

Buy EUR 8.00	Value Indicators: EUR DCF: 8.11 FCF-Value Potential 26e: 7.80	Warburg ESG Risk Score: 2.3 ESG Score (MSCI based): 3.0 Balance Sheet Score: 3.8 Market Liquidity Score: 0.0	Description: Soft- and hardware for data exchange for e.g. industrial plants and automotive electronics
	Market Snapshot: EUR m Market cap: 41.0 No. of shares (m): 9.1 EV: 61.7 Freefloat MC: 25.6 Ø Trad. Vol. (30d): 18.94 th	Shareholders: Freefloat: 62.60 % Trier Asset Mgmt: 22.40 % Alois Widmann: 15.00 %	Key Figures (WRE): 2024e Beta: 1.3 Price / Book: 0.7 x Equity Ratio: 49 % Net Fin. Debt / EBITDA: 1.4 x Net Debt / EBITDA: 1.6 x
Price: EUR 4.50 Upside: 77.8 %			

Environment remains challenging for Industrial after the strong 2023

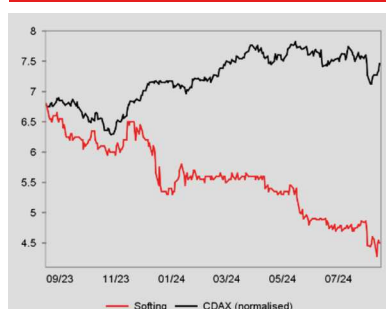
Stated Figures Q2/2024:										Comment on Figures:	
FY End: 31.12. in EUR m	Q2 24	Q2 24e	Q2 23	yoy	6M 24	6M 24e	6M 23	yoy			
Sales	23.1	23.9	29.6	-22 %	47.3	48.1	58.1	-19 %			▪ Sales decline compared to Q2 23 was mainly driven by the Industrial segment (EUR -7.7m, -34.5% yoy), which had a strong year in 2023
EBIT adj.	-0.3	0.1	1.4	n.a.	0.4	0.7	3.9	-90 %			▪ Automotive grew by 26.2% to EUR 6.9m, despite the challenging economic environment
Margin	-1.1 %	0.3 %	4.7 %		0.8 %	1.4 %	6.7 %				▪ Decline in profitability due to lower sales volume in Industrial
EBIT	-0.9	0.0	1.1	n.a.	-0.4	0.5	3.1	n.a.			
Margin	-3.8 %	-0.1 %	3.8 %		-0.8 %	1.0 %	5.3 %				

Softing's Q2 results were slightly below our estimates and, while the company confirmed its guidance for the full year, it is expecting to reach the lower end of the target range. As in Q1, the yoy sales decline of EUR of 6.5m or 22% was driven by the Industrial segment, which generated EUR 7.7m less revenue than in the year-earlier quarter. This is partly explained by the strong basis of comparison, after Industrial grew by 23.4% last year, driven by catch-up effects in the aftermath of the chip shortages. In addition, customer inventories remain high, which has a compounding effect on the cautious capex spending overall.

Despite the challenging environment, the weakness was limited to the Industrial segment. Sales in Automotive grew by 26.2% to EUR 6.9m. However, the roll-out of GlobalmatiX is currently behind our expectations and still loss-making, which burdened the profitability. IT Networking remained stable. As a result of the lower sales volumes in Industrial and the losses in the GlobalmatiX subsegment, the adj. EBIT reached only EUR -0.3m in the second quarter after EUR 1.4m in Q2 23.

The challenging environment is also reflected in the order intake, which declined by 20.6% to EUR 15.4m. Softing has won a larger and longer-term contract and while the order backlog of EUR 30.9m still provides some visibility, we are not expecting significant improvements in Q3. However, we remain optimistic, especially regarding Q4. Customers in the Industrial segment already indicated some recovery towards the end of the year and the base of comparison is notably lower with sales of only EUR 25.4m. We also expect further progress in the GlobalmatiX subsegment, which should have a positive effect on the profitability in the Automotive segment. IT Networks shows heavy Q4 seasonality but it was burdened by supply issues in Q4 last year, which have been resolved. We have adjusted our estimates for the current year, in line with company's outlook, but confirm our target price of EUR 8 and our Buy recommendation.

Changes in Estimates:							Comment on Changes:	
FY End: 31.12. in EUR m	2024e (old)	+ / -	2025e (old)	+ / -	2026e (old)	+ / -		
Sales	109.7	-3.9 %	116.9	0.0 %	122.9	0.0 %		▪ Reduction in sales forecast due to a slower-than-anticipated market recovery
EBIT	4.0	-22.7 %	5.4	0.0 %	6.5	0.0 %		▪ Profitability reduction due to lower sales volume
EBIT adj.	6.2	-27.5 %	7.0	0.0 %	8.0	0.0 %		▪ Revised estimates are in line with the company's updated outlook

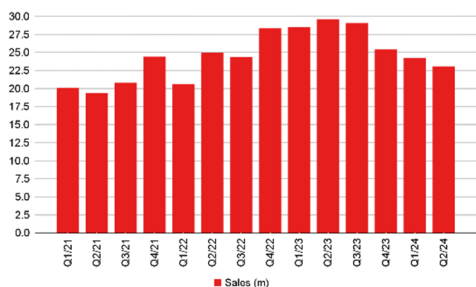


Rel. Performance vs CDAX:	
1 month:	-1.9 %
6 months:	-21.4 %
Year to date:	-20.6 %
Trailing 12 months:	-44.5 %

Company events:	
15.11.24	Q3

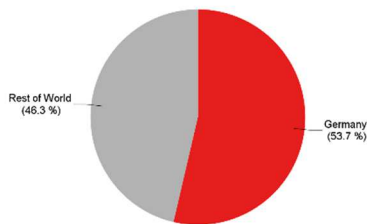
FY End: 31.12. in EUR m	CAGR (23-26e)	2020	2021	2022	2023	2024e	2025e	2026e
Sales	3.0 %	77.6	84.7	98.3	112.6	105.4	116.9	122.9
Change Sales yoy		-14.8 %	9.1 %	16.1 %	14.5 %	-6.4 %	10.9 %	5.1 %
Gross profit margin		59.5 %	58.2 %	54.9 %	59.0 %	65.6 %	58.6 %	58.3 %
EBITDA	5.8 %	7.8	9.1	9.7	13.9	12.7	15.6	16.5
Margin		10.0 %	10.7 %	9.9 %	12.4 %	12.1 %	13.3 %	13.4 %
EBIT	-	-3.9	-0.5	0.8	-2.7	3.1	5.4	6.5
Margin		-5.1 %	-0.6 %	0.8 %	-2.4 %	3.0 %	4.6 %	5.3 %
EBIT adj.	12.2 %	1.6	3.0	3.3	5.6	4.5	7.0	8.0
Net income	-	-4.7	-0.3	-1.4	-5.8	1.6	3.1	3.9
EPS	-	-0.52	-0.03	-0.15	-0.65	0.18	0.34	0.43
DPS	0.0 %	0.04	0.10	0.10	0.13	0.13	0.13	0.13
Dividend Yield		0.7 %	1.6 %	1.7 %	2.0 %	2.9 %	2.9 %	2.9 %
FCFPS		-0.38	0.42	-0.40	-0.04	0.99	0.24	0.45
FCF / Market cap		-6.5 %	6.9 %	-6.7 %	-0.6 %	21.7 %	5.2 %	10.0 %
EV / Sales		0.9 x	0.8 x	0.8 x	0.7 x	0.6 x	0.5 x	0.5 x
EV / EBITDA		9.0 x	7.7 x	7.7 x	5.9 x	4.8 x	4.0 x	3.8 x
EV / EBIT adj.		44.8 x	23.2 x	23.0 x	14.6 x	13.6 x	9.0 x	7.7 x
EV / EBIT		n.a.	n.a.	98.7 x	n.a.	19.7 x	11.6 x	9.5 x
P / E		n.a.	n.a.	n.a.	n.a.	25.0 x	13.2 x	10.5 x
FCF Potential Yield		4.8 %	6.2 %	6.1 %	6.7 %	7.9 %	11.0 %	12.0 %
Net Debt		17.5	14.0	21.5	24.8	20.7	21.7	20.9
ROCE (NOPAT)		n.a.	0.1 %	2.0 %	n.a.	2.8 %	4.9 %	5.8 %
Guidance:		Sales approx. EUR 105m, adj. EBIT EUR 4-5m						

Sales development
in EUR m



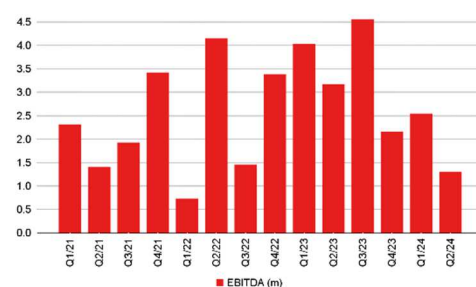
Source: Company

Sales by regions
2023; in %



Source: Company

EBITDA development
in EUR m



Source: Company

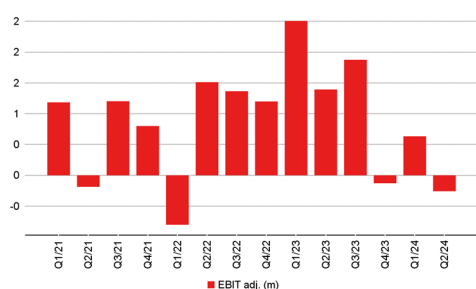
Company Background

- Softing has the necessary expertise on information exchange between various devices, sensors, plant and software solutions in automated processes. Its business activity comprises three segments.
- Industrial Automation: hardware and software solutions for the exchange of information in all kinds of production including assembly lines, chemical plants, oil and gas extraction or refineries.
- IT Networks: diagnostic devices which are used in industrial automation and for the diagnosis of copper and optical fibre networks in data centers and office installations
- Automotive Electronics: The solutions allow engineers and workshop mechanics to test automotive electronics in the development phase, production or repair and to recognise errors via data evaluation.
- The solutions in the automotive segment are not for application within the vehicles and therefore do not pose a product re-call risk for the company.

Competitive Quality

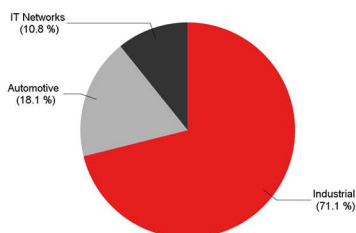
- European market leader in the networking of various production plant elements as well as in business-related software (so-called OPC products).
- World market leader in components for the exchange of information in gas and oil plants. Some >50% of all devices registered worldwide that are used in these plants include components from Softing.
- Softing's participation in international committees that set standards for the exchange of information. This contributes to a short time-to-market.
- The high complexity of Softing's business activity is the single most important barrier to market entry for potential competitors.

Adj. EBIT development
in EUR m



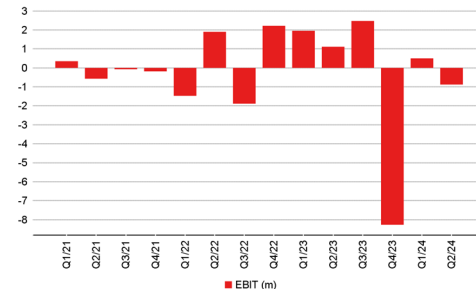
Source: Company

Sales by segments
2023; in %



Source: Company

EBIT development
in EUR m



Source: Company

DCF model

Figures in EUR m	Detailed forecast period			Transitional period										Term. Value
	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	2036e	
Sales	105.4	116.9	122.9	128.8	134.7	140.5	146.3	152.0	157.7	163.2	168.7	174.1	177.5	
Sales change	-6.4 %	10.9 %	5.1 %	4.8 %	4.6 %	4.3 %	4.1 %	3.9 %	3.7 %	3.5 %	3.4 %	3.2 %	2.0 %	2.0 %
EBIT	3.1	5.4	6.5	7.1	8.1	9.1	9.5	9.9	10.2	10.6	11.0	11.3	11.5	
EBIT-margin	3.0 %	4.6 %	5.3 %	5.5 %	6.0 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	6.5 %	
Tax rate (EBT)	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	2.2	3.8	4.5	5.0	5.7	6.4	6.7	6.9	7.2	7.4	7.7	7.9	8.1	
Depreciation	9.6	10.2	10.0	9.4	9.7	10.0	10.2	10.5	10.6	10.6	10.5	10.8	11.0	
in % of Sales	9.1 %	8.7 %	8.1 %	7.3 %	7.2 %	7.1 %	7.0 %	6.9 %	6.7 %	6.5 %	6.2 %	6.2 %	6.2 %	
Changes in provisions	1.6	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	
Change in Liquidity from														
- Working Capital	-5.1	1.9	0.5	1.4	1.0	1.0	1.0	1.0	1.0	0.9	0.9	0.9	4.2	
- Capex	7.5	7.8	7.8	8.0	8.3	8.7	9.1	9.4	9.8	10.1	10.5	10.8	11.0	
Capex in % of Sales	7.1 %	6.7 %	6.3 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	6.2 %	
- Other	1.6	1.6	1.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Free Cash Flow (WACC Model)	9.4	2.7	4.6	5.1	6.1	6.8	7.0	7.1	7.1	7.1	6.9	7.1	3.9	8
PV of FCF	9.2	2.4	3.9	4.0	4.4	4.5	4.3	4.0	3.7	3.4	3.1	2.9	1.5	49
share of PVs	15.42 %			35.70 %										48.88 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	22.00 %	Financial Strength	1.40
Cost of debt (after tax)	2.1 %	Liquidity (share)	1.30
Market return	8.25 %	Cyclicality	1.10
Risk free rate	2.75 %	Transparency	1.30
		Others	1.30
WACC	8.10 %	Beta	1.28

Valuation (m)

Present values 2036e	51		
Terminal Value	49		
Financial liabilities	28		
Pension liabilities	1		
Hybrid capital	0		
Minority interest	1		
Market val. of investments	0		
Liquidity	3	No. of shares (m)	9.1
Equity Value	73	Value per share (EUR)	8.11

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Delta EBIT-margin								
		1.25 %	1.50 %	1.75 %	2.00 %	2.25 %	2.50 %	2.75 %	-1.5 pp	-1.0 pp	-0.5 pp	+0.0 pp	+0.5 pp	+1.0 pp	+1.5 pp		
1.51	9.1 %	6.18	6.31	6.44	6.58	6.73	6.89	7.07	1.51	9.1 %	4.30	5.06	5.82	6.58	7.34	8.10	8.85
1.40	8.6 %	6.80	6.95	7.11	7.28	7.47	7.67	7.89	1.40	8.6 %	4.84	5.65	6.47	7.28	8.10	8.92	9.73
1.34	8.3 %	7.15	7.31	7.49	7.68	7.89	8.11	8.36	1.34	8.3 %	5.13	5.98	6.83	7.68	8.53	9.38	10.23
1.28	8.1 %	7.52	7.70	7.89	8.11	8.34	8.59	8.87	1.28	8.1 %	5.46	6.34	7.22	8.11	8.99	9.88	10.76
1.22	7.8 %	7.91	8.12	8.33	8.57	8.83	9.11	9.43	1.22	7.8 %	5.81	6.73	7.65	8.57	9.49	10.42	11.34
1.16	7.6 %	8.34	8.57	8.81	9.08	9.37	9.69	10.04	1.16	7.6 %	6.19	7.15	8.12	9.08	10.04	11.01	11.97
1.05	7.1 %	9.31	9.60	9.91	10.24	10.62	11.03	11.49	1.05	7.1 %	7.07	8.13	9.19	10.24	11.30	12.36	13.42

- The cyclical components of the business activity and the low liquidity of the share raise capital costs.
- Items in the "Others" line adjust for IFRS 16 depreciation on rights of use

Free Cash Flow Value Potential

Warburg Research's valuation tool "FCF Value Potential" reflects the ability of the company to generate sustainable free cash flows. It is based on the "FCF potential" - a FCF "ex growth" figure - which assumes unchanged working capital and pure maintenance capex. A value indication is derived via the perpetuity of a given year's "FCF potential" with consideration of the weighted costs of capital. The fluctuating value indications over time add a timing element to the DCF model (our preferred valuation tool).

in EUR m	2020	2021	2022	2023	2024e	2025e	2026e	
Net Income before minorities	-4.6	-0.1	-1.2	-5.7	1.7	3.2	4.0	
+ Depreciation + Amortisation	11.7	9.5	9.0	16.6	9.6	10.2	10.0	
- Net Interest Income	-1.5	0.8	-1.3	-0.5	-0.7	-0.8	-0.8	
- Maintenance Capex	5.2	4.4	4.6	5.9	5.6	5.9	5.9	
+ Other	0.0	0.0	0.0	0.0	-1.5	-1.5	-1.5	
= Free Cash Flow Potential	3.4	4.3	4.6	5.5	4.9	6.9	7.4	
FCF Potential Yield (on market EV)	4.8 %	6.2 %	6.1 %	6.7 %	7.9 %	11.0 %	12.0 %	
WACC	8.10 %	8.10 %	8.10 %	8.10 %	8.10 %	8.10 %	8.10 %	
= Enterprise Value (EV)	69.9	69.5	75.2	82.5	61.7	62.7	61.8	
= Fair Enterprise Value	41.6	52.9	56.3	68.0	60.2	84.8	91.7	
- Net Debt (Cash)	23.9	23.9	23.9	23.9	18.2	19.2	18.4	
- Pension Liabilities	0.9	0.9	0.9	0.9	2.5	2.5	2.5	
- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	16.8	28.1	31.5	43.2	39.5	63.1	70.9	
Number of shares, average	9.1	9.0	9.0	9.0	9.0	9.0	9.0	
= Fair value per share (EUR)	1.85	3.12	3.50	4.80	4.38	7.00	7.86	
premium (-) / discount (+) in %					-2.6 %	55.5 %	74.7 %	
Sensitivity Fair value per Share (EUR)								
	11.10 %	0.61	1.52	1.79	2.73	2.55	4.41	5.06
	10.10 %	0.94	1.94	2.24	3.27	3.03	5.08	5.79
	9.10 %	1.34	2.45	2.78	3.93	3.61	5.90	6.68
WACC	8.10 %	1.85	3.12	3.50	4.80	4.38	7.00	7.86
	7.10 %	2.49	3.91	4.34	5.80	5.27	8.24	9.20
	6.10 %	3.35	4.99	5.49	7.20	6.51	9.98	11.09
	5.10 %	4.54	6.51	7.11	9.15	8.23	12.41	13.71

▪ Capitalised own work is a significant element of the capex.

▪ FCF-Value-CAGR 2020-2026e: 27%

Valuation							
	2020	2021	2022	2023	2024e	2025e	2026e
Price / Book	0.8 x	0.9 x	0.9 x	1.1 x	0.7 x	0.7 x	0.7 x
Book value per share ex intangibles	0.63	0.78	0.60	0.68	1.07	1.29	1.57
EV / Sales	0.9 x	0.8 x	0.8 x	0.7 x	0.6 x	0.5 x	0.5 x
EV / EBITDA	9.0 x	7.7 x	7.7 x	5.9 x	4.8 x	4.0 x	3.8 x
EV / EBIT	n.a.	n.a.	98.7 x	n.a.	19.7 x	11.6 x	9.5 x
EV / EBIT adj.*	44.8 x	23.2 x	23.0 x	14.6 x	13.6 x	9.0 x	7.7 x
P / FCF	n.a.	14.5 x	n.a.	n.a.	4.6 x	19.1 x	9.9 x
P / E	n.a.	n.a.	n.a.	n.a.	25.0 x	13.2 x	10.5 x
P / E adj.*	n.a.	n.a.	n.a.	n.a.	25.0 x	13.2 x	10.5 x
Dividend Yield	0.7 %	1.6 %	1.7 %	2.0 %	2.9 %	2.9 %	2.9 %
FCF Potential Yield (on market EV)	4.8 %	6.2 %	6.1 %	6.7 %	7.9 %	11.0 %	12.0 %

*Adjustments made for: Adj. figures exclude PPAs and changes to own work capitalized

Company Specific Items							
	2020	2021	2022	2023	2024e	2025e	2026e
order entries	n.a.	n.a.	102.9	0.0	0.0	n.a.	n.a.
book-to-bill	n.a.	n.a.	1.0	0.0	0.0	n.a.	n.a.
order book	n.a.	n.a.	38.2	0.0	0.0	n.a.	n.a.

Consolidated profit & loss

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Sales	77.6	84.7	98.3	112.6	105.4	116.9	122.9
Change Sales yoy	-14.8 %	9.1 %	16.1 %	14.5 %	-6.4 %	10.9 %	5.1 %
Increase / decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Own work capitalised	3.7	3.7	3.9	5.7	6.1	5.0	4.7
Total Sales	81.3	88.3	102.3	118.3	111.5	121.9	127.6
Material expenses	35.1	39.1	48.3	51.9	42.4	53.4	55.9
Gross profit	46.1	49.3	53.9	66.4	69.1	68.5	71.7
<i>Gross profit margin</i>	<i>59.5 %</i>	<i>58.2 %</i>	<i>54.9 %</i>	<i>59.0 %</i>	<i>65.6 %</i>	<i>58.6 %</i>	<i>58.3 %</i>
Personnel expenses	31.7	33.6	36.0	40.1	43.4	41.1	42.9
Other operating income	1.7	2.8	3.7	1.7	1.6	1.4	1.5
Other operating expenses	8.4	9.4	11.9	14.1	14.6	13.2	13.8
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	7.8	9.1	9.7	13.9	12.7	15.6	16.5
<i>Margin</i>	<i>10.0 %</i>	<i>10.7 %</i>	<i>9.9 %</i>	<i>12.4 %</i>	<i>12.1 %</i>	<i>13.3 %</i>	<i>13.4 %</i>
Depreciation of fixed assets	2.2	2.2	1.7	2.5	2.3	2.5	2.6
EBITA	5.6	6.8	8.1	11.4	10.4	13.1	13.9
Amortisation of intangible assets	9.5	6.3	7.2	8.0	7.3	7.7	7.4
Goodwill amortisation	0.0	1.0	0.1	6.2	0.0	0.0	0.0
EBIT	-3.9	-0.5	0.8	-2.7	3.1	5.4	6.5
<i>Margin</i>	<i>-5.1 %</i>	<i>-0.6 %</i>	<i>0.8 %</i>	<i>-2.4 %</i>	<i>3.0 %</i>	<i>4.6 %</i>	<i>5.3 %</i>
EBIT adj.	1.6	3.0	3.3	5.6	4.5	7.0	8.0
Interest income	0.1	0.0	0.0	0.1	0.0	0.0	0.0
Interest expenses	0.3	0.3	0.3	0.5	0.6	0.6	0.6
Other financial income (loss)	-1.2	1.1	-1.0	0.0	0.0	0.0	0.0
EBT	-5.4	0.3	-0.6	-3.2	2.4	4.6	5.7
<i>Margin</i>	<i>-7.0 %</i>	<i>0.3 %</i>	<i>-0.6 %</i>	<i>-2.9 %</i>	<i>2.3 %</i>	<i>3.9 %</i>	<i>4.6 %</i>
Total taxes	-0.8	0.4	0.6	2.5	0.7	1.4	1.7
Net income from continuing operations	-4.6	-0.1	-1.2	-5.7	1.7	3.2	4.0
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income before minorities	-4.6	-0.1	-1.2	-5.7	1.7	3.2	4.0
Minority interest	0.2	0.2	0.2	0.1	0.1	0.1	0.1
Net income	-4.7	-0.3	-1.4	-5.8	1.6	3.1	3.9
<i>Margin</i>	<i>-6.1 %</i>	<i>-0.3 %</i>	<i>-1.4 %</i>	<i>-5.2 %</i>	<i>1.5 %</i>	<i>2.7 %</i>	<i>3.1 %</i>
Number of shares, average	9.1	9.0	9.0	9.0	9.0	9.0	9.0
EPS	-0.52	-0.03	-0.15	-0.65	0.18	0.34	0.43
EPS adj.	-0.52	-0.03	-0.15	-0.65	0.18	0.34	0.43

*Adjustments made for: Adj. figures exclude PPAs and changes to own work capitalized

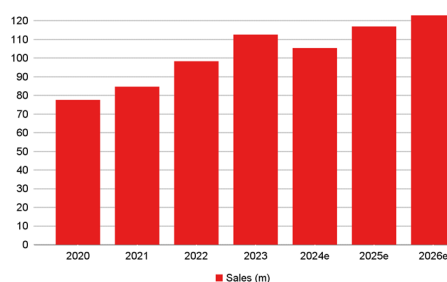
Guidance: Sales approx. EUR 105m, adj. EBIT EUR 4-5m

Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Total Operating Costs / Sales	94.7 %	93.6 %	94.1 %	92.7 %	93.7 %	90.9 %	90.4 %
Operating Leverage	n.a.	-9.6 x	n.a.	n.a.	n.a.	6.6 x	3.9 x
EBITDA / Interest expenses	29.8 x	36.0 x	34.5 x	27.6 x	23.1 x	26.0 x	27.5 x
Tax rate (EBT)	15.5 %	123.9 %	-109.4 %	-75.9 %	30.0 %	30.0 %	30.0 %
Dividend Payout Ratio	n.m.	n.m.	n.m.	n.m.	68.9 %	36.4 %	29.5 %
Sales per Employee	195,458	218,273	248,889	281,488	248,000	275,153	289,186

Sales, EBITDA

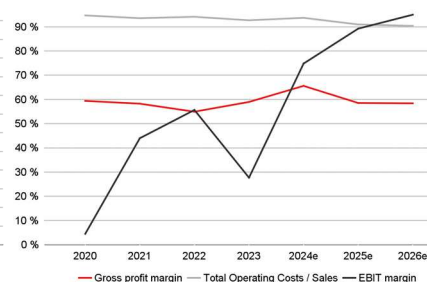
in EUR m



Source: Warburg Research

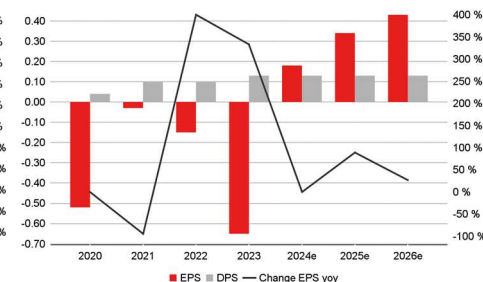
Operating Performance

in %



Source: Warburg Research

Performance per Share



Source: Warburg Research

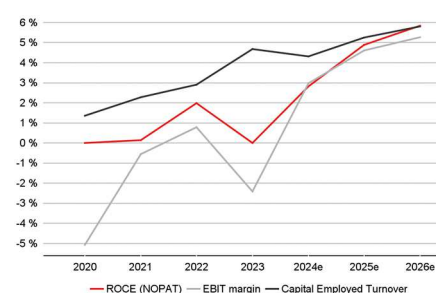
Consolidated balance sheet

In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Assets							
Goodwill and other intangible assets	56.8	55.8	55.6	47.4	45.6	43.6	41.9
thereof other intangible assets	20.7	20.2	18.7	36.4	34.2	31.9	29.4
thereof Goodwill	17.5	17.1	17.4	11.0	11.0	11.0	11.0
Property, plant and equipment	5.5	4.8	7.6	8.1	9.4	10.6	11.7
Financial assets	1.5	1.5	0.4	0.4	0.4	0.4	0.4
Other long-term assets	0.0	0.0	0.0	0.0	9.0	9.0	9.0
Fixed assets	63.8	62.1	63.6	56.0	64.5	63.7	63.1
Inventories	13.7	13.4	19.0	23.7	19.2	20.2	19.8
Accounts receivable	14.3	14.1	16.8	12.3	13.0	15.4	16.8
Liquid assets	10.2	9.6	6.8	4.9	10.6	9.5	10.4
Other short-term assets	3.2	4.2	4.3	6.3	6.3	6.3	6.3
Current assets	41.4	41.3	46.8	47.1	49.1	51.4	53.3
Total Assets	105.2	103.4	110.4	103.1	113.5	115.1	116.4
Liabilities and shareholders' equity							
Subscribed capital	9.1	9.1	9.1	9.1	9.1	9.1	9.1
Capital reserve	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Retained earnings	22.9	23.2	21.3	13.9	15.5	18.6	22.4
Other equity components	-0.5	-0.5	-0.5	-0.5	-0.4	-3.5	-6.4
Shareholders' equity	62.6	62.9	61.0	53.6	55.3	55.3	56.2
Minority interest	0.4	0.6	0.8	0.7	0.7	0.7	0.7
Total equity	63.0	63.5	61.8	54.3	56.0	56.0	56.9
Provisions	3.2	2.8	1.2	1.0	5.4	5.4	5.4
thereof provisions for pensions and similar obligations	3.1	2.6	1.1	0.9	2.5	2.5	2.5
Financial liabilities (total)	24.6	21.0	27.2	28.8	28.8	28.8	28.8
Short-term financial liabilities	4.7	3.5	5.5	8.5	8.5	8.5	8.5
Accounts payable	6.0	7.2	9.3	6.8	8.1	9.6	10.1
Other liabilities	8.4	8.8	11.0	12.3	15.3	15.3	15.3
Liabilities	42.2	39.8	48.6	48.8	57.5	59.0	59.5
Total liabilities and shareholders' equity	105.2	103.4	110.4	103.1	113.5	115.1	116.4

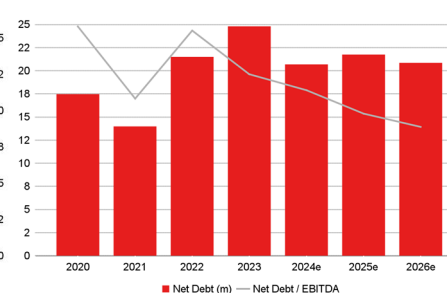
Financial Ratios

	2020	2021	2022	2023	2024e	2025e	2026e
Efficiency of Capital Employment							
Operating Assets Turnover	3.1 x	3.9 x	3.4 x	3.6 x	3.8 x	3.8 x	3.8 x
Capital Employed Turnover	1.0 x	1.1 x	1.2 x	1.4 x	1.4 x	1.5 x	1.6 x
ROA	-7.4 %	-0.4 %	-2.2 %	-10.4 %	2.5 %	4.9 %	6.1 %
Return on Capital							
ROCE (NOPAT)	n.a.	0.1 %	2.0 %	n.a.	2.8 %	4.9 %	5.8 %
ROE	-7.2 %	-0.4 %	-2.3 %	-10.2 %	2.9 %	5.6 %	6.9 %
Adj. ROE	-7.2 %	-0.4 %	-2.3 %	-10.2 %	2.9 %	5.6 %	6.9 %
Balance sheet quality							
Net Debt	17.5	14.0	21.5	24.8	20.7	21.7	20.9
Net Financial Debt	14.4	11.4	20.4	23.9	18.2	19.2	18.4
Net Gearing	27.7 %	22.0 %	34.8 %	45.7 %	36.9 %	38.8 %	36.7 %
Net Fin. Debt / EBITDA	185.7 %	125.4 %	209.4 %	171.8 %	142.8 %	123.4 %	111.3 %
Book Value / Share	6.9	6.9	6.7	5.9	6.1	6.1	6.2
Book value per share ex intangibles	0.6	0.8	0.6	0.7	1.1	1.3	1.6

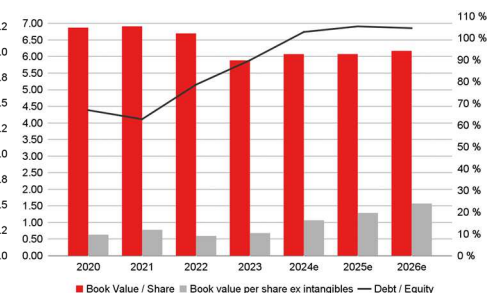
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

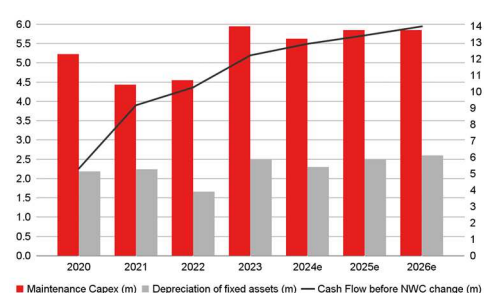
In EUR m	2020	2021	2022	2023	2024e	2025e	2026e
Net income	-4.6	-0.1	-1.2	-5.7	1.7	3.2	4.0
Depreciation of fixed assets	2.2	2.2	1.7	2.5	2.3	2.5	2.6
Amortisation of goodwill	0.0	1.0	0.1	6.2	0.0	0.0	0.0
Amortisation of intangible assets	9.5	6.3	7.2	8.0	7.3	7.7	7.4
Increase/decrease in long-term provisions	0.0	-0.1	-0.5	-0.5	1.6	0.0	0.0
Other non-cash income and expenses	-1.8	-0.2	3.0	1.8	0.0	0.0	0.0
Cash Flow before NWC change	5.3	9.2	10.3	12.2	12.9	13.4	14.0
Increase / decrease in inventory	-1.1	0.3	-5.6	-4.7	4.5	-1.0	0.4
Increase / decrease in accounts receivable	1.2	0.4	-2.9	4.1	-0.7	-2.4	-1.4
Increase / decrease in accounts payable	-0.5	1.2	2.0	-2.5	1.4	1.5	0.5
Increase / decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase / decrease in working capital (total)	-0.4	1.9	-6.4	-3.1	5.1	-1.9	-0.5
Net cash provided by operating activities [1]	4.9	11.1	3.8	9.1	18.0	11.5	13.5
Investments in intangible assets	-5.4	-4.8	-5.1	-6.7	-5.5	-5.7	-5.7
Investments in property, plant and equipment	-1.5	-1.5	-4.9	-2.1	-2.0	-2.1	-2.1
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-1.5	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-8.5	-5.9	-6.1	-7.9	-7.5	-7.8	-7.8
Change in financial liabilities	1.1	-4.2	1.6	-0.4	0.0	0.0	0.0
Dividends paid	-0.4	-0.4	-0.9	-1.2	-1.2	-1.2	-1.2
Purchase of own shares	-0.5	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	-1.4	-1.3	-1.4	-1.5	-3.6	-3.6	-3.6
Net cash provided by financing activities [3]	-1.1	-5.9	-0.7	-3.1	-4.8	-4.8	-4.8
Change in liquid funds [1]+[2]+[3]	-4.7	-0.7	-3.0	-1.9	5.7	-1.1	0.9
Effects of exchange-rate changes on cash	-0.1	0.2	0.1	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	10.2	9.6	6.8	4.9	10.6	9.5	10.4

Financial Ratios

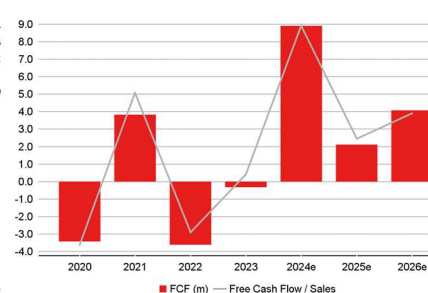
	2020	2021	2022	2023	2024e	2025e	2026e
Cash Flow							
FCF	-3.4	3.8	-3.6	-0.3	8.9	2.1	4.1
Free Cash Flow / Sales	-4.4 %	4.5 %	-3.7 %	-0.3 %	8.5 %	1.8 %	3.3 %
Free Cash Flow Potential	3.4	4.3	4.6	5.5	4.9	6.9	7.4
Free Cash Flow / Net Profit	72.2 %	-1501.6 %	258.2 %	5.5 %	562.6 %	68.3 %	105.6 %
Interest Received / Avg. Cash	0.4 %	0.3 %	0.6 %	2.1 %	0.0 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	1.2 %	1.1 %	1.2 %	1.8 %	1.9 %	2.1 %	2.1 %
Management of Funds							
Investment ratio	9.0 %	7.5 %	10.1 %	7.8 %	7.1 %	6.7 %	6.3 %
Maint. Capex / Sales	6.7 %	5.2 %	4.6 %	5.3 %	5.3 %	5.0 %	4.8 %
Capex / Dep	59.6 %	66.1 %	111.1 %	52.5 %	78.1 %	76.5 %	78.0 %
Avg. Working Capital / Sales	24.6 %	21.3 %	19.5 %	19.9 %	19.6 %	16.3 %	16.5 %
Trade Debtors / Trade Creditors	238.7 %	194.7 %	180.9 %	181.8 %	160.5 %	160.4 %	166.3 %
Inventory Turnover	2.6 x	2.9 x	2.5 x	2.2 x	2.2 x	2.6 x	2.8 x
Receivables collection period (days)	67	61	62	40	45	48	50
Payables payment period (days)	62	67	70	48	70	66	66
Cash conversion cycle (Days)	119	86	98	117	89	80	74

CAPEX and Cash Flow

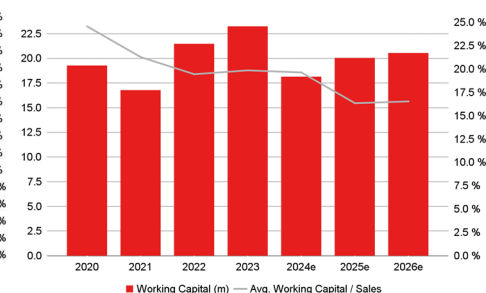
in EUR m



Free Cash Flow Generation



Working Capital



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Softing	3, 5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE0005178008.htm

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Investment recommendation: expected direction of the share price development of the financial instrument up to the given price target in the opinion of the analyst who covers this financial instrument.

-B-	Buy:	The price of the analysed financial instrument is expected to rise over the next 12 months.
-H-	Hold:	The price of the analysed financial instrument is expected to remain mostly flat over the next 12 months.
-S-	Sell:	The price of the analysed financial instrument is expected to fall over the next 12 months.
“-“	Rating suspended:	The available information currently does not permit an evaluation of the company.

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING

Rating	Number of stocks	% of Universe
Buy	142	71
Hold	42	21
Sell	11	5
Rating suspended	6	3
Total	201	100

WARBURG RESEARCH GMBH – ANALYSED RESEARCH UNIVERSE BY RATING ...

... taking into account only those companies which were provided with major investment services in the last twelve months.

Rating	Number of stocks	% of Universe
Buy	41	75
Hold	10	18
Sell	2	4
Rating suspended	2	4
Total	55	100

PRICE AND RATING HISTORY SOFTING AS OF 16.08.2024


Markings in the chart show rating changes by Warburg Research GmbH in the last 12 months. Every marking details the date and closing price on the day of the rating change.

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