipment	4.4 %	8.1 %	10.8 %	9.8 %	9.1 %	8.4 %	7.9 %
Financial assets	0.0 %	1.9 %	1.8 %	2.4 %	2.3 %	2.2 %	2.0 %
FIXED ASSETS	28.9 %	34.1 %	36.9 %	35.3 %	34.0 %	31.5 %	29.6 %
Inventories	15.4 %	12.0 %	12.8 %	13.9 %	14.0 %	13.6 %	13.7 %
Accounts receivable	23.9 %	17.3 %	16.4 %	17.2 %	19.3 %	19.8 %	19.9 %
Other current assets	8.0 %	8.4 %	8.4 %	8.7 %	8.6 %	8.3 %	8.0 %
Liquid assets	20.3 %	25.5 %	22.6 %	21.9 %	21.3 %	24.1 %	26.3 %
Deferred taxes	3.5 %	2.8 %	2.9 %	3.0 %	2.9 %	2.7 %	2.5 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	71.1 %	65.9 %	63.1 %	64.7 %	66.0 %	68.5 %	70.4 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	42.0 %	30.4 %	32.4 %	31.0 %	32.7 %	34.6 %	36.9 %
MINORITY INTEREST	1.3 %	1.0 %	0.4 %	0.3 %	0.3 %	0.3 %	0.3 %
Long-term debt	9.4 %	27.8 %	27.5 %	25.2 %	24.3 %	22.8 %	21.5 %
Provisions for pensions and similar obligations	1.7 %	2.4 %	2.2 %	1.9 %	1.8 %	1.7 %	1.6 %
Other provisions	3.3 %	4.4 %	3.2 %	2.3 %	2.2 %	2.1 %	2.0 %
Non-current liabilities	14.4 %	34.7 %	32.9 %	29.3 %	28.3 %	26.6 %	25.0 %
short-term liabilities to banks	4.7 %	5.1 %	3.4 %	5.3 %	5.2 %	4.9 %	4.6 %
Accounts payable	20.9 %	16.7 %	16.8 %	20.0 %	19.6 %	20.1 %	20.2 %
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)	15.3 %	10.9 %	12.9 %	13.1 %	13.0 %	12.6 %	12.2 %
Deferred taxes	1.5 %	1.1 %	1.1 %	1.0 %	0.9 %	0.9 %	0.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	42.3 %	33.9 %	34.2 %	39.4 %	38.7 %	38.4 %	37.8 %
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)	2018	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	48.5	49.5	54.6	49.0	56.8	74.2	88.5
Depreciation of fixed assets (incl. leases)	29.9	49.9	30.9	63.6	35.9	37.2	36.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	30.5	0.0	29.0	29.0	25.0
Others	-17.7	3.7	-8.5	-1.8	0.0	0.0	0.0
Cash flow from operations before changes in w/c	60.7	103.1	107.5	110.8	121.7	140.4	150.2
Increase/decrease in inventory	-4.1	-16.0	-13.1	-27.5	-8.5	-6.5	-14.2
Increase/decrease in accounts receivable	-23.1	-30.0	41.4	-28.1	-37.8	-24.3	-20.6
Increase/decrease in accounts payable	2.1	49.7	5.0	60.0	4.3	24.7	20.9
Increase/decrease in other working capital positions	0.0	-23.5	0.0	-19.9	0.0	0.0	0.0
Increase/decrease in working capital	-25.1	-19.8	33.3	-15.5	-42.1	-6.2	-13.9
Cash flow from operating activities	35.5	83.4	140.8	95.3	79.6	134.2	136.4
CAPEX	25.1	27.1	33.9	47.0	55.8	59.2	61.7
Payments for acquisitions	39.6	27.2	41.0	13.9	7.5	0.0	0.0
Financial investments	-0.5	4.3	3.6	8.2	0.0	0.0	0.0
Income from asset disposals	1.1	2.9	1.3	2.8	0.0	0.0	0.0
Cash flow from investing activities	-63.1	-55.7	-77.2	-66.3	-63.3	-59.2	-61.7
Cash flow before financing	-27.6	27.7	63.6	29.0	16.3	74.9	74.7
Increase/decrease in debt position	1.2	128.1	-40.9	28.8	0.0	0.0	0.0
Purchase of own shares	0.0	14.6	12.2	20.6	0.0	0.0	0.0
Capital measures	2.2	0.0	1.4	0.0	0.0	0.0	0.0
Dividends paid	8.3	10.6	0.0	19.2	14.7	14.2	16.3
Others	-15.9	-19.1	-14.1	-9.3	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.3	1.1	-8.1	4.3	0.0	0.0	0.0
Cash flow from financing activities	-20.9	83.8	-65.8	-20.2	-14.7	-14.2	-16.3
Increase/decrease in liquid assets	-48.2	112.6	-10.2	13.0	1.6	60.7	58.3
Liquid assets at end of period	171.8	312.3	281.9	296.5	298.1	358.9	417.2

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
Domestic	98.4	102.2	106.7	107.4	114.4	124.7	133.4
yoy change	-9.1 %	3.8 %	4.4 %	0.7 %	6.6 %	9.0 %	7.0 %
Rest of Europe	300.0	336.9	373.9	393.2	433.3	472.3	505.3
yoy change	23.6 %	12.3 %	11.0 %	5.2 %	10.2 %	9.0 %	7.0 %
NAFTA	133.2	152.7	178.2	197.3	195.9	213.5	228.5
yoy change	0.8 %	14.7 %	16.7 %	10.7 %	-0.7 %	9.0 %	7.0 %
Asia Pacific	n/a	n/a	n/a	n/a	n/a	n/a	n/a
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	459.4	531.1	596.0	644.1	686.4	748.2	800.5
yoy change	15.2 %	15.6 %	12.2 %	8.1 %	6.6 %	9.0 %	7.0 %
TTL	990.9	1,122.9	1,254.8	1,342.0	1,430.0	1,558.7	1,667.8
yoy change	12.3 %	13.3 %	11.7 %	6.9 %	6.6 %	9.0 %	7.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2018	2019	2020	2021	2022E	2023E	2024E
P&L growth analysis							
Sales growth	12.3 %	13.3 %	11.7 %	6.9 %	6.6 %	9.0 %	7.0 %
EBITDA growth	33.0 %	23.4 %	43.6 %	13.0 %	4.5 %	27.8 %	38.1 %
EBIT growth	47.3 %	0.4 %	11.5 %	1.5 %	3.5 %	51.8 %	77.5 %
EPS growth	58.9 %	9.2 %	25.7 %	-0.1 %	4.3 %	57.0 %	56.0 %
Efficiency							
Total operating costs / sales	92.4 %	91.4 %	91.0 %	92.2 %	91.6 %	90.7 %	89.8 %
Sales per employee	254.1	259.8	242.1	254.4	231.9	248.7	263.4
EBITDA per employee	23.2	25.9	25.1	23.9	22.0	25.7	29.6
Balance sheet analysis							
Avg. working capital / sales	14.0 %	13.8 %	12.4 %	11.3 %	12.1 %	11.2 %	12.1 %
Inventory turnover (sales/inventory)	7.6	7.7	7.8	7.2	7.3	7.7	7.7
Trade debtors in days of sales	74.6	69.0	59.5	63.3	69.0	69.0	69.0
A/P turnover [(A/P*365)/sales]	65.2	66.6	61.1	73.4	70.0	70.0	70.0
Cash conversion cycle (days)	48.5	39.2	36.6	27.8	37.4	33.1	33.0
Cash flow analysis							
Free cash flow	10.4	56.3	106.9	48.3	23.8	74.9	74.7
Free cash flow/sales	1.1 %	5.0 %	8.5 %	3.6 %	1.7 %	4.8 %	4.5 %
FCF / net profit	23.2 %	114.6 %	192.2 %	100.1 %	42.0 %	101.1 %	84.3 %
Capex / depre	82.3 %	62.9 %	61.2 %	86.7 %	85.9 %	89.5 %	100.0 %
Capex / maintenance capex	n/a	74.6 %	114.5 %	111.3 %	96.9 %	103.6 %	118.9 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	-52.7	91.5	104.1	116.0	114.4	53.6	-4.7
Net Debt/EBITDA	0.0	0.8	0.8	0.9	0.8	0.3	0.0
Net debt / equity	neg.	0.2	0.3	0.3	0.2	0.1	neg.
Interest cover	10.0	6.9	7.4	6.2	7.5	10.0	13.3
Dividend payout ratio	23.5 %	0.0 %	35.7 %	30.5 %	25.0 %	22.0 %	22.0 %
Asset utilisation							
Capital employed turnover	1.9	1.3	1.5	1.5	1.5	1.6	1.6
Operating assets turnover	5.1	4.4	4.3	4.8	4.5	4.8	4.9
Plant turnover	26.7	11.3	9.3	10.1	11.2	12.5	13.3
Inventory turnover (sales/inventory)	7.6	7.7	7.8	7.2	7.3	7.7	7.7
Returns							
ROCE	11.9 %	8.8 %	9.9 %	7.1 %	7.9 %	10.1 %	12.6 %
ROE	12.6 %	13.2 %	13.8 %	11.5 %	12.4 %	14.4 %	15.1 %
Other							
Interest paid / avg. debt	5.3 %	3.4 %	3.7 %	2.5 %	2.4 %	2.3 %	2.3 %
No. employees (average)	3900	4322	5184	5275	6168	6268	6331
Number of shares	66.1	66.1	65.0	65.0	63.6	63.6	63.6
DPS	0.2	0.0	0.3	0.2	0.2	0.3	0.3
EPS reported	0.68	0.74	0.86	0.74	0.89	1.17	1.39
Valuation ratios							
P/BV	3.1	3.0	2.8	2.7	2.3	2.1	1.8
EV/sales	1.1	1.1	1.0	0.9	0.8	0.7	0.7
EV/EBITDA	11.9	11.1	9.6	9.9	8.9	7.1	5.8
EV/EBITA	17.5	14.4	12.6	13.7	12.1	9.3	7.2
EV/EBIT	17.5	20.0	18.1	20.0	17.1	12.1	8.7
EV/FCF	103.1	21.9	11.6	26.0	50.8	15.4	14.6
Adjusted FCF yield	6.1 %	6.8 %	7.7 %	7.4 %	8.3 %	10.4 %	12.2 %
Dividend yield	0.9 %	0.0 %	1.8 %	1.3 %	1.3 %	1.5 %	1.8 %

Source: Company data, Hauck Aufhäuser Investment Banking

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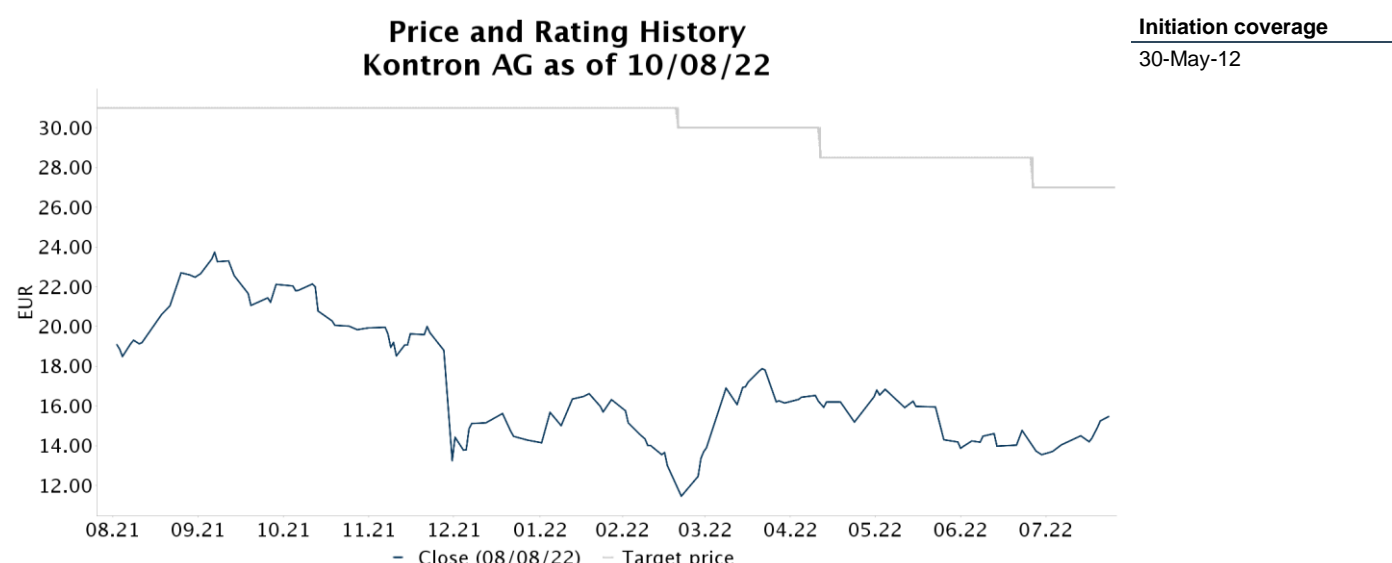
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Company	Disclosure
Kontron AG	

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



Company	Date	Analyst	Rating	Target price	Close
Kontron AG	28.07.2022	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 14,04
	13.07.2022	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 13,73
	17.05.2022	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 16,80
	28.04.2022	Wunderlich, CFA, Tim	Buy	EUR 28,50	EUR 15,93
	05.04.2022	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 17,77

22.03.2022	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 13,90
09.03.2022	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 11,46
15.02.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 16,32
01.02.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 16,48
26.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 15,01
18.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,66
11.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,47
10.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,47
03.01.2022	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 15,62
24.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 15,12
23.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 15,12
22.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,85
20.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 13,78
17.12.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 14,43
10.11.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 20,02
26.10.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,82
12.10.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,22
10.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 22,70
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04
07.09.2021	Wunderlich, CFA, Tim	Buy	EUR 31,00	EUR 21,04

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Buy	76.69 %	96.67 %
Sell	4.29 %	0.00 %
Hold	19.02 %	3.33 %

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Contacts: Hauck Aufhäuser Investment Banking

HAIB Research

Hauck Aufhäuser Investment Banking
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 91
Fax: +49 (0) 40 414 3885 71
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

Christian Sandherr
Head of Equity Advisory
Tel.: +49 40 414 3885 79
E-Mail: christian.sandherr@ha-ib.de

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

Christian Glowa
Analyst
Tel.: +49 40 414 3885 95
E-Mail: christian.glowa@ha-ib.de

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

Frederik Jarchow
Analyst
Tel.: +49 40 414 3885 76
E-Mail: frederik.jarchow@ha-ib.de

Jonah Emerson
Analyst
Tel.: +49 40 450 6342 3098
E-Mail: jonah.emerson@ha-ib.de

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

Nicole Winkler
Analyst
Tel.: +49 40 414 3885 97
E-Mail: nicole.winkler@ha-ib.de

Philipp Sennewald
Analyst
Tel.: +49 40 450 6342 3091
E-Mail: philipp.sennewald@ha-ib.de

Simon Bentlage
Analyst
Tel.: +49 40 450 6342 3096
E-Mail: simon.bentlage@ha-ib.de

Simon Jouck
Analyst
Tel.: +49 40 450 6342 3093
E-Mail: simon.jouck@ha-ib.de

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

HAIB Sales

Alexander Lachmann
Equity Sales
Tel.: +41 43 497 30 23
E-Mail: alexander.lachmann@ha-ib.de

Carlos Becke
Equity Sales
Tel.: +44 203 84 107 97
E-Mail: carlos.becke@ha-ib.de

Christian Bybjerg
Equity Sales
Tel.: +49 414 3885 74
E-Mail: christian.bybjerg@ha-ib.de

Hugues Madelin
Equity Sales
Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-ib.de

Imogen Voorspuy
Equity Sales
Tel.: +44 203 84 107 98
E-Mail: imogen.voorspuy@ha-ib.de

James Bonsor
Equity Sales
Tel.: +44 203 84 107 96
E-Mail: james.bonsor@ha-ib.de

Markus Scharhag
Equity Sales
Tel.: +49 89 23 93 2813
E-Mail: markus.scharhag@ha-ib.de

Vincent Bischoff
Equity Sales
Tel.: +49 40 414 38 85 88
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
Fax: +49 40 414 3885 71
E-Mail: info@hal-privatbank.com
www.hal-privatbank.com

Fin Schaffer
Trading
Tel.: +49 40 414 38 85 98
E-Mail: fin.schaffer@hal-privatbank.com

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

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

Martin Aruschanjan
Middle-Office
Tel.: +49 40 450 6342 35 87
E-Mail: martin.aruschanjan@hal-privatbank.com