

INDUS Präsentation - SdK

Online, 09.09.2025



Agenda

- 01** Who we are
- 02** Strategy update: EMPOWERING MITTELSTAND
- 03** Empowering M&A
- 04** Business & Financial Performance H1 2025
- 05** Performance of Business Segments H1 2025
- 06** Guidance confirmed

01

iNDUS

Who we are



Our Purpose

- At INDUS we know how to grow **the power of Mittelstand**.
- We believe in **entrepreneurs** and lead our investments successfully, values-based and reliably.
- We love **engineering** and only invest in companies with excellent products, processes and services.
- We trust our **people** to contribute to our success.
This is how we create a future-proof working environment.
- As international investors we generate **sustained growth** and offer a long term, above average value-perspective for our shareholders.

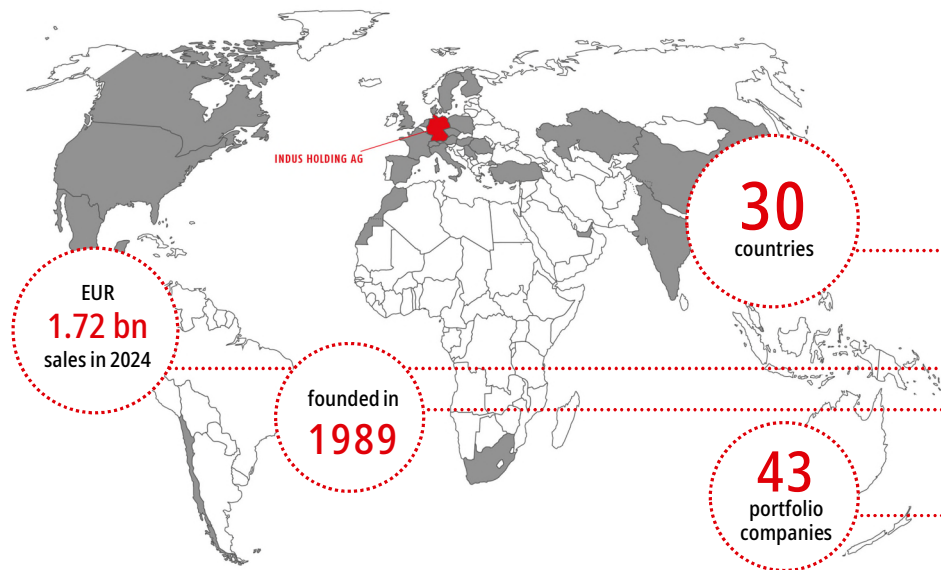


We invest in the development of **Mittelstand companies** – with the people who shape it.



INDUS GROUP

- **Evergreen financial investor**, listed on German SDAX
- **Succession** of SMEs (small and medium-sized enterprises), often in family hands, with a joint transition period
- The **transition period** can be more than pure succession, it also allows for a longer-term **growth partnership**
- Investment focus: **industrial** SMEs with engineering competence operating in **niche markets**
- **“Buy & grow” ambition**: EUR 3 billion in sales by 2030; thereof EUR 600 million through acquisitions
- Management team with **international industrial expertise** and long-term track record



The Board of Management of INDUS

Broad industrial expertise

INDUS

Segmentmanagement

COO Engineering



Axel Meyer

COO Infrastructure



Dr. Jörn Großmann

COO
Materials Solutions



Gudrun Degenhart

Central functions

CEO



**Dr.-Ing. Johannes
Schmidt**

CFO



Rudolf Weichert

Our passion is technology.
We focus on three segments:

Engineering



From software solutions
to mechanical engineering

Infrastructure



From building components
to structural solutions

Materials Solutions



From micro optics
to wear tools

Key Figures

Sales:

1.72 EURbn

(PY: 1.80 EURbn)

Adj. EBITA:

153.7 Mio. EUR

(PY: 188.1 Mio. EUR)

EBIT:

126.7 Mio. EUR

(PY: 149.6 Mio. EUR)

Leverage:

2.4x EBITDA

(PY: 2.0x EBITDA)

Adj. EBITA-Margin:

8.9 %

(PY: 10.4 %)

Free Cashflow:

135.4 Mio. EUR

(PY: 198.9 Mio. EUR)

Investing in a driving force of Mittelstand

INDUS Investment Case

INDUS

A diversified portfolio of medium-sized companies with a focus on **sophisticated industrial engineering** in specific technology fields

Strengthening portfolio resilience with **international expansion** through appropriate acquisitions and support for portfolio companies in their international growth

Growth through a **dynamic acquisition program** and organic growth in the portfolio

Active portfolio development (including selective divestments) for profitable and sound financial growth

Profitability and a solid free cash flow as a guarantee for **regular dividend payments**

Access to an **asset class** which **cannot be directly invested in** via the capital market

02

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Strategy update: EMPOWERING MITTELSTAND



Our strategy comprises three growth drivers

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EMPOWERING MITTELSTAND



EMPOWERING INTERNATIONALIZATION

Expanding our M&A scope
internationally



EMPOWERING M&A

Investing around
EUR 500 million
in acquisitions until 2030



EMPOWERING TECHNOLOGY

Formation of technology
fields to leverage
growth opportunities

Driving AI and Digitization

Sound growth through financial strength:

Free cash flow and additional debt capital with Net Debt / EBITDA <2.5x (no capital increase)

International growth to enhance our resilience

Empowering Internationalization in H1 2025

INDUS

- Expansion of manufacturing capacities in the US through acquisitions of METFAB and HBS' subsidiary SUNBELT
- Expansion of presence in Scandinavian markets through acquisition of ELECTRO TRADING in Sweden
- Expansion of international business of existing portfolio companies:
 - FS-BF started US production in existing facility of portfolio company AURORA
 - Preparations for the start of US production at HAUFF-TECHNIK proceeding as planned
 - New sales company for North America of HORNGROUP established



Already five add-on acquisitions in 2025

Empowering M&A in H1 2025

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KETTLER,
Germany



Infrastructure Segment

Manufacturer of components and spindle extensions for pipe systems

ELECTRO TRADING,
Sweden



Importer and distributor of products for the power grid and distribution sector and others

TRIGOSYS,
Germany



July 2025

Manufacturer of products for shuttering component joints in reinforced concrete construction

HBS GROUP,
Germany and USA



Engineering Segment

Developer and producer of stud welding equipment including control systems and power electronics

METFAB Engineering,
USA



Specialist in stainless steel solutions and metalworking for industrial applications

Expertise to support innovation and performance improvement **i**NDUS

Empowering Technology – experts at INDUS

- Closer cooperation among portfolio companies in technology fields strengthens the technological expertise of the group
 - Integration of vibration testing specialist M+P into measurement and testing technology specialist IPETRONIK in order to better leverage synergies and jointly develop new markets
 - Deepening of strategic cooperation between HORNGROUP and GSR, particularly in new foreign markets
- Set up of a venture client program; structured selection and cooperation process for collaboration among portfolio companies and technology start-ups to drive innovation

03

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Empowering M&A



Acquisitions on two levels

Growth or Add-on acquisitions

GROWTH ACQUISITIONS

Acquisition by
INDUS Holding AG
(first level)



Expansion of the INDUS portfolio
with new **capabilities** and **products**

ADD-ON ACQUISITIONS

Acquisition by
INDUS portfolio company
(second level)



Strengthening portfolio companies
through **product or market**
additions

Empowering M&A with growth acquisitions in Europe

Investment criteria

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Financial Criteria

- Sales: EUR 20–100 million
- Adj. EBITA above 4 million EUR per year
- Equity ratio > 30%
- Cash flow orientation
- Low level/no liabilities to banks

Industrial Criteria

- Broadly diversified customer base
- Niche position
- Own industrial added value
- Growth perspectives, also internationally



Empowering M&A with add-on acquisitions worldwide

Investment criteria

- Greater leeway in investment criteria
- Strengthening existing portfolio companies through
 - complementary products
 - presence in other regions
- Creation of technology fields within a segment by combining the competences of the add-on acquisition and other portfolio companies
- Economic potential arising from a combination of the acquired company with an existing portfolio company crucial in the decision-making process



<https://vimeo.com/1098504127>

04

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Business and Financial Performance H1 2025



Sales on previous year's level despite economic uncertainty

Highlights INDUS Group H1 2025

- Five add-on acquisitions in 2025, thereof four in H1 25
- H1 sales (EUR 836.6 million) almost at previous year's level despite continuing weak economy
- Q2 sales (EUR 434.2 million) stronger than in the previous year
- US tariffs, Chinese export controls and weak dollar weigh on adjusted EBITA (EUR 56.1 million)
- Earnings per share at EUR 1.13
- INDUS places promissory note loan of EUR 125 million
- Forecast confirmed:
Sales of EUR 1.70-1.85 billion,
adjusted EBITA of EUR 130-165 million
Free Cash Flow above EUR 90 million

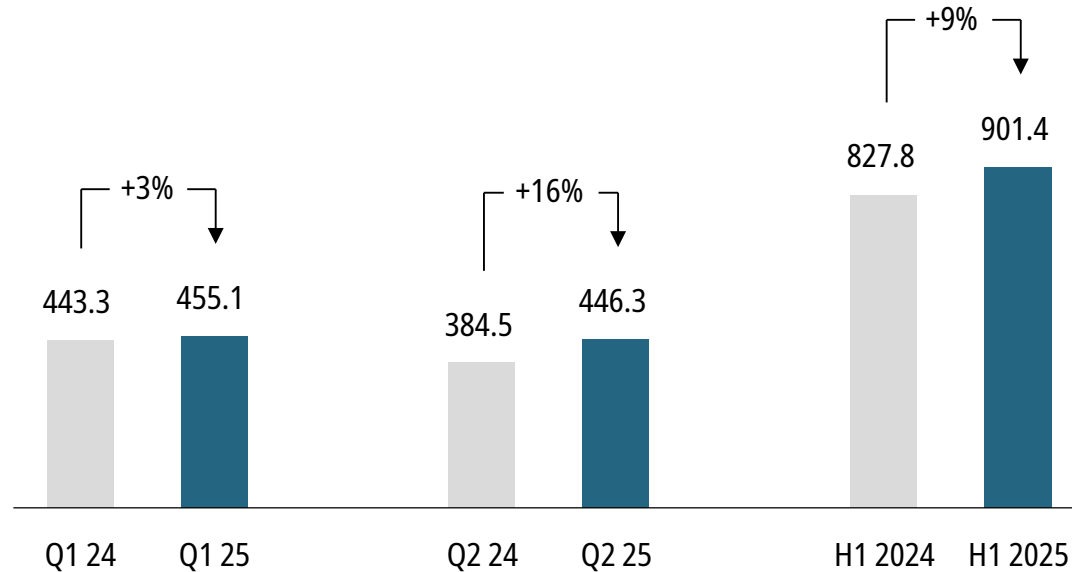


Growing incoming orders in difficult markets

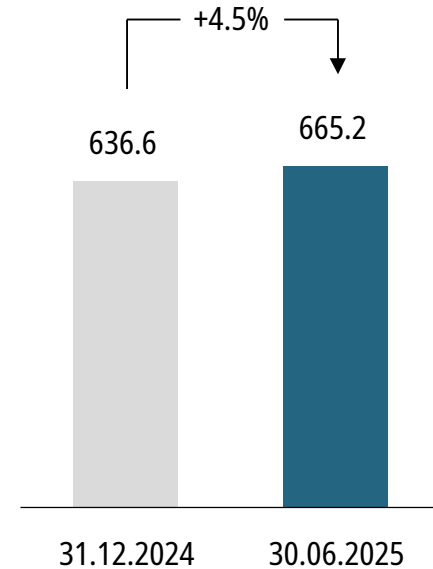
INDUS Group H1 2025

INDUS

Incoming orders (EUR million)



Order backlog (EUR million)

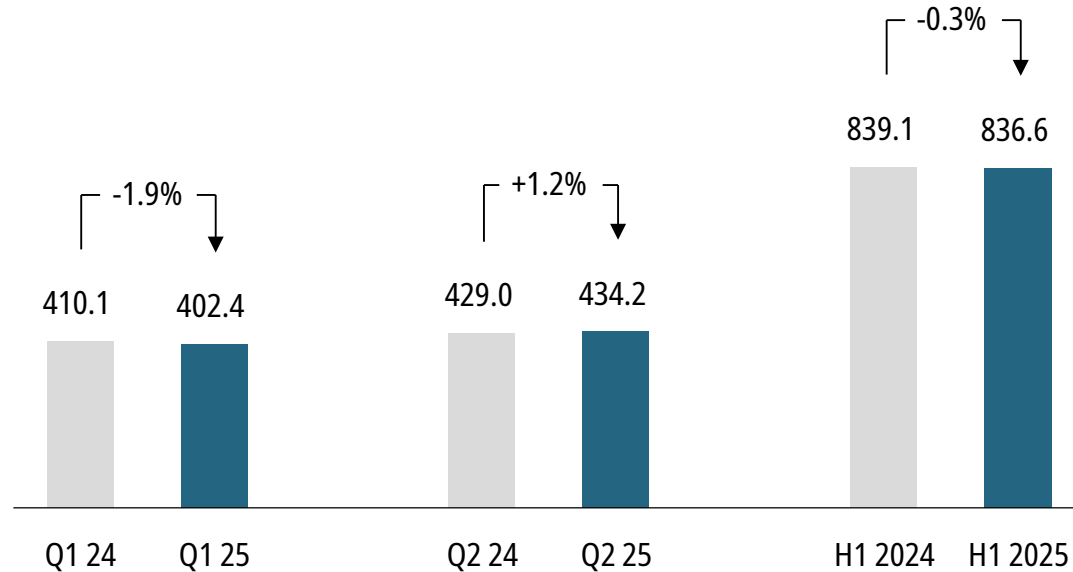


Gradually improving market dynamics expected in H2

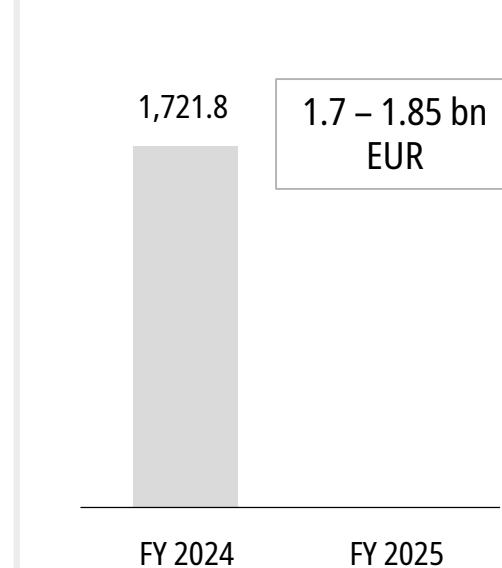
INDUS Group H1 2025

INDUS

Sales (EUR million)



Outlook 2025 (EUR million)

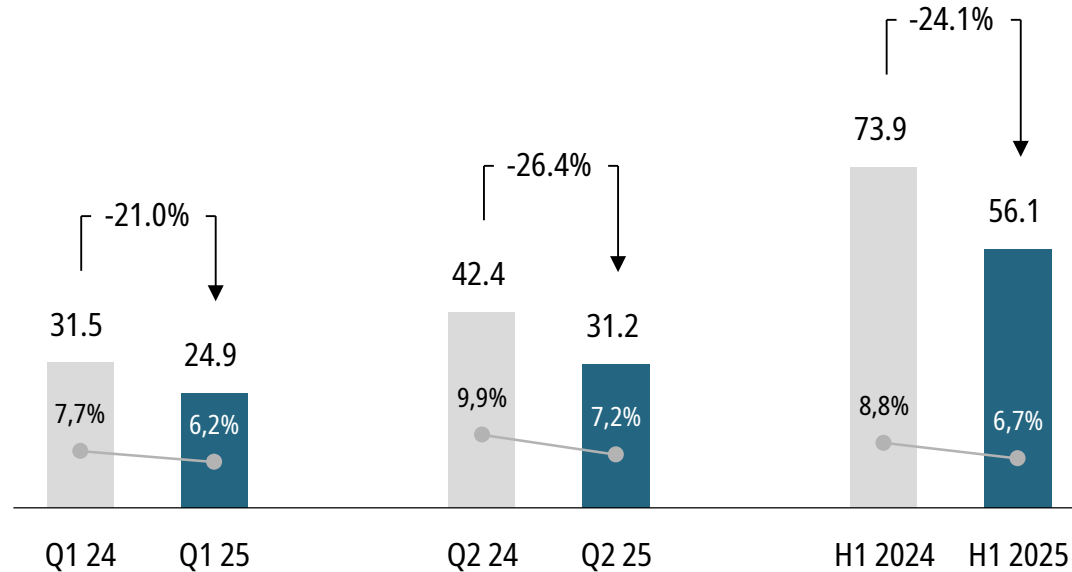


Gradually improving market dynamics expected in H2

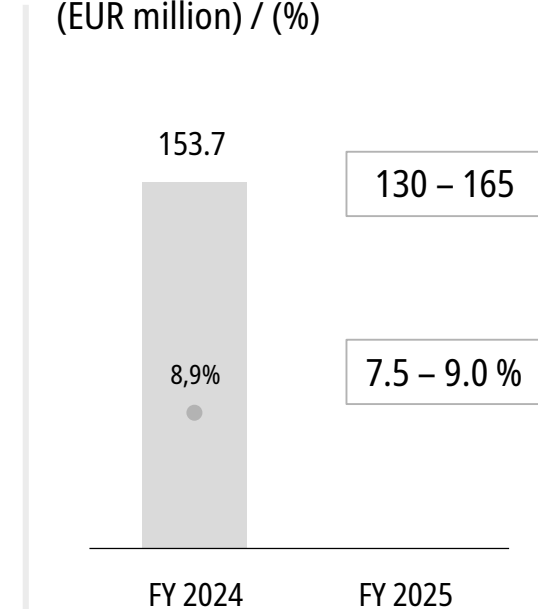
INDUS Group H1 2025

INDUS

adj. EBITA (EUR million)

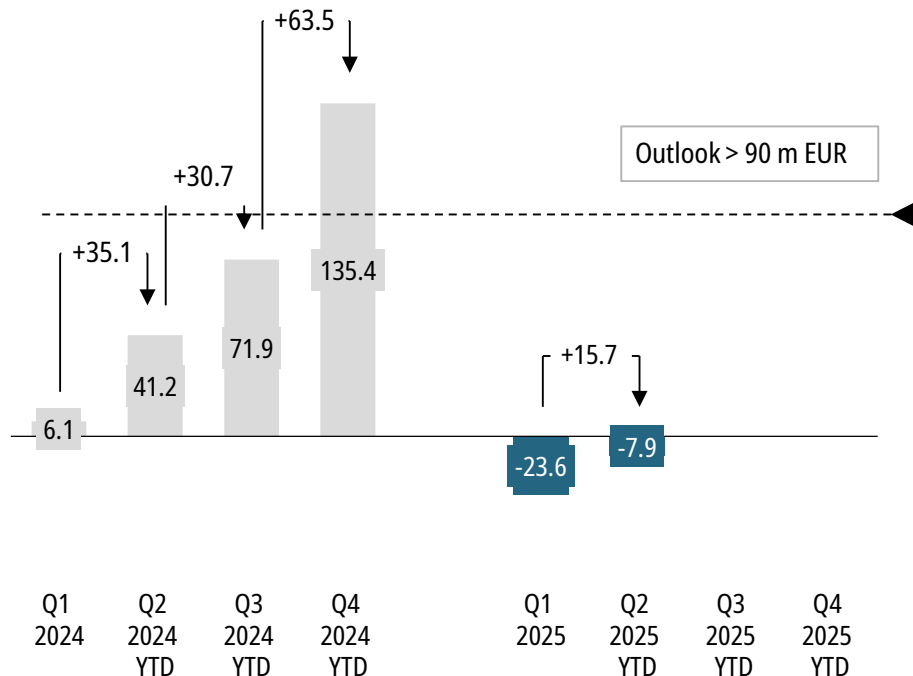


Outlook adj. EBITA 2025 (EUR million) / (%)



Lower earnings and Working Capital dynamics affecting Free Cash Flow

Free Cash Flow INDUS Group H1 2025



- Increasing operational results and seasonal Working Capital dynamics will have an increasing effect on Free Cash Flow in the second half of 2025

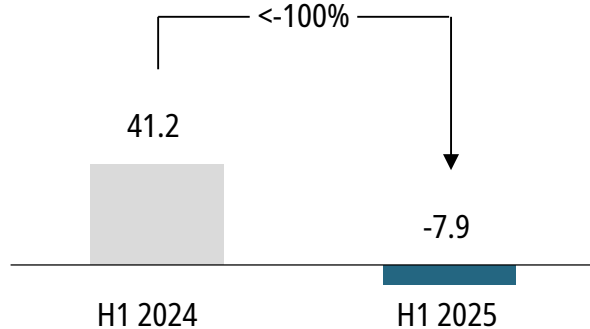
	H1 2025	H1 2024
Operating cash flow	13.2	53.3
<ul style="list-style-type: none"> Cash outflow from investments in existing portfolio 	-35.8	-30.6
<ul style="list-style-type: none"> Cash outflow for investment in shares in fully consolidated companies 	14.7	18.5
Free Cash Flow	-7.9	41.2

Solid balance sheet for future growth

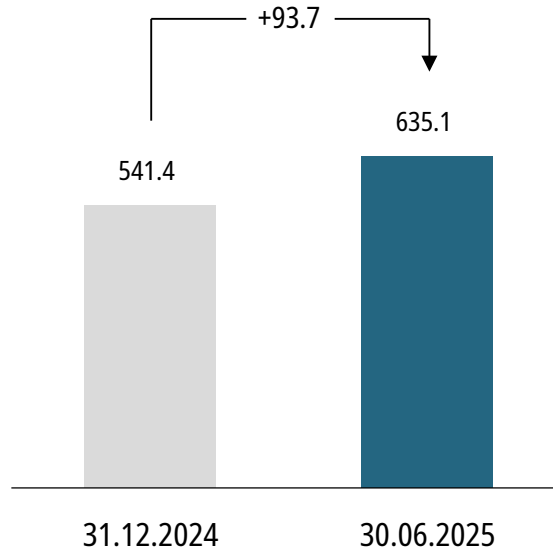
Free Cash Flow, net debt and equity ratio

INDUS

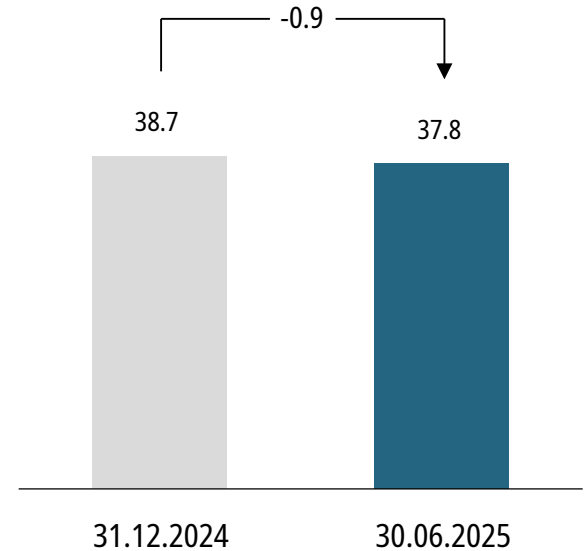
Free Cash Flow (EUR million)



Net debt (EUR million)



Equity ratio (%)



05

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Performance of Business Segments



Challenging macro trends persist

Industry trend Engineering



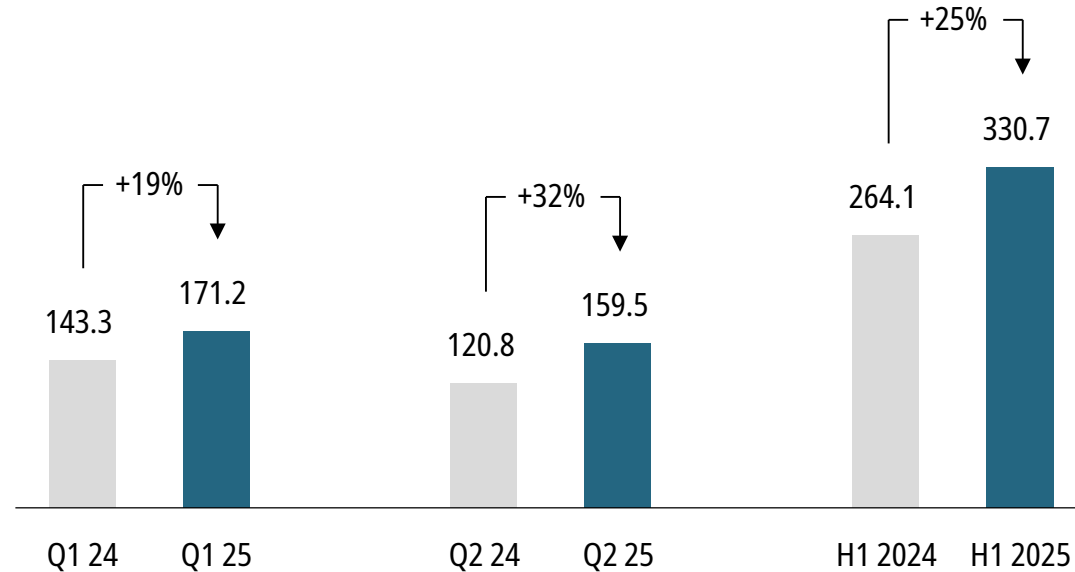
- **Challenging macro environment:**
Persistent geopolitical tensions, weak global demand and structural issues continue to weigh on the German engineering sector in H1 2025; exports of machinery and equipment down by 1.4 % in Q1 vs. prior year
- **Sentiment improving cautiously:**
Slight improvement of business climate indicators (e.g., ifo, HCOB PMI) in June/July; stable development for H2 expected by over 50% of VDMA firms
- **Investment outlook mixed:**
Fiscal stimulus expected to support demand from 2026, but low capacity utilization and high uncertainty still dampen private investment
- **Risks remain high:**
Tariffs, weak dollar, high costs and unclear market signals delaying investments continue to pressure margins and planning

Significant upturn in Engineering in Q2

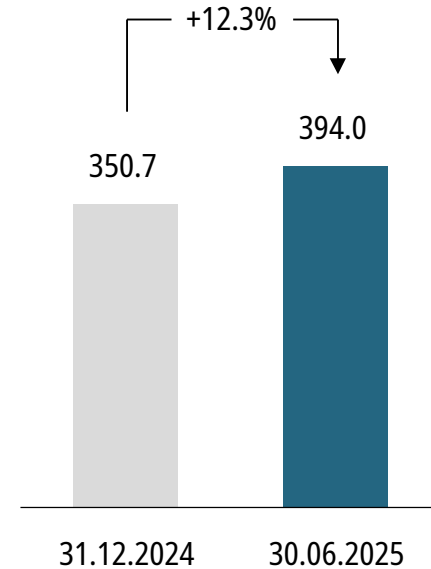
Engineering segment – order development

INDUS

Incoming orders (EUR million)



Order backlog (EUR million)



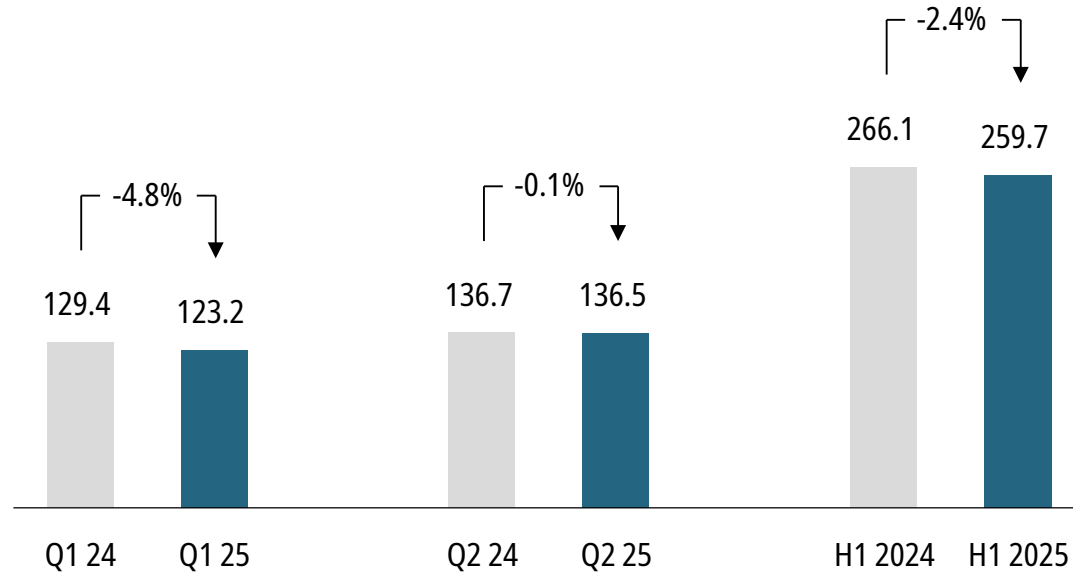
Gradually improving market dynamics expected in H2

Engineering segment – Sales

INDUS

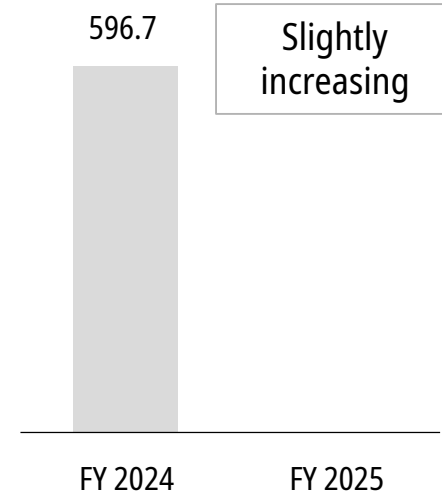
Sales

(EUR million)



Outlook 2025

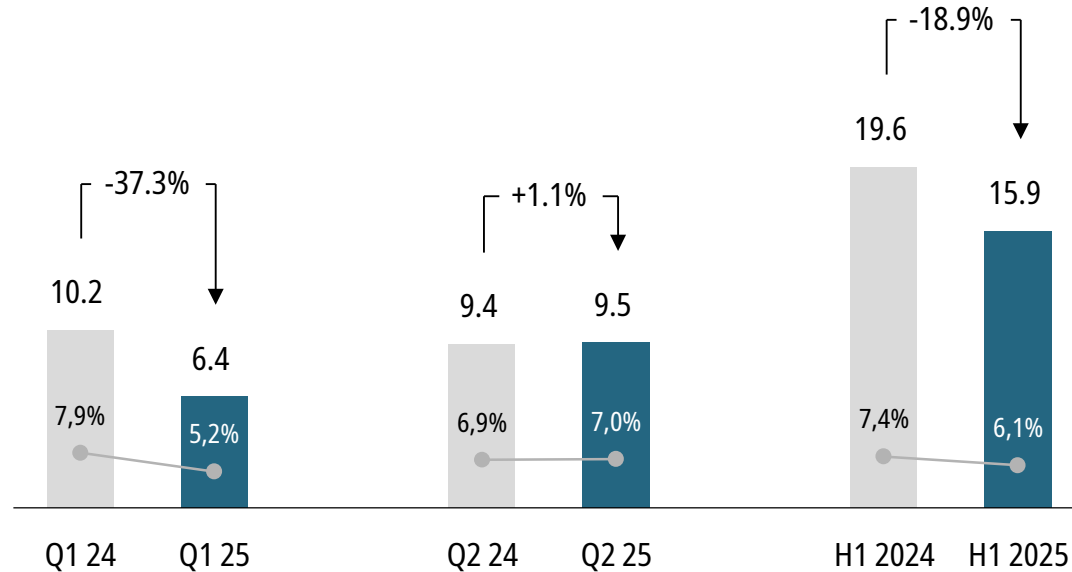
(EUR million)



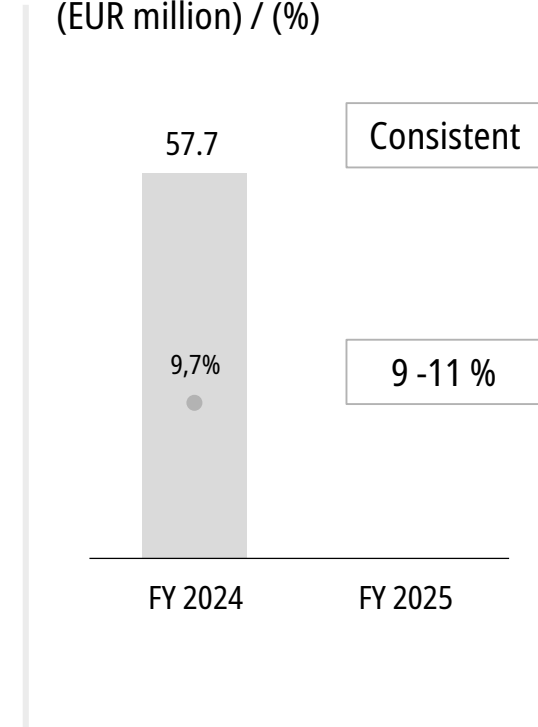
Gradually improving market dynamics expected in H2

Engineering segment – Earnings

adj. EBITA (EUR million)



Outlook adj. EBITA 2025 (EUR million) / (%)



Mixed outlook for construction industry

Industry trend Infrastructure



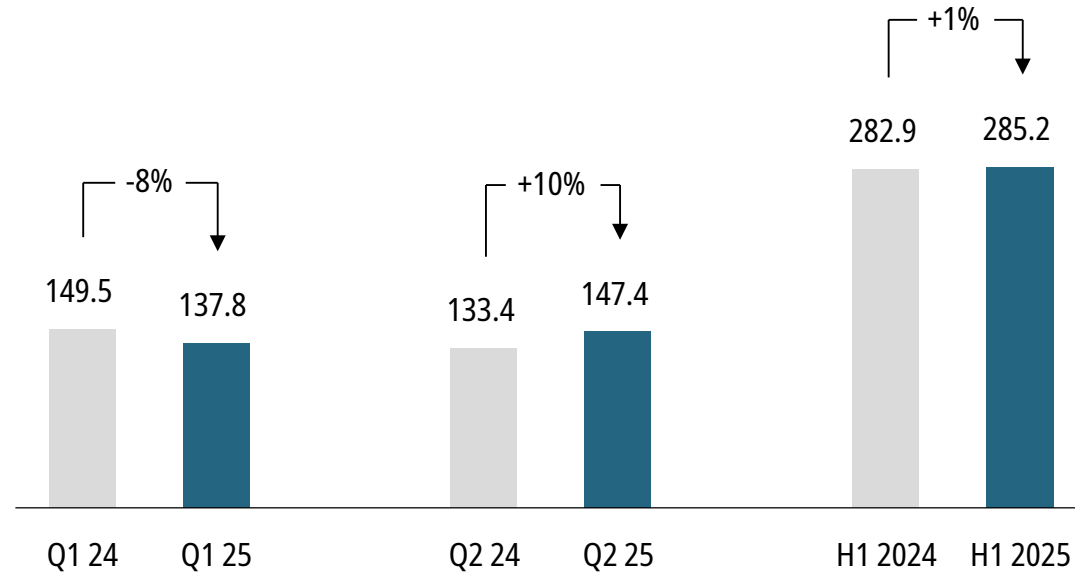
- **Diverging trends in construction:**
Residential construction still in contraction, with 48% of firms reporting insufficient order volumes as of June 2025;
in contrast, strong growth in civil engineering
- **Permits and activity weak overall:**
Rising building permits with only +1.9% from Jan to May 2025,
but still 5.3% below prior-year levels in May;
sector output overall still below expectations
- **Cost pressure persists:**
Rising construction prices by +3.2% YoY in May 2025, delaying
investment decisions;
high material and labor costs weighing on profitability
- **Sentiment remains cautious:**
Mixed Outlook from Ifo and HCOB indicators;
improved expectations in main construction sectors in June/July,
but order intake remaining low (e.g. -8.0% in April, -0.5% in May)

Stable incoming orders

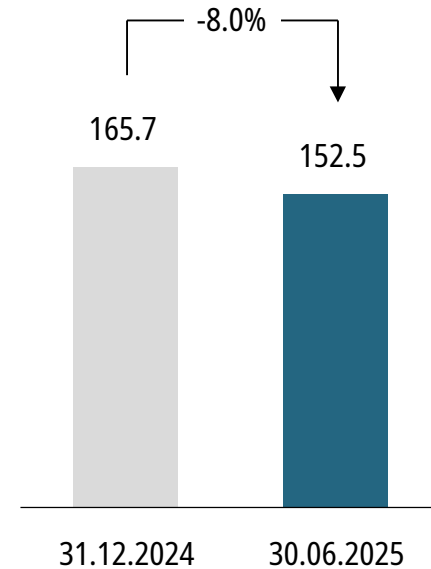
Infrastructure segment – order development

INDUS

Incoming orders (EUR million)



Order backlog (EUR million)



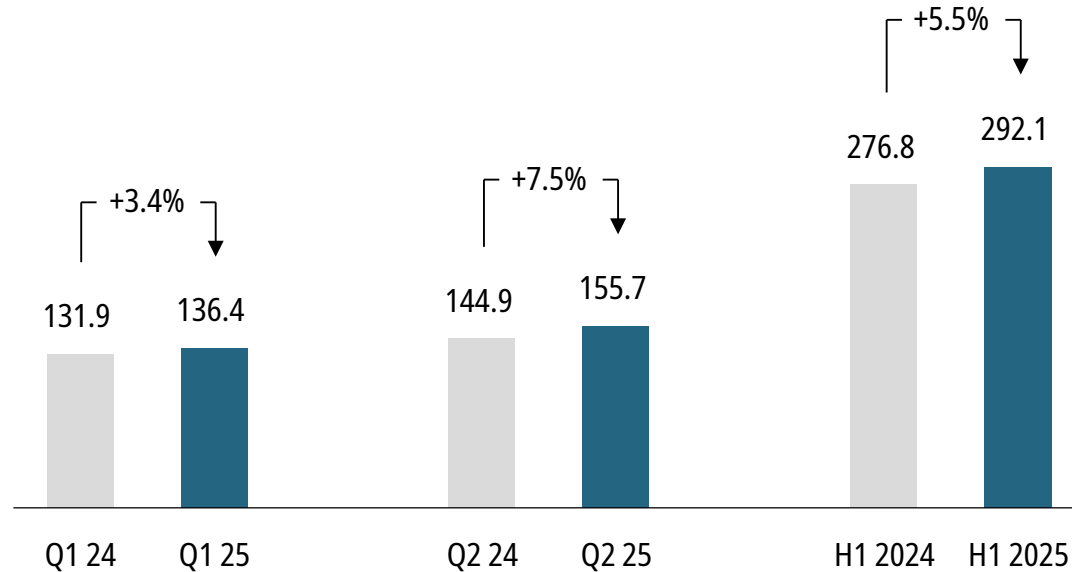
Market demand expected to improve in H2

Infrastructure segment – Sales

INDUS

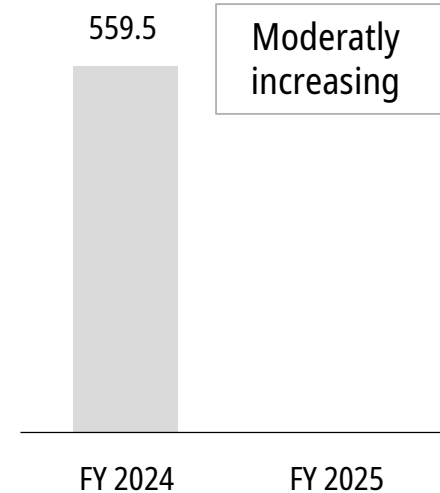
Sales

(EUR million)



Outlook 2025

(EUR million)

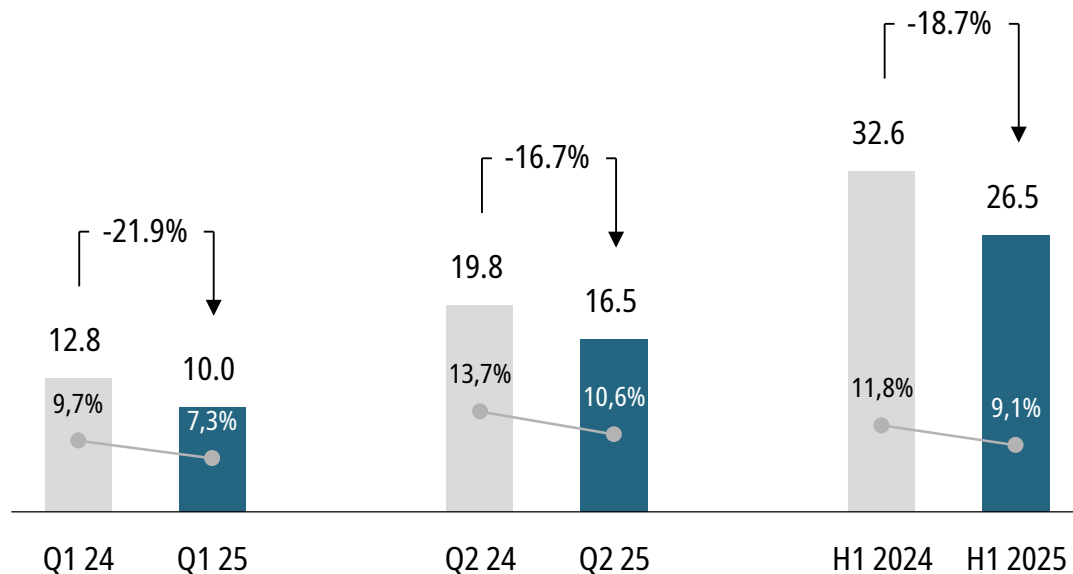


Intense competition and price pressure burdens segment result ⁱNDUS

Infrastructure segment – earnings

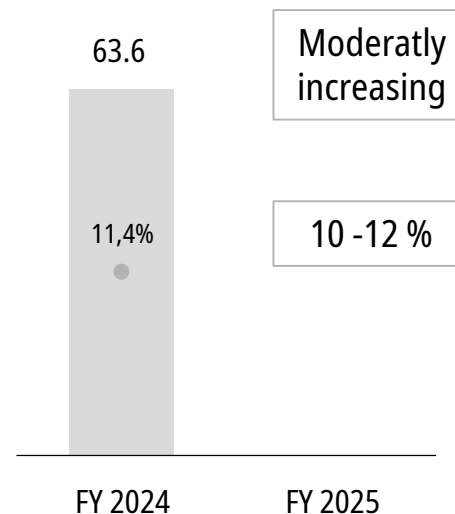
adj. EBITA / adj. EBITA-margin

(EUR million / %)



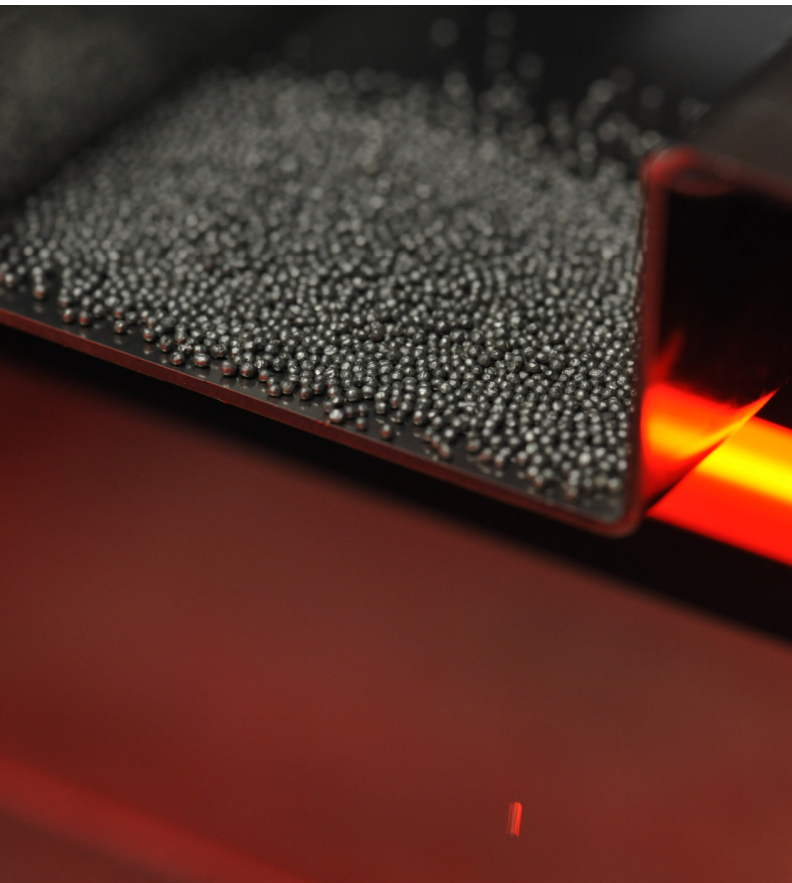
Outlook 2025

(EUR million) / (%)



Low volumes and material shortages persisting

Industry trend Materials Solutions



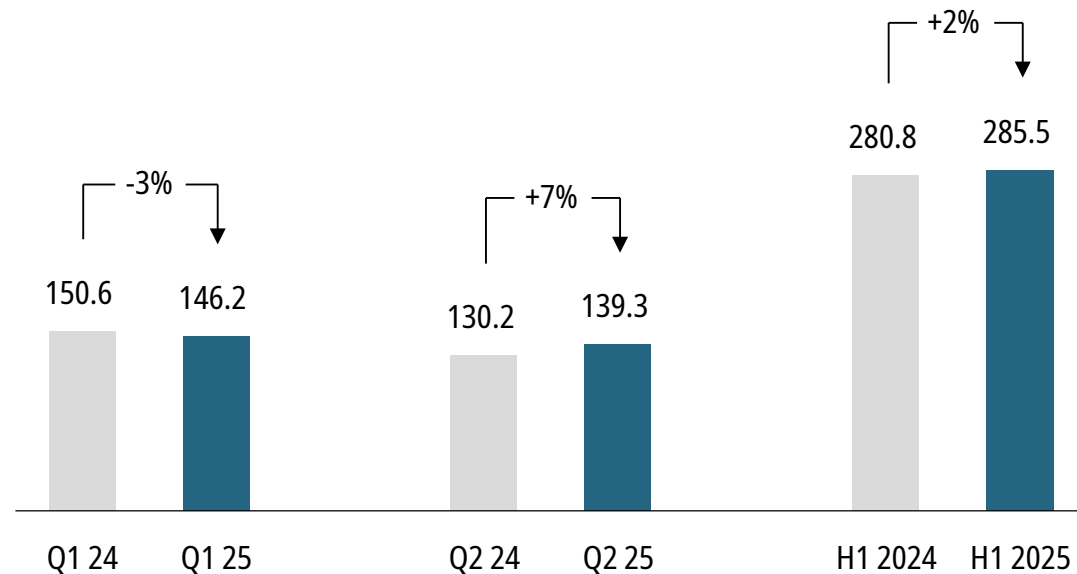
- **Materials sector:**
Still under pressure with industrial activity and export volumes staying below pre-crisis levels;
weak dollar and weak global demand limiting recovery;
specialized sectors hit hard, construction equipment sales down 27% YoY (Q1 2025).
- **Raw materials:**
Supply and pricing challenges continuing;
persisting shortages of rare earths, lithium, magnesium and tungsten carbide disrupting production and raising input costs.
- **Subdued manufacturing activity:**
Decline of production by 1.6% YoY in Q1 2025;
capacity utilization remaining low and investment activity muted
- **Outlook:**
Cautiously optimistic for late 2025, driven by stabilizing energy prices, easing inflation (approaching the 2% target), and a potential recovery in export demand — though still dampened by tariffs

Incoming orders increased

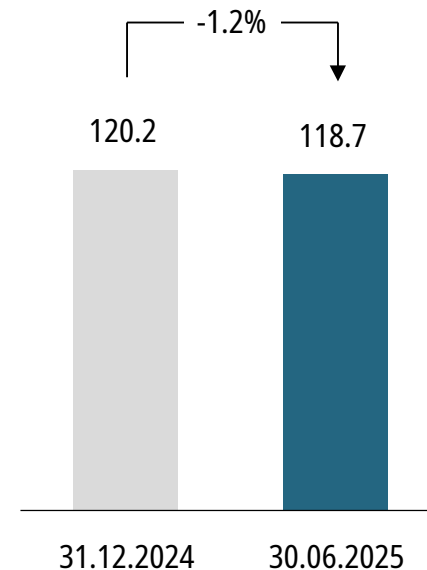
Materials Solutions segment – order development

INDUS

Incoming orders (EUR million)



Order backlog (EUR million)



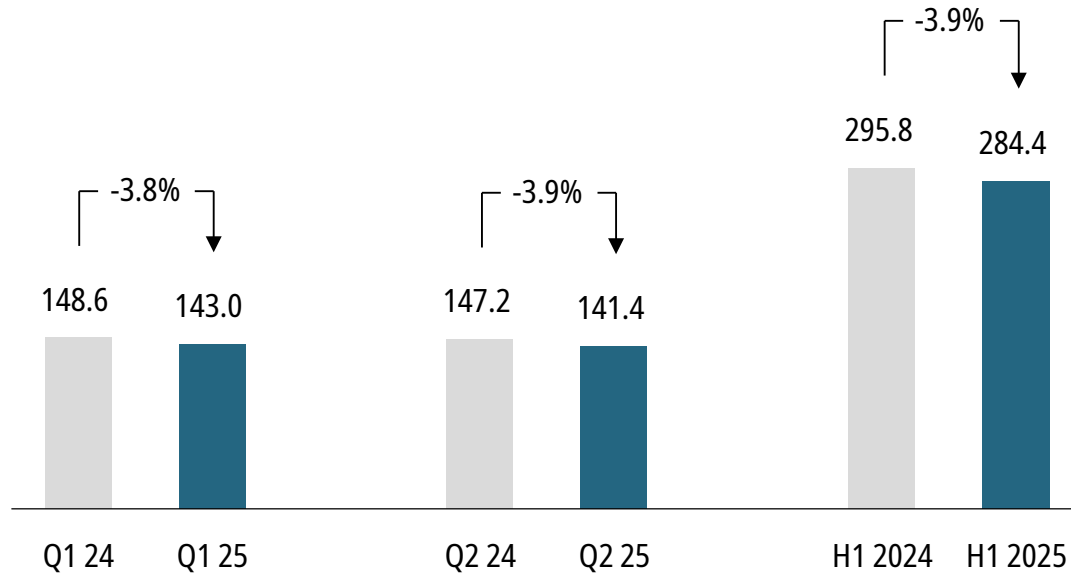
Improved supply situation for tungsten carbide

Materials Solutions segment – Sales

INDUS

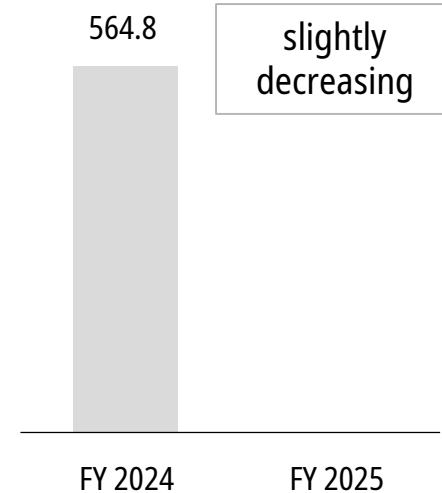
Sales

(EUR million)



Outlook 2025

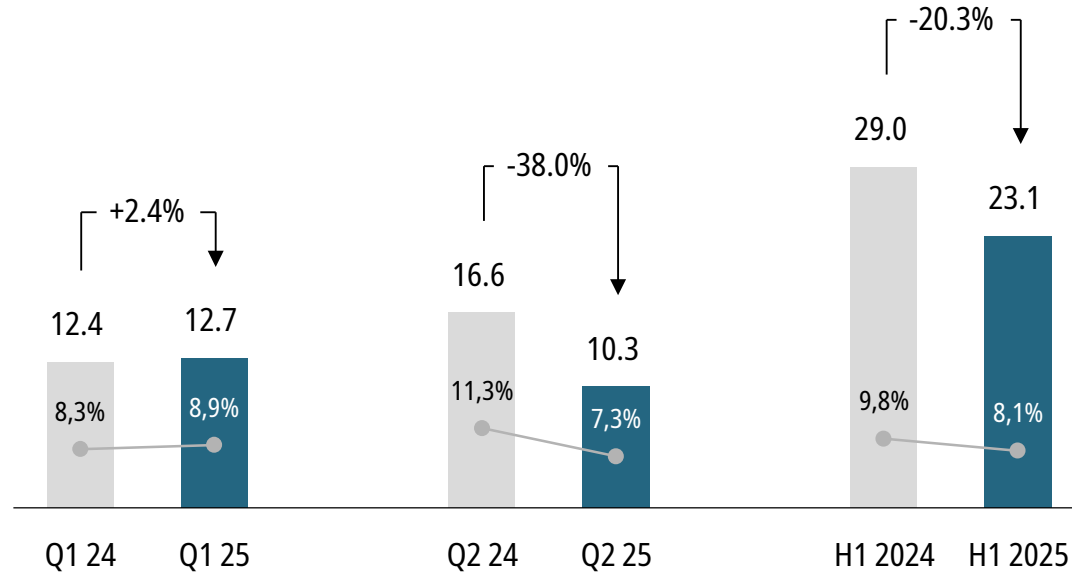
(EUR million)



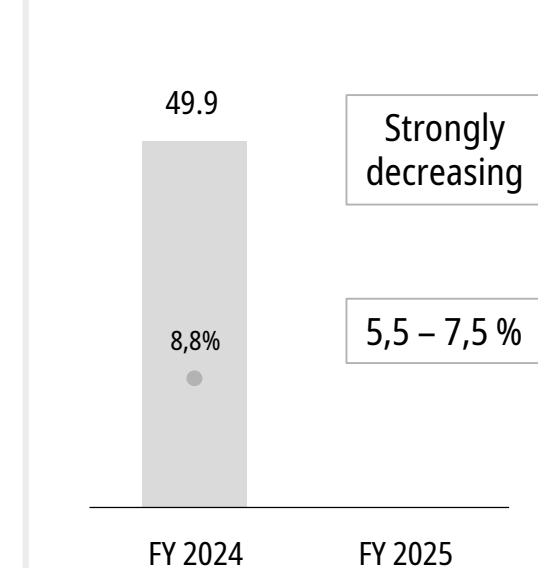
Earnings burdened by tariffs and material shortages

Materials Solutions segment – earnings

adj. EBITA
(EUR million)



Outlook 2025
(EUR million) / (%)



<https://vimeo.com/1098715382>

06

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Guidance confirmed



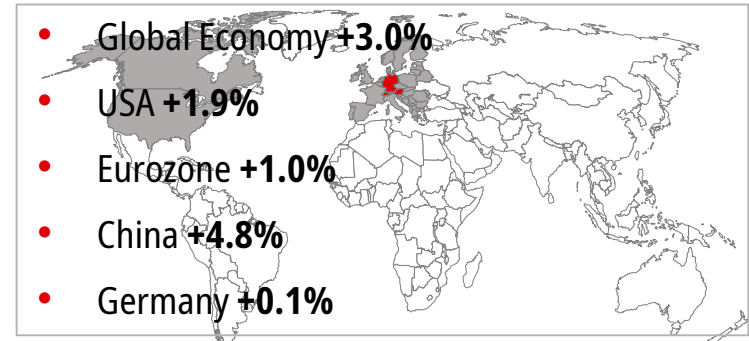
Persisting global uncertainty and Germany still weak

Economic Outlook – July 2025

INDUS

- **Global economy remaining weak with persisting uncertainty**
Pending new trade deals, with updated forecasts still forthcoming.
- **Germany with signs of stabilization** but remaining below expectations and slower than other advanced economies
- **ifo Business Climate Index risen to 88.6 points in July**, supported by slight improvements in the manufacturing and construction sectors
- **Inflation remaining contained** across the eurozone, with no major change expected in the ECB's medium-term price outlook
- **Interest rates stable**, with discussions around possible cuts delayed until clearer signals on inflation emerge
- **Slightly improved sentiment in the German economy**, but continuing to reflect ongoing caution and low momentum

GDP Growth Forecast for 2025



* Source: IMF, Reuters, ifo July 2025, European commission

Mixed signals for second half of 2025

Segment expectations for second half of 2025

Engineering

- Q2 2025 already showing a significant improvement in adjusted EBITA as compared to Q1 2025
- Business activity expected to pick up further in the second half of 2025
- A strong fourth quarter anticipated due to project-related factors
- Segment guidance for adjusted EBITA reiterated from “Moderately increasing” to “Consistent”

Infrastructure

- Market demand and productivity expected to improve further in the second half of the 2025
- Segment guidance unchanged

Materials Solutions

- BETEK:
Export licenses for limited amounts of tungsten carbide obtained again; all planned customer requirements for 2025 can be met – assuming an unchanged licensing practice in China.
Negative impact on sales and earnings expected for full year 2025 partly mitigated
- Several segment companies to face further significant burdens from the US import tariffs
- Segment guidance improved for Sales and adjusted EBITA

Materials Solutions improved, Engineering slightly weaker

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Updated FY 2025 guidance for the segments

Segment	Engineering		Infrastructure		Materials Solutions	
	2024	Guidance 2025	2024	Guidance 2025	2024	Guidance 2025
Sales (EUR million)	596.7	Slightly increasing	559.5	Moderatly increasing	564.8	Slightly decreasing
Adj. EBITA (EUR million)	57.7	Consistent	63.6	Moderatly increasing	49.9	Strongly decreasing
Adj. EBITA margin (%)	9.7	9 to 11	11.4	10 to 12	8.8	5.5 to 7.5

Group guidance confirmed

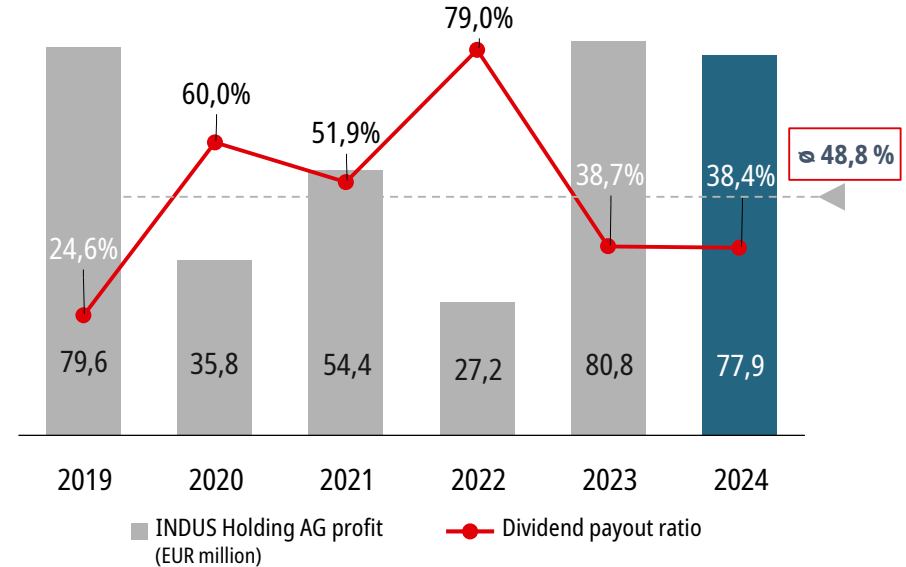
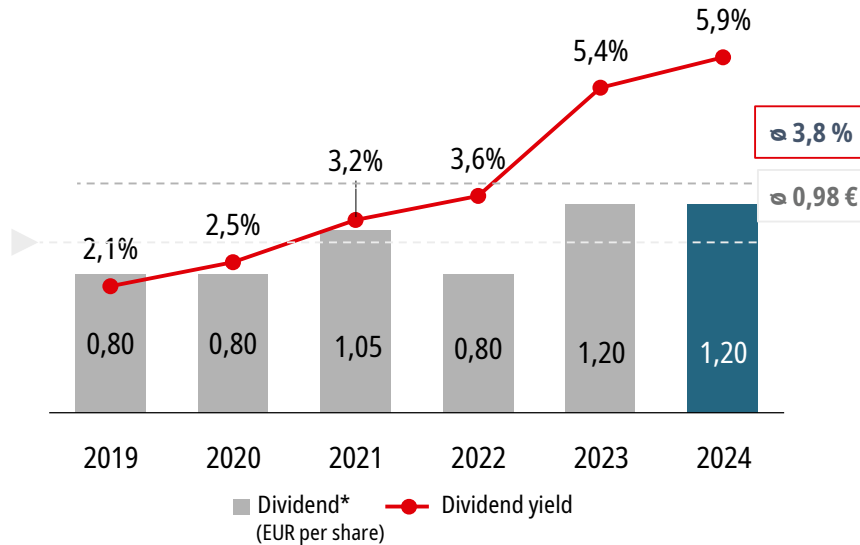
FY 2025 guidance for the group

Group	2024	Guidance 2025
Sales (EUR bn)	1.72	1.70 to 1.85
Adj. EBITA (EUR million)	153.7	130 to 165
Adj. EBITA margin (%)	8.9	7.5 to 9.0
Free Cash Flow (EUR million)	135.4	> 90

For further reading

Continuity in attractive dividend policy

INDUS



Regular participation of shareholders in business success

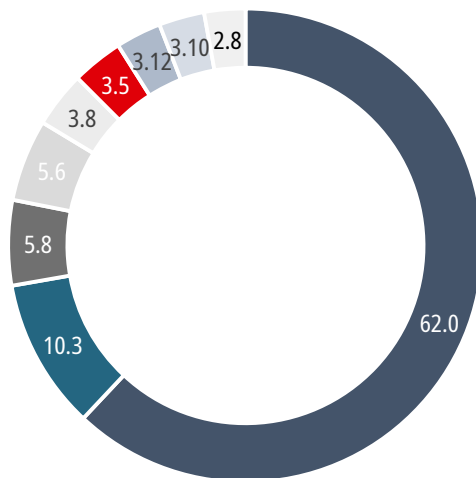
At least 50% of profits retained to strengthen the company

Up to 50% of profits distributed

Anchor shareholders support the company's long-term course

Current shareholder structure

Sharholder Structure as at 11 March 2025 (%)



■ Freefloat*

■ Protector Forsikring

■ Volkswagen Stiftung

■ Versicherungskammer Bayern

■ Wirtgen Invest Holding

■ Prof. Dr.-Ing. E.h. Friedhelm Loh

■ H.J. Selzer et al.

■ Treasury Shares**

■ Epina

* Deutsche Börse defines free float as all shares that are not held by major shareholders (who hold at least 5 % of the share capital). According to this definition, the free float is 78.3 %.

** The 904,441 shares bought back by the company do not carry voting or dividend rights.

WKN/ISIN	620010/EN 000 620 010 8
Foundation/IPO	1986/1995
Financial year	1 Jan. to 31 Dec.
Share capital	EUR 69.9 million
Number of shares	25,800,000 no-par value bearer shares
Last capital increase	26 March 2021
Free float	approx. 78%
Trading centres	XETRA, Düsseldorf, Frankfurt (regulated market) Tradegate Exchange, Berlin, Hamburg, Hannover, Munich, Stuttgart
Index	SDAX
Designated Sponsors	ICF BANK AG ODDO BHF

Contact

The background of the slide is a faded industrial scene showing a factory floor with various machines, conveyor belts, and storage bins. Some bins have the 'hauff-technik' logo on them. A semi-transparent white box is overlaid on the left side, containing contact information.

Contact

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Department: Investor Relations
Phone: +49 (0) 2204/40 00-32
Email: investor.relations@indus.de

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