

Buy (old: Buy)

ESG Rating: n/a

06-November-24

Price target: EUR 17.20 (old: EUR 21.40)

Tim Wunderlich, CFA
Analyst

Price: EUR 9.05 Next result: Q4'24: tba
Bloomberg: CSH GR Market cap: EUR 76.1 m
Reuters: CSHG.DE Enterprise Value: EUR 117.3 m

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

CENIT cuts guidance amidst auto, avionics weakness; chg.

CENIT reported Q3 results below eHAIB (see page 2) and adjusted its FY'24E guidance to reflect the contribution of acquired Analysis Prime (USA / deal signed in July) as well as the negative effects of weaker end-market demand and price pressure. The company now targets FY sales of € 205-210m and EBIT of € 8.0-8.5m, which compares to € 197-202m sales and € 11.7-12.2m before. The raised sales outlook contrasts with the lowered EBIT guidance and calls for clarification.

- We expect Analysis Prime to contribute approx. \$ 7.5m in sales in FY'24E, due to a five months consolidation period. However, this year's EBIT contribution should be immaterial because of high PPA amortization (€ 0.4m in Q3'24 alone).
- CENIT is seeing muted services demand from avionics customers (eHAIB: Airbus, Boeing, and others / 15-20% of sales), which are struggling to meet delivery goals amidst supply chain challenges. This has led to an underutilization of CENIT's service employees, disproportionately burdening the bottom-line.
- Auto clients (30% of sales) are holding back on digitalization investments amidst dropping unit sales and cost pressure, which has hurt demand for Dassault software licenses. Cost pressure is being passed on to CENIT, further pressuring margins. Management estimates that all of the above has eaten up € 7m in planned gross profit for FY'24E.

Realised cost savings of c. € 5m in 2024E were only partly able to compensate for the gross profit headwinds, which is why we expect CENIT to implement further efficiency measures in the coming quarters.

Action: we raise sales est. by 2-3% through 2026E to reflect the consolidation of Analysis Prime with an estimated \$ 25m sales and \$ 2m EBIT (post PPA) contribution in 2025E. This is a cautious stance, given that management targets sales of \$ 30m sales (vs \$ 20m in FY'24E) and € 3.0m+ EBIT next year. EBIT estimates are cut by up to 33% to reflect price pressure and idle service capacity.

The next few quarters are set to remain challenging, as ailing auto and avionics customers should implement further cost and capex cuts. Even so, we remain supporters of the investment case, considering CENIT's cash flow strength (10% FCFY'24E), accretive bolt-on M&A strategy, exposure to the digitalisation theme, and portfolio of high-margin own software solutions ready to be monetised.

Reiterate Buy with a new PT of € 17.20 (prior: € 21.40) as we switch valuation from DCF to FCFY'25E to account for the reduced visibility. -Continued-

Y/E 31.12 (EUR m)	2020	2021	2022	2023	2024E	2025E	2026E
Sales	142.1	146.1	162.2	184.7	205.4	220.6	235.4
Sales growth	-17 %	3 %	11 %	14 %	11 %	7 %	7 %
EBITDA	9.6	11.3	12.1	16.6	17.2	21.6	25.9
EBIT (inc revaluation net)	3.6	6.2	6.3	9.2	7.9	10.8	15.1
Net income	2.3	4.2	6.3	4.5	2.7	4.6	7.5
Net debt	-14.0	-15.7	15.1	27.2	40.3	33.0	23.3
EPS pro forma	0.28	0.51	0.75	0.53	0.49	0.72	1.06
CPS	1.11	0.63	1.01	0.17	0.60	0.95	1.37
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 %	0.4 %	0.4 %	0.4 %
Gross profit margin	50.6 %	53.0 %	55.9 %	58.3 %	58.6 %	58.8 %	59.1 %
EBITDA margin	6.8 %	7.7 %	7.5 %	9.0 %	8.4 %	9.8 %	11.0 %
EBIT margin	2.6 %	4.3 %	3.9 %	5.0 %	3.8 %	4.9 %	6.4 %
ROCE	10.7 %	11.0 %	9.2 %	10.2 %	7.9 %	10.5 %	13.9 %
EV/EBITDA	8.6	9.3	11.9	10.0	6.8	5.1	3.9
EV/EBIT	22.7	16.7	22.8	18.0	14.9	10.2	6.6
PER	41.0	27.9	20.3	31.2	18.6	12.7	8.6
Adjusted FCF yield	7.5 %	6.7 %	5.3 %	7.7 %	10.3 %	15.1 %	20.6 %

Source: Company data, Hauck Aufhäuser Investment Banking Close price as of: 05.11.2024



Source: Company data, HAIB

High/low 52 weeks: 15.10 / 8.90
Price/Book Ratio: 1.7
Relative performance (TecDAX):
3 months -28.1 %
6 months -30.7 %
12 months -40.0 %

Changes in estimates

		Sales	EBIT	EPS
2024	old:	202.0	11.8	0.82
	Δ	1.7%	-33.5%	-40.1%
2025	old:	214.1	14.8	1.05
	Δ	3.0%	-27.1%	-31.9%
2026	old:	228.5	17.5	1.26
	Δ	3.0%	-13.5%	-15.8%

Key share data:

Number of shares: (in m pcs) 8.4
Authorised capital: (in € m) 3.3
Book value per share: (in €) 5.3
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:

€ 205-210m sales / € 8.0-8.5m EBIT

EUR	Q3 2024	Q3 2024 est	Q3 2023	yoy	Q2 2024	qoq	9M 2024	9M 2023	yoy
Sales	52.1	53.3	45.8	14%	48.8	6.7%	151.4	133.3	14%
EBIT	2.0	3.1	2.0	-1%	0.8	155%	4.0	4.6	-14%
<i>EBIT margin</i>	3.8%	5.8%	4.3%	-0.6 pp	1.6%	+2.2 pp	2.6%	3.4%	-0.8 pp
Net Profit	1.1	2.3	1.0	9%	0.2	466.2%	1.5	2.8	-47%
<i>Net margin</i>	2.2%	4.3%	2.2%	-0.1 pp	0.4%	+1.7 pp	1.0%	2.1%	-1.1 pp
EPS	0.10	0.27	0.10	-3%	0.01	880%	0.11	0.29	-61%

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

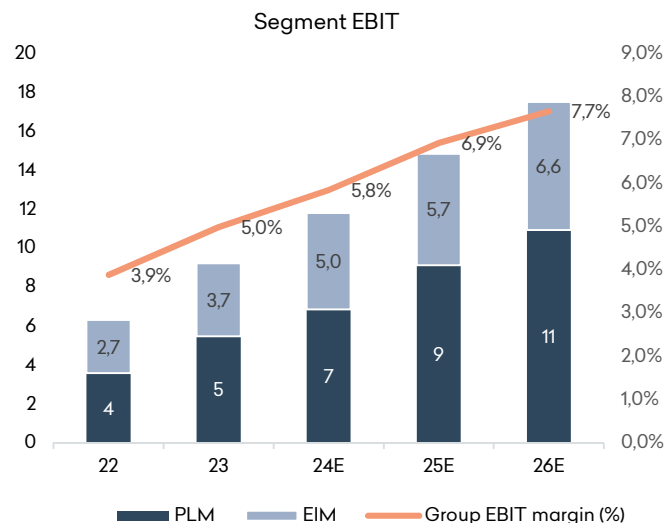
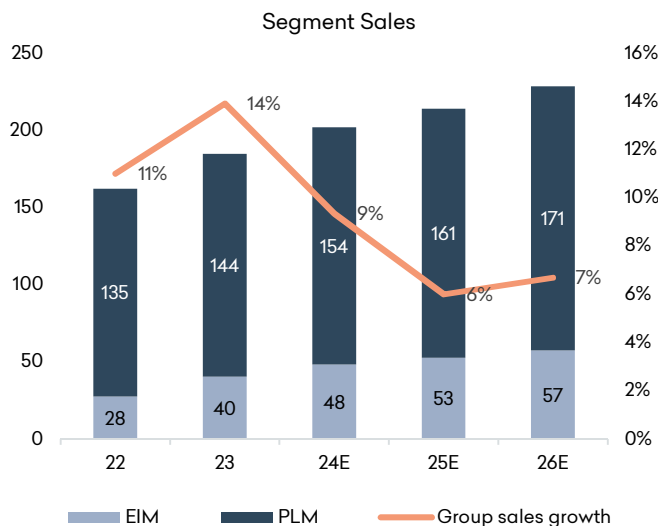
Expect the coming quarters to remain challenging as auto and avionics customers should continue to cut costs and capex

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 8% CAGR'23-26E and EBIT growth of 18% CAGR23-26E, supported by M&A (i.e. Analysis Prime) but burdened by a weak auto and avionics client base that is postponing projects and exerting price pressure
- **BUY:** the € 17.20 PT is based on FCFY'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	11.5	4.9	10.0	13.0	16.4
Capex	1.3	1.4	3.4	4.4	5.4
FCF	10.2	3.5	6.6	8.6	11.0
FCF per share	1.2	0.4	0.8	1.0	1.3
FCF yield	5.3 %	7.7 %	10.3 %	15.1 %	20.6 %
Net Debt/EBITDA	1.2	1.6	2.4	1.5	0.9

Key ratios summary	2022	2023	2024E	2025E	2026E
EPS growth	47.8 %	-28.4 %	-39.7 %	70.2 %	62.3 %
Capital Turnover	2.0	1.9	2.0	2.1	2.1
Avg. working capital / sales	11.6 %	14.4 %	14.3 %	14.8 %	15.1 %
Cash conversion cycle (days)	2.0	7.8	8.4	11.3	13.1
FCF / Net profit	162.1 %	79.7 %	162.5 %	143.1 %	124.7 %
Interest cover	16.9	5.0	2.5	3.5	4.9

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	205.4	220.6	235.4
Sales growth	-17.2 %	2.8 %	11.0 %	13.9 %	11.2 %	7.4 %	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	205.4	220.6	235.4
Other operating income	1.2	2.3	1.4	2.9	2.1	2.2	2.4
Material expenses	70.3	68.6	71.5	77.0	85.0	90.9	96.2
Personnel expenses	54.8	59.7	67.3	78.6	85.8	91.8	96.5
Other operating expenses	8.6	8.8	12.6	15.4	19.5	18.5	19.1
Total operating expenses	132.5	134.8	150.0	168.1	188.2	199.0	209.4
EBITDA	9.6	11.3	12.1	16.6	17.2	21.6	25.9
Depreciation	4.4	4.1	4.5	5.0	5.0	5.0	5.0
EBITA	5.2	7.2	7.7	11.6	12.2	16.6	20.9
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	4.3	5.8	5.8
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	7.9	10.8	15.1
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	5.1	8.0	12.3
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	5.1	8.0	12.3
Taxes	1.1	2.2	2.6	1.9	1.6	2.5	3.8
Net income from continuing operations	2.3	4.4	6.6	4.9	3.5	5.5	8.5
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	3.5	5.5	8.5
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	2.7	4.6	7.5
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	0.32	0.55	0.89

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 %	1.0 %	1.0 %	1.0 %
Material expenses	49.4 %	47.0 %	44.1 %	41.7 %	41.4 %	41.2 %	40.9 %
Personnel expenses	38.6 %	40.9 %	41.5 %	42.5 %	41.8 %	41.6 %	41.0 %
Other operating expenses	6.1 %	6.0 %	7.8 %	8.3 %	9.5 %	8.4 %	8.1 %
Total operating expenses	93.2 %	92.3 %	92.5 %	91.0 %	91.7 %	90.2 %	89.0 %
EBITDA	6.8 %	7.7 %	7.5 %	9.0 %	8.4 %	9.8 %	11.0 %
Depreciation	3.1 %	2.8 %	2.7 %	2.7 %	2.4 %	2.3 %	2.1 %
EBITA	3.7 %	4.9 %	4.7 %	6.3 %	5.9 %	7.5 %	8.9 %
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 %	2.1 %	2.6 %	2.5 %
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 %	3.8 %	4.9 %	6.4 %
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 %	1.3 %
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 %	2.5 %	3.6 %	5.2 %
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 %	2.5 %	3.6 %	5.2 %
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 %	1.7 %	2.5 %	3.6 %
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 %	1.7 %	2.5 %	3.6 %
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 %	1.3 %	2.1 %	3.2 %

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	62.4	57.0	51.6
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	95.4	89.0	83.6
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	39.4	43.5	47.1
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	11.2	18.5	28.2
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	61.7	73.2	86.4
TOTAL ASSETS	83.4	92.8	127.0	153.6	157.1	162.2	170.0
SHAREHOLDERS EQUITY	42.1	42.9	42.8	42.3	44.7	49.0	56.1
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	14.3	15.1	15.8
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)	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	56.0	56.8	57.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	83.4	92.8	127.0	153.6	157.1	162.2	170.0

Balance sheet (common size)	2020	2021	2022	2023	2024E	2025E	2026E
Intangible assets	16.2 %	13.4 %	29.6 %	31.0 %	39.7 %	35.1 %	30.3 %
Property, plant and equipment	16.4 %	12.8 %	10.5 %	8.5 %	7.0 %	6.2 %	5.9 %
Financial assets	11.0 %	11.6 %	16.4 %	14.4 %	14.0 %	13.6 %	13.0 %
FIXED ASSETS	43.6 %	37.7 %	56.5 %	53.8 %	60.7 %	54.9 %	49.2 %
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 %	25.1 %	26.8 %	27.7 %
Other current assets	6.2 %	6.3 %	6.4 %	6.7 %	6.6 %	6.4 %	6.1 %
Liquid assets	31.2 %	28.4 %	15.7 %	15.8 %	7.1 %	11.4 %	16.6 %
Deferred taxes	1.5 %	1.0 %	0.8 %	0.5 %	0.5 %	0.5 %	0.5 %
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 %	39.3 %	45.1 %	50.8 %
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 %	28.5 %	30.2 %	33.0 %
MINORITY INTEREST	0.8 %	0.8 %	1.5 %	1.7 %	1.7 %	1.6 %	1.6 %
Long-term debt	14.4 %	11.5 %	10.8 %	33.5 %	32.8 %	31.8 %	30.3 %
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 %	34.2 %	33.1 %	31.6 %
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 %	9.1 %	9.3 %	9.3 %
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)	27.2 %	32.9 %	25.0 %	25.0 %	24.5 %	23.7 %	22.6 %
Deferred taxes	0.0 %	0.0 %	2.2 %	2.1 %	2.1 %	2.0 %	1.9 %
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 %	35.7 %	35.0 %	33.8 %
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	2.3	4.4	6.6	5.0	3.5	5.5	8.5
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	4.3	5.8	5.8
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	12.8	16.3	19.3
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	-4.0	-4.1	-3.6
Increase/decrease in accounts payable	0.0	2.8	3.4	4.5	1.1	0.8	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	-2.7	-3.4	-2.9
Cash flow from operating activities	12.3	8.2	11.5	4.9	10.0	13.0	16.4
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	18.7	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	-22.1	-4.4	-5.4
Cash flow before financing	11.4	7.3	-17.7	-3.2	-12.0	8.6	11.0
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	-1.3	-1.4
Increase/decrease in liquid assets	7.6	0.3	-6.4	4.0	-13.1	7.3	9.7
Liquid assets at end of period	26.1	26.4	19.9	24.3	11.2	18.5	28.2

Quarterly results (EUR m)	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	FY 2024E
Sales	42.0	39.7	43.4	44.1	45.8	51.4	50.5	48.8	52.1	205.4
Sales growth	22 %	-130 %	3 %	14 %	9 %	29 %	16 %	11 %	14 %	11 %
Gross profit	23.9	20.8	25.3	26.0	25.8	30.6	29.1	27.8	30.8	120.4
Gross profit margin	57.0 %	52.3 %	58.4 %	59.0 %	56.2 %	59.6 %	57.6 %	57.0 %	59.2 %	58.6 %
EBITDA	2.8	4.0	1.6	4.2	3.7	7.2	3.1	2.7	4.7	17.2
EBITDA margin	6.6 %	10.0 %	3.6 %	9.5 %	8.1 %	13.9 %	6.2 %	5.4 %	9.0 %	8.4 %
EBIT (inc revaluation net)	1.5	1.9	0.0	2.6	2.0	4.6	1.2	0.8	2.0	7.9
EBIT margin	3.5 %	4.7 %	0.0 %	5.9 %	4.3 %	9.0 %	2.5 %	1.6 %	3.8 %	3.8 %
EPS reported	0.10	0.43	-0.02	0.21	0.10	0.25	0.03	0.01	0.10	0.32

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 %	11.2 %	7.4 %	6.7 %
EBITDA growth	-63.9 %	17.5 %	7.4 %	37.3 %	3.1 %	26.1 %	20.0 %
EBIT growth	-71.2 %	71.7 %	1.2 %	46.2 %	-14.8 %	37.8 %	39.9 %
EPS growth	-86.4 %	83.3 %	47.8 %	-28.4 %	-39.7 %	70.2 %	62.3 %
Efficiency							
Total operating costs / sales	93.2 %	92.3 %	92.5 %	91.0 %	91.7 %	90.2 %	89.0 %
Sales per employee	196.3	209.3	209.8	210.6	225.7	238.8	249.4
EBITDA per employee	13.3	16.2	15.7	19.0	18.8	23.4	27.5
Balance sheet analysis							
Avg. working capital / sales	9.7 %	12.1 %	12.5 %	12.3 %	13.6 %	14.1 %	14.5 %
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	70.0	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	8.4	11.3	13.1
Cash flow analysis							
Free cash flow	11.5	7.6	10.2	3.5	6.6	8.6	11.0
Free cash flow/sales	8.1 %	5.2 %	6.3 %	1.9 %	3.2 %	3.9 %	4.7 %
FCF / net profit	494.9 %	178.6 %	162.1 %	78.6 %	245.2 %	185.9 %	147.6 %
Capex / depn	13.4 %	17.8 %	22.4 %	18.6 %	36.6 %	40.7 %	50.0 %
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 %	2.0 %	2.3 %
Security							
Net debt	-14.0	-15.7	15.1	27.2	40.3	33.0	23.3
Net Debt/EBITDA	0.0	0.0	1.2	1.6	2.4	1.5	0.9
Net debt / equity	neg.	neg.	0.4	0.6	0.9	0.7	0.4
Interest cover	18.0	38.7	16.9	5.0	2.5	3.5	4.9
Dividend payout ratio	169.6 %	147.7 %	66.6 %	7.4 %	12.3 %	7.3 %	4.5 %
Asset utilisation							
Capital employed turnover	2.5	2.6	2.0	1.9	2.0	2.1	2.1
Operating assets turnover	5.7	4.8	5.7	5.2	5.7	5.7	5.7
Plant turnover	10.4	12.3	12.1	14.2	18.7	22.1	23.6
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
Returns							
ROCE	10.7 %	11.0 %	9.2 %	10.2 %	7.9 %	10.5 %	13.9 %
ROE	5.5 %	9.9 %	14.7 %	10.6 %	6.1 %	9.4 %	13.3 %
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	0.32	0.55	0.89
Valuation ratios							
P/BV	2.3	2.8	3.0	3.3	1.7	1.6	1.4
EV/sales	0.6	0.7	0.9	0.9	0.6	0.5	0.4
EV/EBITDA	8.6	9.3	11.9	10.0	6.8	5.1	3.9
EV/EBITA	15.8	14.4	18.7	14.3	9.7	6.6	4.8
EV/EBIT	22.7	16.7	22.8	18.0	14.9	10.2	6.6
EV/FCF	7.2	13.7	14.1	47.0	17.7	12.8	9.1
Adjusted FCF yield	7.5 %	6.7 %	5.3 %	7.7 %	10.3 %	15.1 %	20.6 %
Dividend yield	4.1 %	5.3 %	3.3 %	0.2 %	0.4 %	0.4 %	0.4 %

Source: Company data, Hauck Aufhäuser Investment Banking

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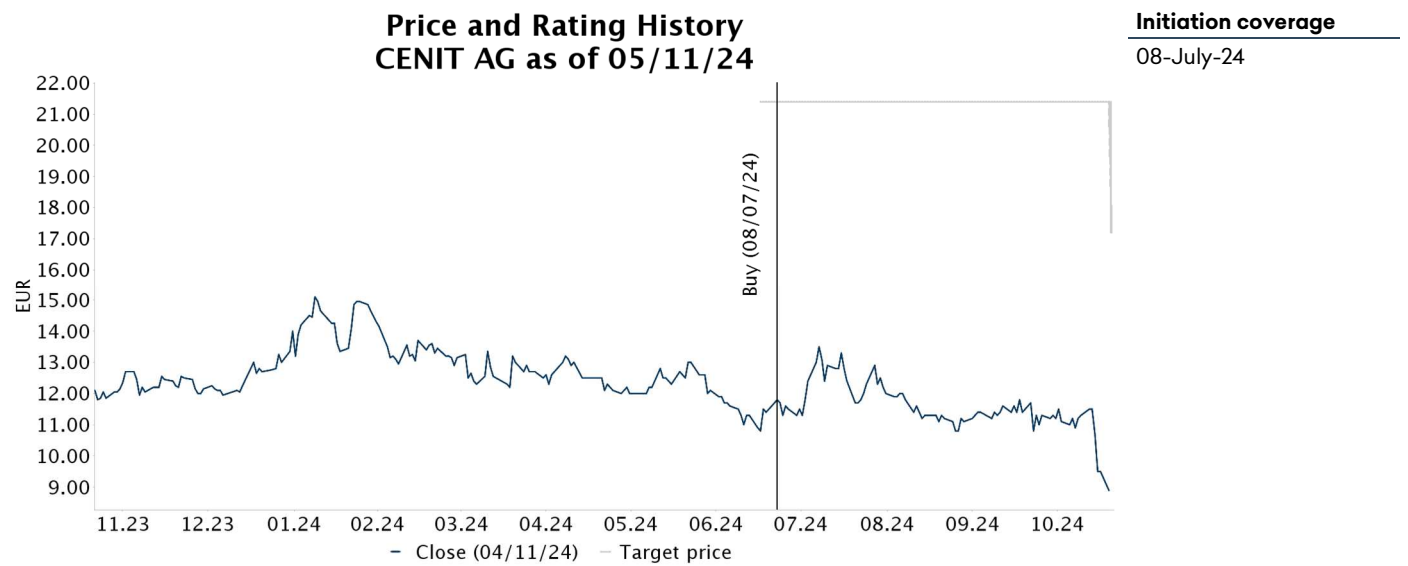
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Company	Disclosure
CENIT AG	6

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

CENIT AG	05.08.2024	Wunderlich, Tim	Buy	EUR 21,40	EUR 11,70
	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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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

Cornelis Kik
Analyst
Tel.: +49 40 450 6342 3096
E-Mail: cornelis.kik@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

Florian Kurz
Equity Sales
Tel.: +49 69 84 2161 1793
E-Mail: florian.kurz@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