

Buy (old: Buy)

ESG Rating: n/a

05-August-24

Price target: EUR 21.40 (old: EUR 21.40)

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Analyst

Price: EUR 12.40 Next result: Q3'24: 05.11.24
Bloomberg: CSH GR Market cap: EUR 103.8 m
Reuters: CSHG.DE Enterprise Value: EUR 125.1 m

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Q2 a mixed bag, H2 seen stronger

Q2 was a mixed bag (see next page): sales and EBIT missed our expectations but order intake was strong and management confirmed the FY'24E guidance amidst well-founded confidence in a stronger H2 performance.

Q2 sales rose by 11% yoy to € 48.8m (eHAIB: € 50.1m), carried by c. 12% yoy growth of CENIT's own software (to € 4.8m) and consulting & service (to € 19.4m) while third-party software (Dassault, IBM) grew slightly less dynamically by c. 9% yoy to € 24.6m. **Growth should have been carried by M&A but also by slight organic growth of c. 5% yoy**, which reflects the need of customers across end-markets such as automotive, aerospace, manufacturing and financial services to digitalise in order to reduce costs and improve efficiency.

Q2 EBIT was burdened by c. € 0.6m of one-off expenses pertaining to the acquisition of Analysis Prime (USA), which was announced in July. Adjusted for this and the c. € 0.7m gain on the divestment of the Japanese subsidiary booked in Q2'23, **Q2 EBIT declined by -28% yoy to € 1.4m**, (eHAIB: € 2.8m), which should be due to product mix, higher PPA amortisation and also timing issues in the recognition of expenses & revenues for larger projects, in our view.

Management confirmed the FY'24E guidance (€ 195-202m sales / € 11.7-12.2m EBIT / pre Analysis Prime), **expecting a stronger second half**, thanks to:

- **Seasonality** - CENIT realises the largest EBIT share in Q4 due to high software sales. In 2023, 50% of FY EBIT was generated in Q4; in 2022 the share was 59%.
- **A book-to-bill of above 1.15x in H1'24E**, which resulted in c. 20% backlog growth.
- **Cost savings measures and software subsidies** that should result in an **incremental EBIT improvement of more than € 3m in H2 vs H1**

Note that the M&A contribution from Analysis Prime is not yet included in the guidance or our estimates. **We expect management to raise the outlook** once it has full transparency on PPA amortisation and revenue recognition (gross vs net due to principal-agent accounting rules). **Reiterate Buy with a € 21.40 PT based on DCF.** *continued*

Y/E 31.12 (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Sales	142.1	146.1	162.2	184.7	202.0	214.1	228.5
Sales growth	-17 %	3 %	11 %	14 %	9 %	6 %	7 %
EBITDA	9.6	11.3	12.1	16.6	20.3	23.3	26.0
EBIT (inc revaluation net)	3.6	6.2	6.3	9.2	11.8	14.8	17.5
Net income	2.3	4.2	6.3	4.5	5.4	7.4	9.1
Net debt	-14.0	-15.7	15.1	27.2	20.5	11.7	2.6
Net gearing	-33.4 %	-36.6 %	35.3 %	64.2 %	43.2 %	21.5 %	4.1 %
Net Debt/EBITDA	0.0	0.0	1.2	1.6	1.0	0.5	0.1
EPS pro forma	0.28	0.51	0.75	0.53	0.82	1.05	1.26
CPS	1.11	0.63	1.01	0.17	0.82	1.13	1.30
DPS	0.47	0.75	0.50	0.04	0.04	0.04	0.04
Dividend yield	4.1 %	5.3 %	3.3 %	0.2 %	0.3 %	0.3 %	0.3 %
Gross profit margin	50.6 %	53.0 %	55.9 %	58.3 %	58.6 %	58.9 %	59.1 %
EBITDA margin	6.8 %	7.7 %	7.5 %	9.0 %	10.1 %	10.9 %	11.4 %
EBIT margin	2.6 %	4.3 %	3.9 %	5.0 %	5.8 %	6.9 %	7.7 %
ROCE	10.7 %	11.0 %	9.2 %	10.2 %	11.7 %	13.8 %	15.2 %
EV/sales	0.6	0.7	0.9	0.9	0.6	0.5	0.5
EV/EBITDA	8.6	9.3	11.9	10.0	6.2	5.0	4.1
EV/EBIT	22.7	16.7	22.8	18.0	10.6	7.8	6.1
PER	41.0	27.9	20.3	31.2	15.2	11.8	9.9
Adjusted FCF yield	7.5 %	6.7 %	5.3 %	7.7 %	11.4 %	14.6 %	18.2 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 02.08.2024



Source: Company data, HAIB

High/low 52 weeks:	15.10 / 10.80
Price/Book Ratio:	2.2
Relative performance (TecDAX):	
3 months	-0.3 %
6 months	-4.9 %
12 months	-8.9 %

Changes in estimates

		Sales	EBIT	EPS
2024	old:	202.0	11.8	0.82
	Δ	-	-	-
2025	old:	214.1	14.8	1.05
	Δ	-	-	-
2026	old:	228.5	17.5	1.26
	Δ	-	-	-

Key share data:

Number of shares: (in m pcs)	8.4
Authorised capital: (in € m)	3.3
Book value per share: (in €)	5.7
Ø trading volume: (12 months)	8,800

Major shareholders:

Free Float	64.3 %
PRIMEPULSE SE	25.1 %
BWVA	5.6 %
MainFirst	5.0 %

Company description:

Digitalisation expert with own software focused on 3D product design and smart document management

Company guidance 2024E:

€ 195-202m sales / € 11.7-12.2m EBIT

EUR	Q2 2024	Q2 2024 est	Q2 2023	yoy	Q1 2024	qoq	H1 2024	H1 2023	yoy
Sales	48.8	50.1	44.1	11%	50.5	-3.4%	99.4	87.5	14%
EBIT	0.8	2.8	2.6	-71%	1.2	-38%	2.0	2.6	-23%
<i>EBIT margin</i>	1.6%	5.6%	5.9%	- 4.4 pp	2.5%	- 0.9 pp	2.0%	3.0%	- 1.0 pp
Net Profit	0.2	1.9	1.9	-89%	0.2	22.2%	0.4	1.8	-80%
<i>Net margin</i>	0.4%	3.8%	4.2%	- 3.8 pp	0.3%	+ 0.1 pp	0.4%	2.0%	- 1.7 pp
EPS	0.01	0.23	0.21	-95%	0.00	233%	0.01	0.19	-93%

Source: Company data, HAIB

Company in a Nutshell

CENIT offers IT services, 3rd-party software and own software to virtualise product design and production processes (segment PLM / 78% of sales) as well as content and documents (segment EIM / 22%).

Benefits for customers come in the form of efficiency gains and cost savings. CENIT serves more than 6,000 companies, mostly from the German Mittelstand, across focus markets automotive (30% of group sales), aerospace / defence (18%), manufacturing (17%) and financial services (10%).

Upcoming Catalysts

More major M&A pending in 2024 – Even post Analysis Prime, CENIT could acquire an additional up to € 30m in revenues at double-digit EBIT margins, as flagged by management during the Q1 earnings call, which would bring the company closer to its 2025 targets of € 300m in sales at an 8-10% EBIT margin (not accounted for in eHAIB). **This would mean upside to our and street estimates.**

Investment Case

There is much to like about CENIT:

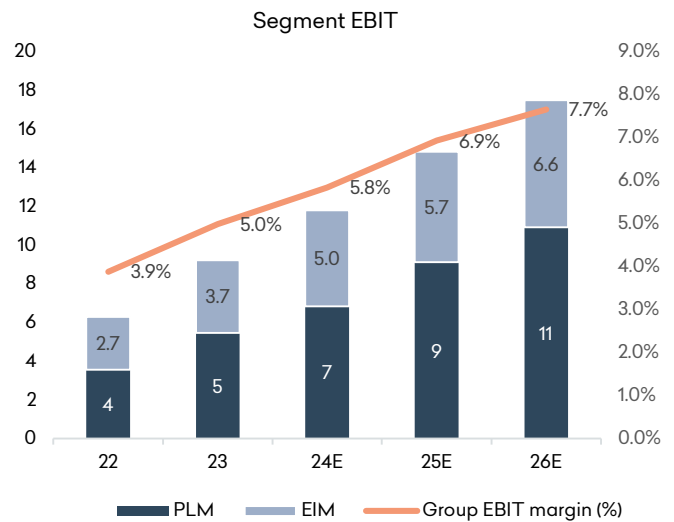
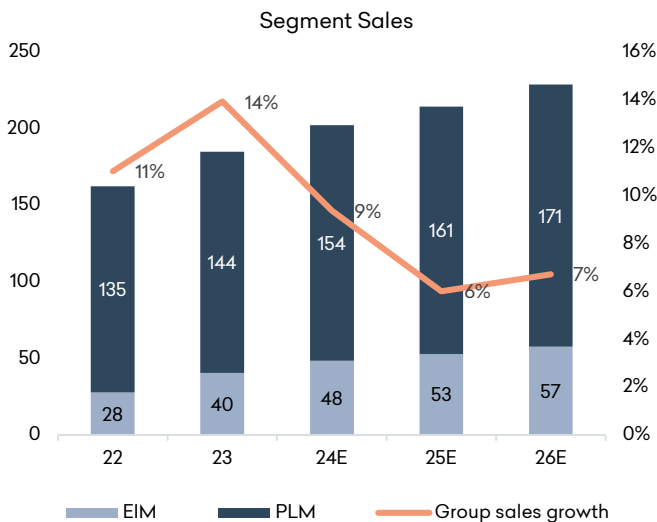
- **High competitive quality**, courtesy of its dominant standing with Dassault, IBM and SAP in Germany, **which drives scale, reputation and portfolio breadth**
- A portfolio of own software solutions (10% of sales) that offers **untapped growth potential at above-average margins of 15%+**
- **A capital-light business model and high share of recurring revenues (50%+)**, which turn CENIT into a 'cash flow beast', with FCF exceeding € 10m p.a.

Backed by shareholder PRIMEPULSE, a new management team has set out to **boost growth and profitability** by implementing efficiency measures, growing the share of wallet with existing clients and channelling FCF towards value-accretive M&A.

Against this background, we estimate sales growth of 7% CAGR'23-26E and EBIT growth of 24% CAGR23-26E, **which is conservative**, as management targets € 300m sales at an 8-10% EBIT margin by 2025E, supported by further M&A not included in eHAIB.

BUY: the € 21.40 PT is based on DCF, assuming 2.5% TY growth, 8.5% WACC and an 8.0% TY EBIT margin.

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	11.5	4.9	11.8	14.4	15.9
Capex	1.3	1.4	3.4	4.4	5.4
FCF	10.2	3.5	8.4	10.0	10.5
FCF per share	1.2	0.4	1.0	1.2	1.3
FCF yield	5.3 %	7.7 %	11.4 %	14.6 %	18.2 %
Net Debt/EBITDA	1.2	1.6	1.0	0.5	0.1

Key ratios summary	2022	2023	2024E	2025E	2026E
EPS growth	47.8 %	-28.4 %	21.2 %	36.1 %	23.3 %
Capital Turnover	2.0	1.9	1.9	1.9	1.9
Avg. working capital / sales	11.6 %	14.4 %	14.6 %	14.9 %	15.2 %
Cash conversion cycle (days)	2.0	7.8	9.4	11.2	13.1
FCF / Net profit	162.1 %	79.7 %	123.5 %	114.0 %	99.4 %
Interest cover	16.9	5.0	3.8	4.8	5.7

Source: Company data, Hauck Aufhäuser Investment Banking

Source: Company data, Hauck Aufhäuser Investment Banking

Financials

Profit and loss (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Net sales	142.1	146.1	162.2	184.7	202.0	214.1	228.5
Sales growth	-17.2 %	2.8 %	11.0 %	13.9 %	9.4 %	6.0 %	6.7 %
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	142.1	146.1	162.2	184.7	202.0	214.1	228.5
Other operating income	1.2	2.3	1.4	2.9	2.4	2.6	2.7
Material expenses	70.3	68.6	71.5	77.0	83.6	88.0	93.4
Personnel expenses	54.8	59.7	67.3	78.6	84.3	88.4	94.0
Other operating expenses	8.6	8.8	12.6	15.4	16.2	16.9	17.8
Total operating expenses	132.5	134.8	150.0	168.1	181.7	190.8	202.5
EBITDA	9.6	11.3	12.1	16.6	20.3	23.3	26.0
Depreciation	4.4	4.1	4.5	5.0	5.0	5.0	5.0
EBITA	5.2	7.2	7.7	11.6	15.3	18.3	21.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	1.6	1.0	1.4	2.4	3.5	3.5	3.5
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	3.6	6.2	6.3	9.2	11.8	14.8	17.5
Interest income	0.0	0.0	0.0	0.2	0.3	0.3	0.3
Interest expenses	0.2	0.2	0.4	1.8	3.1	3.1	3.1
Other financial result	0.0	-0.4	-3.3	0.7	0.0	0.0	0.0
Financial result	-0.2	0.3	2.9	-2.4	-2.8	-2.8	-2.8
Recurring pretax income from continuing operations	3.4	6.5	9.2	6.8	9.0	12.0	14.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	3.4	6.5	9.2	6.8	9.0	12.0	14.7
Taxes	1.1	2.2	2.6	1.9	2.8	3.7	4.6
Net income from continuing operations	2.3	4.4	6.6	4.9	6.2	8.3	10.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	-0.1	0.0	0.0	0.0
Net income	2.3	4.4	6.6	5.0	6.2	8.3	10.1
Minority interest	0.0	0.1	0.3	0.5	0.8	0.9	1.0
Net profit (reported)	2.3	4.2	6.3	4.5	5.4	7.4	9.1
Average number of shares	8.4	8.4	8.4	8.4	8.4	8.4	8.4
EPS reported	0.28	0.51	0.75	0.54	0.65	0.89	1.09

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	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Other operating income	0.8 %	1.6 %	0.8 %	1.6 %	1.2 %	1.2 %	1.2 %
Material expenses	49.4 %	47.0 %	44.1 %	41.7 %	41.4 %	41.1 %	40.9 %
Personnel expenses	38.6 %	40.9 %	41.5 %	42.5 %	41.8 %	41.3 %	41.1 %
Other operating expenses	6.1 %	6.0 %	7.8 %	8.3 %	8.0 %	7.9 %	7.8 %
Total operating expenses	93.2 %	92.3 %	92.5 %	91.0 %	90.0 %	89.1 %	88.6 %
EBITDA	6.8 %	7.7 %	7.5 %	9.0 %	10.1 %	10.9 %	11.4 %
Depreciation	3.1 %	2.8 %	2.7 %	2.7 %	2.5 %	2.3 %	2.2 %
EBITA	3.7 %	4.9 %	4.7 %	6.3 %	7.6 %	8.6 %	9.2 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	1.1 %	0.7 %	0.8 %	1.3 %	1.7 %	1.6 %	1.5 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	2.6 %	4.3 %	3.9 %	5.0 %	5.8 %	6.9 %	7.7 %
Interest income	0.0 %	0.0 %	0.0 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	0.1 %	0.1 %	0.2 %	1.0 %	1.5 %	1.4 %	1.4 %
Other financial result	0.0 %	-0.3 %	-2.0 %	0.4 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	0.2 %	1.8 %	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	2.4 %	4.5 %	5.7 %	3.7 %	4.5 %	5.6 %	6.4 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	2.4 %	4.5 %	5.7 %	3.7 %	4.5 %	5.6 %	6.4 %
Tax rate	33.2 %	33.2 %	28.2 %	27.6 %	31.0 %	31.0 %	31.0 %
Net income from continuing operations	1.6 %	3.0 %	4.1 %	2.7 %	3.1 %	3.9 %	4.4 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	1.6 %	3.0 %	4.1 %	2.7 %	3.1 %	3.9 %	4.4 %
Minority interest	neg.	0.1 %	0.2 %	0.3 %	0.4 %	0.4 %	0.4 %
Net profit (reported)	1.6 %	2.9 %	3.9 %	2.4 %	2.7 %	3.5 %	4.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	13.5	12.4	37.6	47.6	45.2	42.1	39.0
Property, plant and equipment	13.7	11.9	13.4	13.0	11.0	10.0	10.0
Financial assets	9.2	10.7	20.8	22.1	22.1	22.1	22.1
FIXED ASSETS	36.4	35.0	71.8	82.7	78.2	74.1	71.0
Inventories	0.0	0.0	0.1	0.1	0.0	0.0	0.0
Accounts receivable	14.6	24.7	26.0	35.4	39.3	42.2	45.7
Other current assets	5.2	5.8	8.2	10.3	10.3	10.3	10.3
Liquid assets	26.1	26.4	19.9	24.3	31.0	39.8	48.9
Deferred taxes	1.3	0.9	1.0	0.8	0.8	0.8	0.8
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	47.1	57.8	55.2	71.0	81.4	93.2	105.7
TOTAL ASSETS	83.4	92.8	127.0	153.6	159.6	167.3	176.8
SHAREHOLDERS EQUITY	42.1	42.9	42.8	42.3	47.4	54.5	63.3
MINORITY INTEREST	0.7	0.8	2.0	2.7	2.7	2.7	2.7
Long-term debt	12.0	10.6	13.7	51.5	51.5	51.5	51.5
Provisions for pensions and similar obligations	1.6	1.4	0.8	0.9	0.9	0.9	0.9
Other provisions	1.2	0.5	0.6	1.3	1.3	1.3	1.3
Non-current liabilities	14.8	12.5	15.2	53.7	53.7	53.7	53.7
short-term liabilities to banks	0.0	0.0	21.4	0.0	0.0	0.0	0.0
Accounts payable	3.3	6.0	11.2	13.2	14.1	14.7	15.3
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)	22.7	30.6	31.7	38.4	38.4	38.4	38.4
Deferred taxes	0.0	0.0	2.8	3.3	3.3	3.3	3.3
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	26.0	36.6	67.1	54.9	55.8	56.4	57.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	83.4	92.8	127.0	153.6	159.6	167.3	176.8

Balance sheet (common size)	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	16.2 %	13.4 %	29.6 %	31.0 %	28.3 %	25.1 %	22.0 %
Property, plant and equipment	16.4 %	12.8 %	10.5 %	8.5 %	6.9 %	6.0 %	5.7 %
Financial assets	11.0 %	11.6 %	16.4 %	14.4 %	13.8 %	13.2 %	12.5 %
FIXED ASSETS	43.6 %	37.7 %	56.5 %	53.8 %	49.0 %	44.3 %	40.2 %
Inventories	0.0 %	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	17.5 %	26.6 %	20.5 %	23.1 %	24.6 %	25.3 %	25.9 %
Other current assets	6.2 %	6.3 %	6.4 %	6.7 %	6.5 %	6.2 %	5.8 %
Liquid assets	31.2 %	28.4 %	15.7 %	15.8 %	19.4 %	23.8 %	27.7 %
Deferred taxes	1.5 %	1.0 %	0.8 %	0.5 %	0.5 %	0.5 %	0.4 %
Deferred charges and prepaid expenses	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	56.4 %	62.3 %	43.5 %	46.2 %	51.0 %	55.7 %	59.8 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	50.4 %	46.2 %	33.7 %	27.6 %	29.7 %	32.6 %	35.8 %
MINORITY INTEREST	0.8 %	0.8 %	1.5 %	1.7 %	1.7 %	1.6 %	1.5 %
Long-term debt	14.4 %	11.5 %	10.8 %	33.5 %	32.3 %	30.8 %	29.1 %
Provisions for pensions and similar obligations	1.9 %	1.5 %	0.7 %	0.6 %	0.5 %	0.5 %	0.5 %
Other provisions	1.4 %	0.5 %	0.5 %	0.9 %	0.8 %	0.8 %	0.8 %
Non-current liabilities	17.7 %	13.5 %	11.9 %	35.0 %	33.6 %	32.1 %	30.4 %
short-term liabilities to banks	0.0 %	0.0 %	16.8 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts payable	3.9 %	6.5 %	8.8 %	8.6 %	8.8 %	8.8 %	8.7 %
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)	27.2 %	32.9 %	25.0 %	25.0 %	24.1 %	23.0 %	21.7 %
Deferred taxes	0.0 %	0.0 %	2.2 %	2.1 %	2.0 %	2.0 %	1.8 %
Deferred income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Current liabilities	31.1 %	39.5 %	52.8 %	35.7 %	35.0 %	33.7 %	32.3 %
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	2.3	4.4	6.6	5.0	6.2	8.3	10.1
Depreciation of fixed assets (incl. leases)	6.0	5.0	4.5	5.0	5.0	5.0	5.0
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	1.4	2.4	3.5	3.5	3.5
Others	0.9	-2.9	-4.2	-2.1	0.0	0.0	0.0
Cash flow from operations before changes in w/c	9.1	6.5	8.2	10.3	14.7	16.8	18.6
Increase/decrease in inventory	0.2	0.0	0.0	0.0	0.1	0.0	0.0
Increase/decrease in accounts receivable	9.0	-11.4	-0.1	-9.8	-3.9	-2.9	-3.5
Increase/decrease in accounts payable	0.0	2.8	3.4	4.5	0.9	0.6	0.7
Increase/decrease in other working capital positions	-6.0	10.3	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	3.2	1.7	3.3	-5.3	-2.9	-2.4	-2.8
Cash flow from operating activities	12.3	8.2	11.5	4.9	11.8	14.4	15.9
CAPEX	0.8	0.6	1.3	1.4	3.4	4.4	5.4
Payments for acquisitions	0.1	0.0	27.9	8.0	0.7	0.0	0.0
Financial investments	0.0	0.3	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	1.2	0.0	0.0	0.0
Cash flow from investing activities	-0.9	-0.9	-29.2	-8.2	-4.1	-4.4	-5.4
Cash flow before financing	11.4	7.3	-17.7	-3.2	7.8	10.0	10.5
Increase/decrease in debt position	-3.5	-3.3	17.7	11.9	0.0	0.0	0.0
Purchase of own shares	0.0	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
Dividends paid	0.0	3.9	6.3	4.2	0.3	0.3	0.3
Others	-0.2	0.0	-0.5	-0.5	-0.8	-0.9	-1.0
Effects of exchange rate changes on cash	-0.1	0.2	0.3	0.0	0.0	0.0	0.0
Cash flow from financing activities	-3.7	-7.2	10.9	7.2	-1.1	-1.2	-1.3
Increase/decrease in liquid assets	7.6	0.3	-6.4	4.0	6.7	8.8	9.1
Liquid assets at end of period	26.1	26.4	19.9	24.3	31.0	39.8	48.9

Quarterly results (EUR m)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024E	FY 2024E
Sales	42.0	39.7	43.4	44.1	45.8	51.4	50.5	48.8	49.3	202.0
Sales growth	22 %	-130 %	3 %	14 %	9 %	29 %	16 %	11 %	8 %	9 %
Gross profit	23.9	20.8	25.3	26.0	25.8	30.6	29.1	27.8	29.1	118.4
Gross profit margin	57.0 %	52.3 %	58.4 %	59.0 %	56.2 %	59.6 %	57.6 %	57.0 %	59.0 %	58.6 %
EBITDA	2.8	4.0	1.6	4.2	3.7	7.2	3.1	2.7	4.3	20.3
EBITDA margin	6.6 %	10.0 %	3.6 %	9.5 %	8.1 %	13.9 %	6.2 %	5.4 %	8.7 %	10.1 %
EBIT (inc revaluation net)	1.5	1.9	0.0	2.6	2.0	4.6	1.2	0.8	2.5	11.8
EBIT margin	3.5 %	4.7 %	0.0 %	5.9 %	4.3 %	9.0 %	2.5 %	1.6 %	5.1 %	5.8 %
EPS reported	0.10	0.43	-0.02	0.21	0.10	0.25	0.03	0.01	0.23	0.65

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
P&L growth analysis							
Sales growth	-17.2 %	2.8 %	11.0 %	13.9 %	9.4 %	6.0 %	6.7 %
EBITDA growth	-63.9 %	17.5 %	7.4 %	37.3 %	22.1 %	15.0 %	11.4 %
EBIT growth	-71.2 %	71.7 %	1.2 %	46.2 %	28.0 %	25.7 %	17.9 %
EPS growth	-86.4 %	83.3 %	47.8 %	-28.4 %	21.2 %	36.1 %	23.3 %
Efficiency							
Total operating costs / sales	93.2 %	92.3 %	92.5 %	91.0 %	90.0 %	89.1 %	88.6 %
Sales per employee	196.3	209.3	209.8	210.6	222.0	231.8	242.1
EBITDA per employee	13.3	16.2	15.7	19.0	22.3	25.3	27.5
Balance sheet analysis							
Avg. working capital / sales	9.7 %	12.1 %	12.5 %	12.3 %	13.9 %	14.3 %	14.6 %
Inventory turnover (sales/inventory)	11,844.1	9,738.0	2,252.1	2,638.9	2,638.9	2,638.9	2,638.9
Trade debtors in days of sales	37.4	61.8	58.6	70.0	71.0	72.0	73.0
A/P turnover [(A/P*365)/sales]	8.4	15.1	25.1	26.1	25.5	25.0	24.5
Cash conversion cycle (days)	20.5	29.7	2.0	7.8	9.4	11.2	13.1
Cash flow analysis							
Free cash flow	11.5	7.6	10.2	3.5	8.4	10.0	10.5
Free cash flow/sales	8.1 %	5.2 %	6.3 %	1.9 %	4.2 %	4.7 %	4.6 %
FCF / net profit	494.9 %	178.6 %	162.1 %	78.6 %	154.8 %	135.2 %	114.4 %
Capex / deprn	13.4 %	17.8 %	22.4 %	18.6 %	40.0 %	51.8 %	63.5 %
Capex / maintenance capex	53.8 %	86.2 %	69.3 %	106.5 %	60.0 %	80.0 %	100.0 %
Capex / sales	0.6 %	0.6 %	0.8 %	0.7 %	1.7 %	2.1 %	2.4 %
Security							
Net debt	-14.0	-15.7	15.1	27.2	20.5	11.7	2.6
Net Debt/EBITDA	0.0	0.0	1.2	1.6	1.0	0.5	0.1
Net debt / equity	neg.	neg.	0.4	0.6	0.4	0.2	0.0
Interest cover	18.0	38.7	16.9	5.0	3.8	4.8	5.7
Dividend payout ratio	169.6 %	147.7 %	66.6 %	7.4 %	6.1 %	4.5 %	3.7 %
Asset utilisation							
Capital employed turnover	2.5	2.6	2.0	1.9	1.9	1.9	1.9
Operating assets turnover	5.7	4.8	5.7	5.2	5.6	5.7	5.7
Plant turnover	10.4	12.3	12.1	14.2	18.4	21.4	22.9
Inventory turnover (sales/inventory)	11,844.1	9,738.0	2,252.1	2,638.9	2,638.9	2,638.9	2,638.9
Returns							
ROCE	10.7 %	11.0 %	9.2 %	10.2 %	11.7 %	13.8 %	15.2 %
ROE	5.5 %	9.9 %	14.7 %	10.6 %	11.5 %	13.6 %	14.4 %
Other							
Interest paid / avg. debt	1.7 %	1.4 %	1.6 %	4.2 %	6.0 %	6.0 %	6.0 %
No. employees (average)	724	698	773	877	910	924	944
Number of shares	8.4	8.4	8.4	8.4	8.4	8.4	8.4
DPS	0.5	0.8	0.5	0.0	0.0	0.0	0.0
EPS reported	0.28	0.51	0.75	0.54	0.65	0.89	1.09
Valuation ratios							
P/BV	2.3	2.8	3.0	3.3	2.2	1.9	1.6
EV/sales	0.6	0.7	0.9	0.9	0.6	0.5	0.5
EV/EBITDA	8.6	9.3	11.9	10.0	6.2	5.0	4.1
EV/EBITA	15.8	14.4	18.7	14.3	8.2	6.3	5.1
EV/EBIT	22.7	16.7	22.8	18.0	10.6	7.8	6.1
EV/FCF	7.2	13.7	14.1	47.0	14.8	11.6	10.2
Adjusted FCF yield	7.5 %	6.7 %	5.3 %	7.7 %	11.4 %	14.6 %	18.2 %
Dividend yield	4.1 %	5.3 %	3.3 %	0.2 %	0.3 %	0.3 %	0.3 %

Source: Company data, Hauck Aufhäuser Investment Banking

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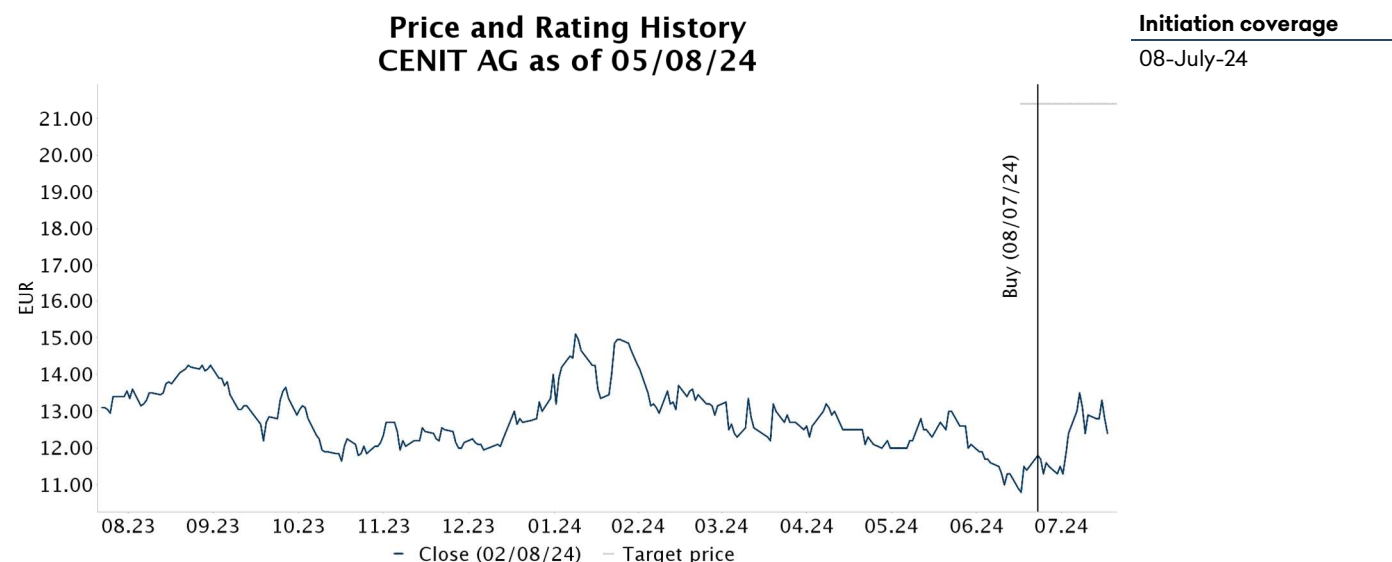
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Company	Disclosure
CENIT AG	6, 8

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



Company	Date	Analyst	Rating	Target price	Close
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CENIT AG	22.07.2024	Wunderlich, Tim	Buy	EUR 21,40	EUR 13,00
	09.07.2024	Wunderlich, Tim	Buy	EUR 21,40	EUR 11,70
	09.07.2024	Wunderlich, Tim	Buy	EUR 21,40	EUR 11,70

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