

Kontron AG

Austria - IT Services



HAUCK
AUFHÄUSER
INVESTMENT BANKING

Buy (old: Buy)

Price target: EUR 30.00 (old: EUR 30.00)

Price:	EUR 18.90	Next result:	Q2'23 03.11.23
Bloomberg:	KTN GR	Market cap:	EUR 1,317.2 m
Reuters:	KTN.DE	Enterprise Value:	EUR 1,180.6 m

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Flying high: Kontron set to outperform guidance; chg.

Kontron announced **two design wins in the Avionics market worth a combined € 100m**, which should be turned into revenue over a five-year period. The design wins are for satellite-based in-flight entertainment and communications technology on airplanes. There are **two main takeaways** from the design wins:

- **The Avionics end-market is - finally - coming back to life for Kontron:** we expect respective revenues to climb to € 25m this year and to € 40m+ next year from € 12m in 2022. **Growth in this vertical should disproportionately benefit group profitability given estimated gross margins of 50%+** (exclusively eHAIB).
- **Current trading remains healthy**, courtesy of Kontron's diversified end-market exposure, where strength in Transportation, Avionics and Defense is overcompensating for softness in Industrial applications. **We expect the FY'23E book-to-bill to arrive at 1.1x**, despite rising revenues, which are helped by normalizing supply chains and thus faster conversion of the excess backlog.

Expect newsflow to remain positive as (i) Q3 looks set to be another quarter of dynamic top-and bottom-line growth and (ii) another bolt-on M&A deal was announced today: Kontron will acquire listed US IoT software provider bsquare for an EV of only c. \$ 5m, given the target's \$ 33m of net cash. The target is slightly loss making (c. \$ -2m pa) with shrinking revenues (\$ 25m pa est.) due to a noncompetitive technology portfolio. Kontron's M&A rationale is to get its hands on the customer base - which still features interesting names - as well as on the R&D engineers. Expect management to now fully focus on larger „game changer“ transactions (€ 300m+ sales) with a potential closing likely by mid-2024.

Most importantly, **we expect Kontron to overachieve its FY'23E net income guidance of € 66m**, given the excellent H1 performance (€ 34m net), a seasonally strong Q4, and healthy current trading. **Action:** accordingly, **we raise our net income expectation to €72m for FY'23E** vs. € 69m eCons, while conservatively leaving 2024E unchanged amidst macro uncertainty.

Reiterate Buy with an unchanged PT of € 30.00 based on DCF.

Y/E 31.12 (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Sales	1,122.9	1,254.8	1,002.9	1,096.1	1,201.0	1,395.3	1,546.0
Sales growth	13 %	12 %	-20 %	9 %	10 %	16 %	11 %
EBITDA	111.7	130.0	90.1	70.0	128.3	143.7	163.1
EBIT	61.8	68.6	40.1	-2.0	82.9	96.8	116.1
Net income	49.1	55.6	48.3	232.5	72.0	85.5	102.9
Net debt	91.5	104.1	116.0	-65.6	-156.5	-198.9	-205.6
Net gearing	24.5 %	25.8 %	27.7 %	-10.3 %	-25.8 %	-30.5 %	-29.1 %
Net Debt/EBITDA	0.8	0.8	1.3	0.0	0.0	0.0	0.0
EPS pro forma	0.74	0.84	0.45	-0.19	1.13	1.34	1.62
CPS	0.88	1.67	0.87	-0.15	1.15	1.21	1.15
DPS	0.00	0.30	0.35	1.00	0.60	0.60	0.60
Dividend yield	0.0 %	1.4 %	1.7 %	4.8 %	2.9 %	2.9 %	2.9 %
Gross profit margin	37.2 %	37.2 %	37.1 %	35.1 %	39.5 %	39.1 %	39.2 %
EBITDA margin	9.9 %	10.4 %	9.0 %	6.4 %	10.7 %	10.3 %	10.6 %
EBIT margin	5.5 %	5.5 %	4.0 %	-0.2 %	6.9 %	6.9 %	7.5 %
ROCE	8.8 %	9.9 %	4.5 %	-0.2 %	9.0 %	9.5 %	11.7 %
EV/sales	1.3	1.2	1.5	1.2	1.0	0.8	0.7
EV/EBITDA	13.3	11.5	16.8	18.2	9.2	7.9	6.9
EV/EBIT	24.1	21.9	37.7	-630.7	14.2	11.8	9.7
PER	27.9	24.6	45.9	-107.5	18.3	15.4	12.8
Adjusted FCF yield	5.6 %	6.4 %	3.4 %	1.3 %	7.8 %	9.1 %	10.7 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 11.10.2023

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 20.78 / 14.10
Price/Book Ratio: 2.0
Relative performance (TecDAX):
 3 months 3.3 %
 6 months 14.0 %
 12 months 20.4 %

Changes in estimates

		Sales	EBIT	EPS
2023	old:	1,201.0	74.3	1.01
	Δ	-	11.5%	11.7%
2024	old:	1,395.3	96.8	1.34
	Δ	-	-	0.1%
2025	old:	1,546.0	116.1	1.62
	Δ	-	-	0.0%

Key share data:

Number of shares: (in m pcs) 63.6
 Authorised capital: (in € m) 12.1
 Book value per share: (in €) 9.5
 Ø trading volume: (12 months) 155,000

Major shareholders:

Free Float 50.5 %
 Ennoconn 27.5 %
 Management 6.8 %
 Naneva BV 5.3 %
 Amiral Gestion 4.4 %

Company description:

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

Financials

Profit and loss (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Net sales	1,122.9	1,254.8	1,002.9	1,096.1	1,201.0	1,395.3	1,546.0
Sales growth	13.3 %	11.7 %	-20.1 %	9.3 %	9.6 %	16.2 %	10.8 %
Increase/decrease in finished goods and work-in-process	15.5	17.6	21.2	23.4	12.6	14.0	15.5
Total sales	1,138.4	1,272.4	1,024.2	1,119.5	1,213.6	1,409.3	1,561.5
Other operating income	8.0	8.8	14.6	19.7	8.0	7.0	7.7
Material expenses	715.4	799.0	644.7	726.6	734.2	858.1	950.0
Personnel expenses	245.2	273.3	237.6	258.8	278.8	319.5	352.5
Other operating expenses	74.2	78.8	66.5	83.8	80.5	94.9	103.6
Total operating expenses	1,026.7	1,142.4	934.1	1,049.5	1,085.3	1,265.5	1,398.4
EBITDA	111.7	130.0	90.1	70.0	128.3	143.7	163.1
Depreciation	25.9	30.9	50.0	72.0	25.9	27.4	27.5
EBITA	85.8	99.1	40.1	-2.0	102.4	116.3	135.6
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	24.0	30.5	0.0	0.0	19.5	19.5	19.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	61.8	68.6	40.1	-2.0	82.9	96.8	116.1
Interest income	1.3	1.6	1.4	1.4	6.7	6.9	7.2
Interest expenses	9.0	9.3	9.0	10.0	7.7	6.6	6.3
Other financial result	0.0	-0.2	0.0	0.0	0.0	0.0	0.0
Financial result	-7.7	-7.9	-7.6	-8.6	-1.0	0.4	0.8
Recurring pretax income from continuing operations	54.1	60.7	32.4	-10.7	81.9	97.2	116.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	54.1	60.7	32.4	-10.7	81.9	97.2	116.9
Taxes	4.6	6.1	2.0	2.2	9.8	11.7	14.0
Net income from continuing operations	49.5	54.6	30.5	-12.8	72.0	85.5	102.9
Result from discontinued operations (net of tax)	0.0	0.0	-18.5	-244.7	0.0	0.0	0.0
Net income	49.5	54.6	49.0	231.9	72.0	85.5	102.9
Minority interest	0.4	-1.0	0.7	-0.6	0.0	0.0	0.0
Net profit (reported)	49.1	55.6	48.3	232.5	72.0	85.5	102.9
Average number of shares	66.1	65.0	65.0	63.6	63.6	63.6	63.6
EPS reported	0.74	0.86	0.74	3.65	1.13	1.34	1.62

Profit and loss (common size)	2019	2020	2021	2022	2023E	2024E	2025E
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 %	1.4 %	2.1 %	2.1 %	1.1 %	1.0 %	1.0 %
Total sales	101.4 %	101.4 %	102.1 %	102.1 %	101.1 %	101.0 %	101.0 %
Other operating income	0.7 %	0.7 %	1.5 %	1.8 %	0.7 %	0.5 %	0.5 %
Material expenses	63.7 %	63.7 %	64.3 %	66.3 %	61.1 %	61.5 %	61.5 %
Personnel expenses	21.8 %	21.8 %	23.7 %	23.6 %	23.2 %	22.9 %	22.8 %
Other operating expenses	6.6 %	6.3 %	6.6 %	7.6 %	6.7 %	6.8 %	6.7 %
Total operating expenses	91.4 %	91.0 %	93.1 %	95.7 %	90.4 %	90.7 %	90.5 %
EBITDA	9.9 %	10.4 %	9.0 %	6.4 %	10.7 %	10.3 %	10.6 %
Depreciation	2.3 %	2.5 %	5.0 %	6.6 %	2.2 %	2.0 %	1.8 %
EBITA	7.6 %	7.9 %	4.0 %	neg.	8.5 %	8.3 %	8.8 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	2.1 %	2.4 %	0.0 %	0.0 %	1.6 %	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 %	5.5 %	4.0 %	neg.	6.9 %	6.9 %	7.5 %
Interest income	0.1 %	0.1 %	0.1 %	0.1 %	0.6 %	0.5 %	0.5 %
Interest expenses	0.8 %	0.7 %	0.9 %	0.9 %	0.6 %	0.5 %	0.4 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	0.0 %	0.1 %
Recurring pretax income from continuing operations	4.8 %	4.8 %	3.2 %	neg.	6.8 %	7.0 %	7.6 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	4.8 %	4.8 %	3.2 %	neg.	6.8 %	7.0 %	7.6 %
Tax rate	8.4 %	10.0 %	6.1 %	-20.5 %	12.0 %	12.0 %	12.0 %
Net income from continuing operations	4.4 %	4.4 %	3.0 %	neg.	6.0 %	6.1 %	6.7 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	-1.8 %	-22.3 %	0.0 %	0.0 %	0.0 %
Net income	4.4 %	4.4 %	4.9 %	21.2 %	6.0 %	6.1 %	6.7 %
Minority interest	0.0 %	neg.	0.1 %	neg.	0.0 %	0.0 %	0.0 %
Net profit (reported)	4.4 %	4.4 %	4.8 %	21.2 %	6.0 %	6.1 %	6.7 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	294.9	302.3	312.5	261.8	261.1	257.5	261.2
Property, plant and equipment	99.8	135.1	132.5	95.5	81.0	69.3	74.3
Financial assets	22.8	22.1	32.5	146.0	32.0	32.0	32.0
FIXED ASSETS	417.5	459.5	477.5	503.4	374.1	358.8	367.5
Inventories	146.8	159.9	187.3	192.6	210.7	244.8	297.3
Accounts receivable	212.2	204.5	214.1	148.1	162.2	188.5	208.8
Other current assets	102.6	104.2	136.5	126.0	129.1	132.4	135.7
Liquid assets	312.3	281.9	296.5	437.8	451.5	473.9	480.6
Deferred taxes	34.4	36.6	40.2	33.1	33.1	33.1	33.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	808.2	787.1	874.6	937.5	986.6	1,072.6	1,155.4
TOTAL ASSETS	1,225.7	1,246.6	1,352.1	1,440.9	1,360.6	1,431.4	1,522.9
SHAREHOLDERS EQUITY	372.7	404.0	418.6	633.8	605.9	651.7	707.1
MINORITY INTEREST	12.4	5.4	4.7	1.8	0.0	0.0	0.0
Long-term debt	341.0	343.2	340.2	246.5	270.0	260.0	260.0
Provisions for pensions and similar obligations	30.0	26.8	25.1	19.9	19.9	19.9	19.9
Other provisions	54.4	40.5	31.4	27.0	27.0	27.0	27.0
Non-current liabilities	425.4	410.5	396.7	293.3	316.8	306.8	306.8
short-term liabilities to banks	62.8	42.8	72.3	125.7	25.0	15.0	15.0
Accounts payable	205.0	210.0	270.0	226.3	248.4	288.6	319.8
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)	134.2	160.6	176.7	154.1	158.8	163.5	168.4
Deferred taxes	13.4	13.3	13.2	5.7	5.7	5.7	5.7
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	415.3	426.6	532.2	511.9	437.9	472.9	508.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	1,225.7	1,246.6	1,352.1	1,440.9	1,360.6	1,431.4	1,522.9

Balance sheet (common size)	2019	2020	2021	2022	2023E	2024E	2025E
Intangible assets	24.1 %	24.2 %	23.1 %	18.2 %	19.2 %	18.0 %	17.1 %
Property, plant and equipment	8.1 %	10.8 %	9.8 %	6.6 %	6.0 %	4.8 %	4.9 %
Financial assets	1.9 %	1.8 %	2.4 %	10.1 %	2.4 %	2.2 %	2.1 %
FIXED ASSETS	34.1 %	36.9 %	35.3 %	34.9 %	27.5 %	25.1 %	24.1 %
Inventories	12.0 %	12.8 %	13.9 %	13.4 %	15.5 %	17.1 %	19.5 %
Accounts receivable	17.3 %	16.4 %	15.8 %	10.3 %	11.9 %	13.2 %	13.7 %
Other current assets	8.4 %	8.4 %	10.1 %	8.7 %	9.5 %	9.2 %	8.9 %
Liquid assets	25.5 %	22.6 %	21.9 %	30.4 %	33.2 %	33.1 %	31.6 %
Deferred taxes	2.8 %	2.9 %	3.0 %	2.3 %	2.4 %	2.3 %	2.2 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	65.9 %	63.1 %	64.7 %	65.1 %	72.5 %	74.9 %	75.9 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	30.4 %	32.4 %	31.0 %	44.0 %	44.5 %	45.5 %	46.4 %
MINORITY INTEREST	1.0 %	0.4 %	0.3 %	0.1 %	0.0 %	0.0 %	0.0 %
Long-term debt	27.8 %	27.5 %	25.2 %	17.1 %	19.8 %	18.2 %	17.1 %
Provisions for pensions and similar obligations	2.4 %	2.2 %	1.9 %	1.4 %	1.5 %	1.4 %	1.3 %
Other provisions	4.4 %	3.2 %	2.3 %	1.9 %	2.0 %	1.9 %	1.8 %
Non-current liabilities	34.7 %	32.9 %	29.3 %	20.4 %	23.3 %	21.4 %	20.1 %
short-term liabilities to banks	5.1 %	3.4 %	5.3 %	8.7 %	1.8 %	1.0 %	1.0 %
Accounts payable	16.7 %	16.8 %	20.0 %	15.7 %	18.3 %	20.2 %	21.0 %
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)	10.9 %	12.9 %	13.1 %	10.7 %	11.7 %	11.4 %	11.1 %
Deferred taxes	1.1 %	1.1 %	1.0 %	0.4 %	0.4 %	0.4 %	0.4 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	33.9 %	34.2 %	39.4 %	35.5 %	32.2 %	33.0 %	33.4 %
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)	2019	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	49.5	54.6	49.0	-2.0	72.0	85.5	102.9
Depreciation of fixed assets (incl. leases)	49.9	30.9	63.6	72.0	25.9	27.4	27.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	30.5	0.0	0.0	19.5	19.5	19.5
Others	3.7	-8.5	-20.3	-42.6	0.0	0.0	0.0
Cash flow from operations before changes in w/c	103.1	107.5	92.3	27.4	117.4	132.4	149.9
Increase/decrease in inventory	-16.0	-13.1	-27.5	-5.3	-18.1	-34.1	-52.5
Increase/decrease in accounts receivable	-30.0	41.4	-9.6	66.0	-14.1	-26.2	-20.4
Increase/decrease in accounts payable	49.7	5.0	60.0	-43.6	22.1	40.2	31.2
Increase/decrease in other working capital positions	-23.5	0.0	-19.9	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-19.8	33.3	3.0	17.1	-10.1	-20.1	-41.7
Cash flow from operating activities	83.4	140.8	95.3	44.4	107.3	112.3	108.2
CAPEX	27.1	33.9	47.0	40.5	45.6	51.6	55.7
Payments for acquisitions	27.2	41.0	13.9	20.5	24.5	0.0	0.0
Financial investments	4.3	3.6	8.2	-13.0	0.0	0.0	0.0
Income from asset disposals	2.9	1.3	2.8	191.7	117.3	20.0	0.0
Cash flow from investing activities	-55.7	-77.2	-66.3	143.7	47.2	-31.6	-55.7
Cash flow before financing	27.7	63.6	29.0	188.1	154.5	80.7	52.5
Increase/decrease in debt position	128.1	-40.9	28.8	-56.7	-77.2	-20.0	0.0
Purchase of own shares	14.6	12.2	20.6	0.0	0.0	0.0	0.0
Capital measures	0.0	1.4	0.0	0.0	0.0	0.0	0.0
Dividends paid	10.6	0.0	19.2	22.3	63.6	38.2	38.2
Others	-19.1	-14.1	-9.3	-11.8	0.0	0.0	0.0
Effects of exchange rate changes on cash	1.1	-8.1	4.3	0.4	0.0	0.0	0.0
Cash flow from financing activities	83.8	-65.8	-20.2	-90.8	-140.8	-58.2	-38.2
Increase/decrease in liquid assets	112.6	-10.2	13.0	97.7	13.7	22.5	14.4
Liquid assets at end of period	312.3	281.9	296.5	437.8	451.5	473.9	488.3

Source: Company data, Hauck Aufhäuser Investment Banking

Regional split (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
Domestic	102.2	106.7	156.5	178.6	195.7	227.3	251.9
yoy change	3.8 %	4.4 %	46.7 %	14.2 %	9.6 %	16.2 %	10.8 %
Rest of Europe	336.9	373.9	484.6	512.4	561.4	652.3	722.7
yoy change	12.3 %	11.0 %	29.6 %	5.7 %	9.6 %	16.2 %	10.8 %
NAFTA	152.7	178.2	96.5	109.8	124.9	146.5	162.3
yoy change	14.7 %	16.7 %	-45.8 %	13.8 %	13.7 %	17.3 %	10.8 %
Asia Pacific	n/a	n/a	62.4	80.0	87.6	101.8	112.8
yoy change	n/a	n/a	n/a	28.2 %	9.6 %	16.2 %	10.8 %
Rest of world	531.1	596.0	203.0	215.3	230.6	266.5	295.3
yoy change	15.6 %	12.2 %	-65.9 %	6.1 %	7.1 %	15.6 %	10.8 %
TTL	1,122.9	1,254.8	1,002.9	1,096.1	1,201.0	1,395.3	1,546.0
yoy change	13.3 %	11.7 %	-20.1 %	9.3 %	9.6 %	16.2 %	10.8 %

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2019	2020	2021	2022	2023E	2024E	2025E
P&L growth analysis							
Sales growth	13.3 %	11.7 %	-20.1 %	9.3 %	9.6 %	16.2 %	10.8 %
EBITDA growth	23.4 %	43.6 %	-19.4 %	-46.2 %	42.4 %	105.3 %	27.2 %
EBIT growth	0.4 %	11.5 %	-35.1 %	-102.9 %	106.8 %	-	40.1 %
EPS growth	9.2 %	25.7 %	-0.1 %	327.0 %	52.5 %	-63.2 %	42.8 %
Efficiency							
Total operating costs / sales	91.4 %	91.0 %	93.1 %	95.7 %	90.4 %	90.7 %	90.5 %
Sales per employee	259.8	242.1	225.8	207.9	265.1	308.7	338.6
EBITDA per employee	25.9	25.1	20.3	13.3	28.3	31.8	35.7
Balance sheet analysis							
Avg. working capital / sales	13.8 %	12.4 %	14.2 %	12.3 %	10.7 %	9.3 %	10.1 %
Inventory turnover (sales/inventory)	7.7	7.8	5.4	5.7	5.7	5.7	5.2
Trade debtors in days of sales	69.0	59.5	77.9	49.3	49.3	49.3	49.3
A/P turnover [(A/P*365)/sales]	66.6	61.1	98.3	75.4	75.5	75.5	75.5
Cash conversion cycle (days)	39.2	36.6	31.1	32.4	30.5	30.7	40.7
Cash flow analysis							
Free cash flow	56.3	106.9	48.3	4.0	61.7	60.7	52.5
Free cash flow/sales	5.0 %	8.5 %	4.8 %	0.4 %	5.1 %	4.3 %	3.4 %
FCF / net profit	114.6 %	192.2 %	100.1 %	1.7 %	85.6 %	70.9 %	51.1 %
Capex / deprn	62.9 %	61.2 %	86.7 %	38.2 %	100.5 %	110.1 %	118.4 %
Capex / maintenance capex	74.6 %	114.5 %	n/a	44.1 %	77.6 %	87.3 %	92.1 %
Capex / sales	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Security							
Net debt	91.5	104.1	116.0	-65.6	-156.5	-198.9	-205.6
Net Debt/EBITDA	0.8	0.8	1.3	0.0	0.0	0.0	0.0
Net debt / equity	0.2	0.3	0.3	neg.	neg.	neg.	neg.
Interest cover	6.9	7.4	4.5	0.0	10.8	14.8	18.4
Dividend payout ratio	0.0 %	35.7 %	47.9 %	27.4 %	53.0 %	44.6 %	37.1 %
Asset utilisation							
Capital employed turnover	1.3	1.5	1.1	1.0	1.3	1.4	1.5
Operating assets turnover	4.4	4.3	3.8	5.2	5.8	6.5	5.9
Plant turnover	11.3	9.3	7.6	11.5	14.8	20.1	20.8
Inventory turnover (sales/inventory)	7.7	7.8	5.4	5.7	5.7	5.7	5.2
Returns							
ROCE	8.8 %	9.9 %	4.5 %	-0.2 %	9.0 %	9.5 %	11.7 %
ROE	13.2 %	13.8 %	11.5 %	36.7 %	11.9 %	13.1 %	14.6 %
Other							
Interest paid / avg. debt	3.4 %	3.7 %	2.2 %	2.7 %	2.2 %	2.0 %	2.2 %
No. employees (average)	4322	5184	4442	5271	4530	4520	4565
Number of shares	66.1	65.0	65.0	63.6	63.6	63.6	63.6
DPS	0.0	0.3	0.4	1.0	0.6	0.6	0.6
EPS reported	0.74	0.86	0.74	3.65	1.13	1.34	1.62
Valuation ratios							
P/BV	3.7	3.4	3.3	2.1	2.2	2.0	1.9
EV/sales	1.3	1.2	1.5	1.2	1.0	0.8	0.7
EV/EBITDA	13.3	11.5	16.8	18.2	9.2	7.9	6.9
EV/EBITA	17.4	15.1	37.7	-630.7	11.5	9.8	8.3
EV/EBIT	24.1	21.9	37.7	-630.7	14.2	11.8	9.7
EV/FCF	26.5	14.0	31.3	321.6	19.1	18.8	21.5
Adjusted FCF yield	5.6 %	6.4 %	3.4 %	1.3 %	7.8 %	9.1 %	10.7 %
Dividend yield	0.0 %	1.4 %	1.7 %	4.8 %	2.9 %	2.9 %	2.9 %

Source: Company data, Hauck Aufhäuser Investment Banking

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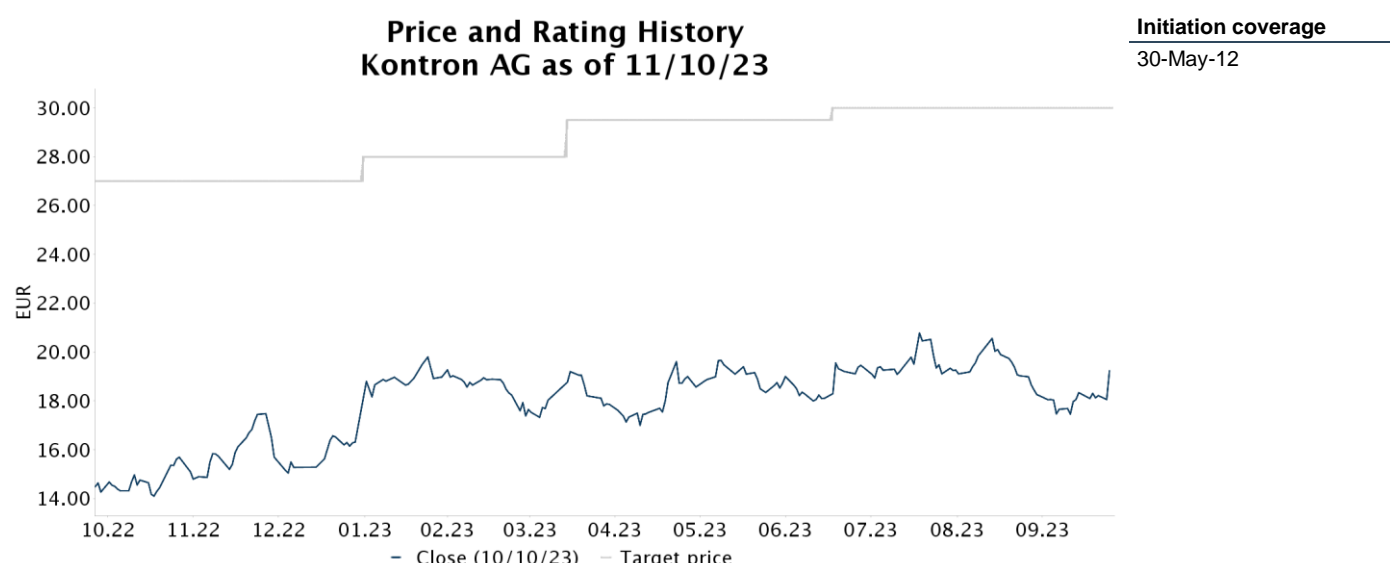
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Company	Disclosure
Kontron AG	

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



Company	Date	Analyst	Rating	Target price	Close
Kontron AG	25.09.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 17,69
	29.08.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 20,56
	04.08.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 20,46
	03.08.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 20,78
	01.08.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 19,51

04.07.2023	Wunderlich, CFA, Tim	Buy	EUR 30,00	EUR 19,55
06.06.2023	Wunderlich, CFA, Tim	Buy	EUR 29,50	EUR 18,90
25.04.2023	Wunderlich, CFA, Tim	Buy	EUR 29,50	EUR 17,00
05.04.2023	Wunderlich, CFA, Tim	Buy	EUR 29,50	EUR 18,66
31.03.2023	Wunderlich, CFA, Tim	Buy	EUR 29,50	EUR 19,20
02.03.2023	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 18,88
07.02.2023	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 19,50
17.01.2023	Wunderlich, CFA, Tim	Buy	EUR 28,00	EUR 18,80
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
12.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,28
09.01.2023	Wunderlich, CFA, Tim	Buy	EUR 27,00	EUR 16,20

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Buy	73.30 %	90.91 %
Sell	3.98 %	0.00 %
Hold	22.73 %	9.09 %

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