

Sell (Buy) EUR 10.50 (EUR 10.00) Price EUR 10.55 Downside -0.5 %	Value Indicators: EUR DCF: 10.00 FCF-Value Potential 25e: 6.60	Warburg ESG Risk Score: 2.4 ESG Score (MSCI based): 3.0 Balance Sheet Score: 3.8 Market Liquidity Score: 0.5	Description: Leading POS systems with a focus on the gastronomy and bakery sector and couponing
	Market Snapshot: EUR m Market cap: 84.3 No. of shares (m): 8.0 EV: 99.0 Freefloat MC: 49.4 Ø Trad. Vol. (30d): 737.19 th	Shareholders: Freefloat 58.60 % Thomas Stümmeler 41.40 %	Key Figures (WRe): 2024e Beta: 1.3 Price / Book: 4.1 x Equity Ratio: 37 % Net Fin. Debt / EBITDA: 2.9 x Net Debt / EBITDA: 2.9 x

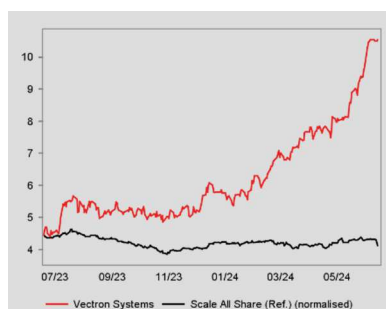
Shift4 waives 70%-condition; Downgrade to Sell

Against the background of the current offer by US-based Shift4 (see our First Glance dated June 03) and the subsequent intention to delist, we are downgrading the rating to Sell. The offer price of EUR 10.50 slightly surpassed our PT of EUR 10 per share and is thus considered to be fair.

On Friday, Vectron announced that **Shift4 is waiving the 70%-threshold condition**, as this mark has almost been reached already. This implies that ~30% of Vectron's shares were tendered or acquired by Shift4. The business combination agreement is thus now binding and the company will acquire the 41.4%-stake of CEO Thomas Stümmeler and subscribe to a 10% capital-increase as intended. The acceptance period for the voluntary offer will last until July 3.

Following the tender offer, a delisting of the Vectron shares is envisaged.

As the **current share price is already reflecting the offer price**, which is considered to be fair and as an improvement of the offer is highly unlikely, and in **light of the planned delisting, the rating is downgraded to sell**.

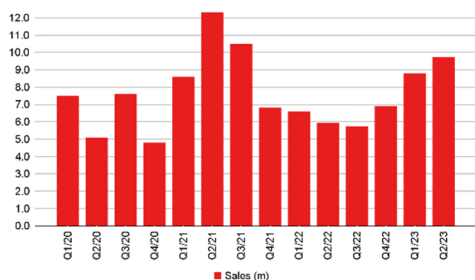


Rel. Performance vs Scale All Share	
1 month:	22.7 %
6 months:	74.8 %
Year to date:	85.6 %
Trailing 12 months:	145.6 %

Company events:	
19.06.24	AGM
02.09.24	Q2

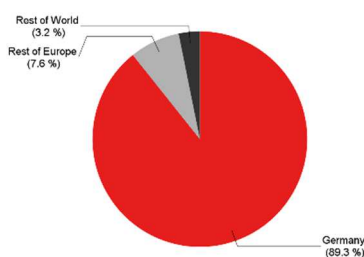
FY End: 31.12. in EUR m	CAGR (23-25e)	2019	2020	2021	2022	2023	2024e	2025e
Sales	18.0 %	25.2	25.0	38.2	25.2	37.0	45.0	51.5
Change Sales yoy		1.4 %	-0.7 %	52.9 %	-34.0 %	46.8 %	21.7 %	14.4 %
Gross profit margin		57.8 %	62.7 %	68.8 %	73.9 %	74.9 %	74.0 %	74.0 %
EBITDA	43.5 %	-1.4	-1.7	4.7	-3.9	3.7	5.0	7.7
Margin		-5.5 %	-6.7 %	12.3 %	-15.3 %	10.1 %	11.1 %	14.9 %
EBIT	1978.3 %	-1.8	-3.0	3.1	-5.4	0.0	2.1	4.8
Margin		-7.1 %	-12.0 %	8.2 %	-21.3 %	0.0 %	4.6 %	9.2 %
Net income	-	-1.4	-2.3	2.4	-5.3	-0.8	0.9	2.8
EPS	-	-0.19	-0.29	0.30	-0.66	-0.10	0.12	0.34
EPS adj.	133.3 %	-0.19	-0.29	0.30	-0.66	0.09	0.26	0.49
DPS	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend Yield		n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCFPS		-0.38	-0.31	1.03	-0.32	0.72	0.13	0.40
FCF / Market cap		-3.4 %	-3.0 %	9.4 %	-7.3 %	15.1 %	1.3 %	3.8 %
EV / Sales		n.a.	3.2 x	2.2 x	1.3 x	1.5 x	2.2 x	1.9 x
EV / EBITDA		n.a.	n.a.	17.7 x	n.a.	14.6 x	19.8 x	12.5 x
EV / EBIT		n.a.	n.a.	26.6 x	n.a.	n.a.	47.4 x	20.2 x
P / E		n.a.	n.a.	36.2 x	n.a.	n.a.	87.9 x	31.0 x
P / E adj.		n.a.	n.a.	36.2 x	n.a.	53.1 x	40.6 x	21.5 x
FCF Potential Yield		n.a.	-1.4 %	4.5 %	-11.9 %	9.8 %	3.8 %	5.8 %
Net Debt		-0.9	-3.2	-4.0	-1.2	15.8	14.7	11.5
ROCE (NOPAT)		n.a.	n.a.	11.8 %	n.a.	0.0 %	2.9 %	8.2 %
Guidance:		2024: Revenues EUR 41 - 45.5m; EBITDA EUR 4 - 6.2m						

Sales development
in EUR m



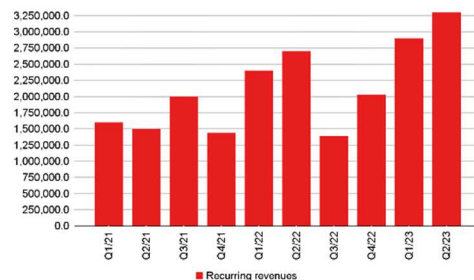
Source: Warburg Research

Sales by regions
2023; in %



Source: Warburg Research

Recurring revenues
in EUR m



Source: Warburg Research

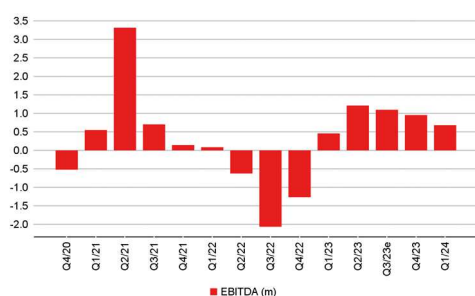
Company Background

- Vectron is a leading provider of POS systems. The products are positioned in the medium to premium segment. With its high degree of functionality, Vectron is one of the technology and innovation leaders.
- Vectron focuses on the market for proprietary POS systems (30% of the overall market). PC-based systems (bulk of the market) usually require higher maintenance and are primarily used by large chain stores.
- Vectron's market share is particularly high in the food service and bakery industries, where the company is market leader for proprietary systems in the German-speaking area with a market share of ca. 25%.
- Vectron has some 180 employees. About one-third are employed in development and product management as the company aims to maintain its position as technology leader.
- With the acquisition of acardo, Vectron establishes a second pillar in (digital) couponing, which should also provide cross-marketing opportunities with its POS business.

Competitive Quality

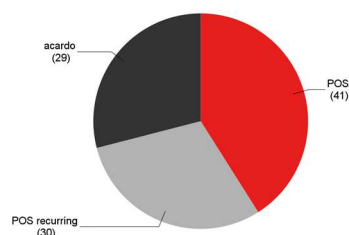
- Factors such as high reliability, ease of operation and low follow-up costs (maintenance/support) are required in the food service and bakery target sectors which are characterised by an atomistic customer structure.
- This explains the high penetration rate of the proprietary POS systems. Given that the large producers of POS systems mainly offer PC-based systems Vectron mainly has to face smaller competitors.
- Vectron differentiates itself from the mainly smaller competitors by rigorously pursuing the further development of the POS systems and thanks to the high additional use offered by wide functionality.
- By focusing on the premium segment, Vectron avoids the typical problems in the lower segment: solely differentiating on price. This is underpinned by gross margins of ca. 55% and ROCEs of well above 10%.
- Growth opportunities presently arise from the digitalisation of the hospitality sector and the new couponing business.

EBITDA development
in EUR m



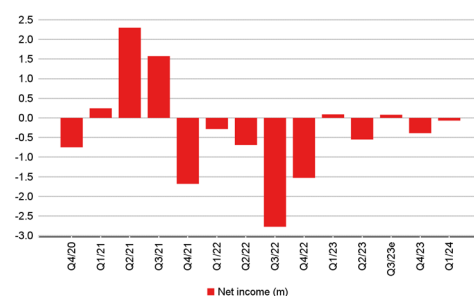
Source: Warburg Research

Recurring sales
2023; in %



Source: Warburg Research

Net income development
in EUR m



Source: Warburg Research

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	45.0	51.5	60.0	68.4	73.9	79.0	83.8	88.8	94.1	99.8	104.8	110.0	112.2	
Sales change	21.7 %	14.4 %	16.4 %	14.0 %	8.0 %	7.0 %	6.0 %	6.0 %	6.0 %	6.0 %	5.0 %	5.0 %	2.0 %	2.0 %
EBIT	2.1	4.8	7.4	9.6	10.3	11.1	11.7	12.4	13.2	14.0	14.7	15.4	15.7	
EBIT-margin	4.6 %	9.2 %	12.3 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	14.0 %	
Tax rate (EBT)	50.7 %	39.2 %	36.2 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	30.0 %	
NOPAT	1.0	2.9	4.7	6.7	7.2	7.7	8.2	8.7	9.2	9.8	10.3	10.8	11.0	
Depreciation	2.9	2.9	2.9	1.0	1.1	1.2	1.3	1.3	1.4	1.5	1.6	1.6	1.7	
in % of Sales	6.5 %	5.7 %	4.9 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	1.5 %	
Changes in provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Change in Liquidity from														
- Working Capital	2.0	1.9	1.9	4.1	0.8	0.8	0.7	0.8	0.8	0.8	0.7	0.8	0.3	
- Capex	0.9	1.0	1.1	1.1	1.2	1.3	1.3	1.4	1.5	1.6	1.7	1.8	1.8	
Capex in % of Sales	2.0 %	1.9 %	1.8 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	1.6 %	
- Other	0.9	0.9	17.9	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)	0.1	2.0	-13.3	2.5	6.3	6.9	7.4	7.9	8.3	8.8	9.4	9.9	10.6	11
PV of FCF	0.1	1.8	-11.1	1.9	4.5	4.5	4.4	4.3	4.2	4.1	4.0	3.9	3.8	58
share of PVs	-10.24 %			44.62 %										65.62 %

Model parameter

Derivation of WACC:		Derivation of Beta:	
Debt ratio	18.00 %	Financial Strength	1.20
Cost of debt (after tax)	3.2 %	Liquidity (share)	1.50
Market return	8.25 %	Cyclicality	1.10
Risk free rate	2.75 %	Transparency	1.40
		Others	1.30
WACC	8.69 %	Beta	1.30

Valuation (m)

Present values 2036e	31		
Terminal Value	58		
Financial liabilities	18		
Pension liabilities	0		
Hybrid capital	0		
Minority interest	0		
Market val. of investments	0		
Liquidity	9	No. of shares (m)	8.0
Equity Value	80	Value per share (EUR)	10.06

Sensitivity Value per Share (EUR)

Beta	WACC	Terminal Growth							Beta	WACC	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
1.52	9.7 %	7.62	7.77	7.94	8.12	8.31	8.52	8.74	1.52	9.7 %	6.75	7.20	7.66	8.12	8.58	9.04	9.50
1.41	9.2 %	8.41	8.60	8.80	9.02	9.25	9.50	9.77	1.41	9.2 %	7.54	8.03	8.53	9.02	9.51	10.01	10.50
1.36	8.9 %	8.85	9.06	9.28	9.52	9.78	10.05	10.35	1.36	8.9 %	7.98	8.50	9.01	9.52	10.03	10.55	11.06
1.30	8.7 %	9.32	9.55	9.80	10.06	10.35	10.65	10.99	1.30	8.7 %	8.46	8.99	9.53	10.06	10.59	11.13	11.66
1.24	8.4 %	9.83	10.08	10.35	10.65	10.96	11.30	11.68	1.24	8.4 %	8.98	9.53	10.09	10.65	11.20	11.76	12.31
1.19	8.2 %	10.37	10.65	10.95	11.28	11.63	12.01	12.43	1.19	8.2 %	9.54	10.12	10.70	11.28	11.86	12.44	13.02
1.08	7.7 %	11.60	11.94	12.31	12.72	13.16	13.65	14.18	1.08	7.7 %	10.82	11.45	12.09	12.72	13.36	13.99	14.63

- Increasing digitalization drives mid term sales and profitability increase
- High-margin couponing business supports positives earnings development

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	2019	2020	2021	2022	2023	2024e	2025e	
Net Income before minorities	n.a.	-2.3	2.4	-5.3	-0.8	0.9	2.8	
+ Depreciation + Amortisation	n.a.	1.3	1.6	1.5	3.7	2.9	2.9	
- Net Interest Income	n.a.	-0.1	0.0	-0.1	-1.4	-0.2	-0.2	
- Maintenance Capex	n.a.	0.3	0.3	0.3	0.3	0.3	0.3	
+ Other	n.a.	0.0	0.0	0.0	1.3	0.0	0.0	
= Free Cash Flow Potential	n.a.	-1.2	3.7	-4.0	5.3	3.8	5.6	
FCF Potential Yield (on market EV)	n/a	-1.4 %	4.5 %	-11.9 %	9.8 %	3.8 %	5.8 %	
WACC	8.69 %	8.69 %	8.69 %	8.69 %	8.69 %	8.69 %	8.69 %	
= Enterprise Value (EV)	n.a.	79.8	83.4	33.5	54.3	99.0	95.8	
= Fair Enterprise Value	n.a.	n.a.	42.9	n.a.	61.5	43.2	64.3	
- Net Debt (Cash)	n.a.	15.8	15.8	15.8	15.8	14.7	11.5	
- Pension Liabilities	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
- Other	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
- Market value of minorities	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
+ Market value of investments	n.a.	0.0	0.0	0.0	0.0	0.0	0.0	
= Fair Market Capitalisation	n.a.	n.a.	27.1	n.a.	45.7	28.5	52.8	
Number of shares, average	7.2	8.0	8.0	8.0	8.0	8.0	8.0	
= Fair value per share (EUR)	n.a.	n.a.	3.37	n.a.	5.68	3.54	6.56	
premium (-) / discount (+) in %						-66.5 %	-37.8 %	
Sensitivity Fair value per Share (EUR)								
	11.69 %	n.a.	n.a.	2.01	n.a.	3.74	2.17	4.54
	10.69 %	n.a.	n.a.	2.39	n.a.	4.28	2.55	5.10
	9.69 %	n.a.	n.a.	2.84	n.a.	4.92	3.00	5.78
WACC	8.69 %	n.a.	n.a.	3.37	n.a.	5.68	3.54	6.56
	7.69 %	n.a.	n.a.	4.09	n.a.	6.72	4.27	7.66
	6.69 %	n.a.	n.a.	5.00	n.a.	8.02	5.18	9.02
	5.69 %	n.a.	n.a.	6.23	n.a.	9.78	6.42	10.86

- Rising value indication with higher business volume...
- ...this is due to a high operating leverage given gross margins of >50%
- EUR 20m earn-out liability for acardo incorporated

Valuation	2019	2020	2021	2022	2023	2024e	2025e
Price / Book	5.8 x	3.6 x	3.4 x	1.7 x	1.9 x	4.1 x	3.6 x
Book value per share ex intangibles	1.88	2.89	3.05	2.45	-0.34	-0.07	0.43
EV / Sales	n.a.	3.2 x	2.2 x	1.3 x	1.5 x	2.2 x	1.9 x
EV / EBITDA	n.a.	n.a.	17.7 x	n.a.	14.6 x	19.8 x	12.5 x
EV / EBIT	n.a.	n.a.	26.6 x	n.a.	n.a.	47.4 x	20.2 x
EV / EBIT adj.*	n.a.	n.a.	26.6 x	n.a.	n.a.	30.1 x	16.1 x
P / FCF	n.a.	n.a.	10.6 x	n.a.	6.6 x	78.9 x	26.3 x
P / E	n.a.	n.a.	36.2 x	n.a.	n.a.	87.9 x	31.0 x
P / E adj.*	n.a.	n.a.	36.2 x	n.a.	53.1 x	40.6 x	21.5 x
Dividend Yield	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FCF Potential Yield (on market EV)	n.a.	-1.4 %	4.5 %	-11.9 %	9.8 %	3.8 %	5.8 %

*Adjustments made for: -

Company Specific Items	2019	2020	2021	2022	2023	2024e	2025e
Recurring revenues	n.a.	n.a.	6.5	8.5	13.0	n.a.	n.a.

Consolidated profit & loss

In EUR m	2019	2020	2021	2022	2023	2024e	2025e
Sales	25.2	25.0	38.2	25.2	37.0	45.0	51.5
Change Sales yoy	1.4 %	-0.7 %	52.9 %	-34.0 %	46.8 %	21.7 %	14.4 %
Increase / decrease in inventory	0.0	-0.1	0.2	-1.0	-0.2	0.0	0.0
Own work capitalised	0.0	0.4	0.1	0.0	0.5	0.4	0.5
Total Sales	25.2	25.3	38.5	24.2	37.3	45.5	52.0
Material expenses	10.7	9.6	12.2	5.6	9.6	12.2	13.9
Gross profit	14.5	15.7	26.3	18.6	27.7	33.3	38.1
<i>Gross profit margin</i>	<i>57.8 %</i>	<i>62.7 %</i>	<i>68.8 %</i>	<i>73.9 %</i>	<i>74.9 %</i>	<i>74.0 %</i>	<i>74.0 %</i>
Personnel expenses	9.3	9.6	12.0	12.4	13.5	14.3	15.0
Other operating income	0.3	0.9	0.1	0.2	3.1	0.3	0.5
Other operating expenses	7.0	8.6	9.7	10.2	13.6	14.3	15.9
Unfrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-1.4	-1.7	4.7	-3.9	3.7	5.0	7.7
<i>Margin</i>	<i>-5.5 %</i>	<i>-6.7 %</i>	<i>12.3 %</i>	<i>-15.3 %</i>	<i>10.1 %</i>	<i>11.1 %</i>	<i>14.9 %</i>
Depreciation of fixed assets	0.2	1.2	1.5	1.3	1.9	1.5	1.5
EBITA	-1.6	-2.9	3.2	-5.2	1.8	3.5	6.2
Amortisation of intangible assets	0.2	0.1	0.1	0.2	1.8	1.4	1.4
Goodwill amortisation	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	-1.8	-3.0	3.1	-5.4	0.0	2.1	4.8
<i>Margin</i>	<i>-7.1 %</i>	<i>-12.0 %</i>	<i>8.2 %</i>	<i>-21.3 %</i>	<i>0.0 %</i>	<i>4.6 %</i>	<i>9.2 %</i>
EBIT adj.	-1.8	-3.0	3.1	-3.9	-1.6	3.3	6.0
Interest income	0.0	0.2	0.3	0.2	0.5	0.0	0.0
Interest expenses	0.2	0.4	0.3	0.3	1.9	0.2	0.2
Other financial income (loss)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBT	-2.0	-3.1	3.1	-5.5	-1.4	1.9	4.6
<i>Margin</i>	<i>-7.8 %</i>	<i>-12.5 %</i>	<i>8.2 %</i>	<i>-21.7 %</i>	<i>-3.9 %</i>	<i>4.2 %</i>	<i>8.8 %</i>
Total taxes	-0.6	-0.8	0.7	-0.2	-0.7	1.0	1.8
Net income from continuing operations	-1.4	-2.3	2.4	-5.3	-0.8	0.9	2.8
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	-1.4	-2.3	2.4	-5.3	-0.8	0.9	2.8
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-1.4	-2.3	2.4	-5.3	-0.8	0.9	2.8
<i>Margin</i>	<i>-5.5 %</i>	<i>-9.2 %</i>	<i>6.4 %</i>	<i>-20.9 %</i>	<i>-2.1 %</i>	<i>2.1 %</i>	<i>5.4 %</i>
Number of shares, average	7.2	8.0	8.0	8.0	8.0	8.0	8.0
EPS	-0.19	-0.29	0.30	-0.66	-0.10	0.12	0.34
EPS adj.	-0.19	-0.29	0.30	-0.66	0.09	0.26	0.49

*Adjustments made for:

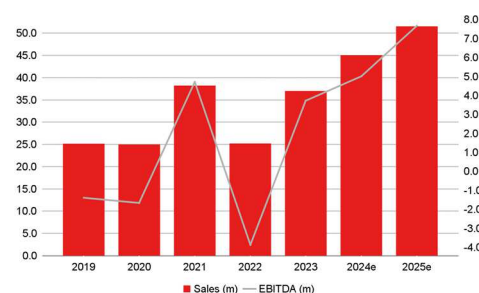
Guidance: 2024: Revenues EUR 41 - 45.5m; EBITDA EUR 4 - 6.2m

Financial Ratios

	2019	2020	2021	2022	2023	2024e	2025e
Total Operating Costs / Sales	105.6 %	107.7 %	88.4 %	111.5 %	90.8 %	89.8 %	86.1 %
Operating Leverage	-48.6 x	-103.6 x	n.a.	n.a.	n.a.	871.0 x	8.8 x
EBITDA / Interest expenses	n.m.	n.m.	16.0 x	n.m.	1.9 x	25.0 x	38.4 x
Tax rate (EBT)	28.7 %	26.0 %	22.0 %	3.4 %	46.4 %	50.7 %	39.2 %
Dividend Payout Ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Sales per Employee	156,331	139,676	211,199	140,094	144,590	276,344	299,628

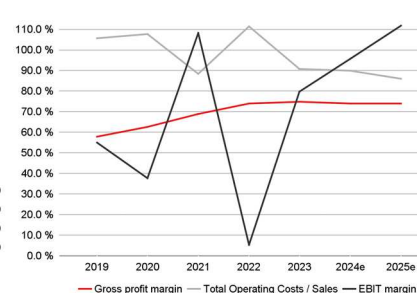
Sales, EBITDA

in EUR m

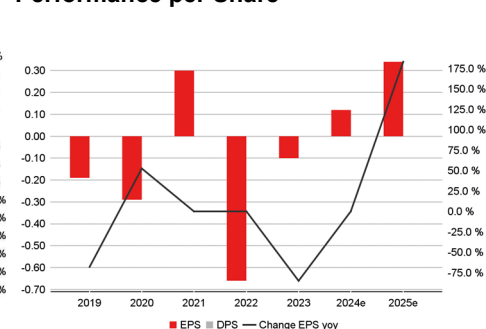


Operating Performance

in %



Performance per Share



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

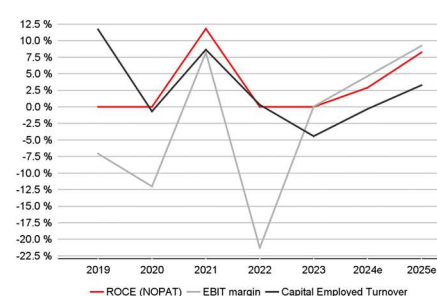
Consolidated balance sheet

In EUR m	2019	2020	2021	2022	2023	2024e	2025e
Assets							
Goodwill and other intangible assets	0.1	0.1	1.2	0.9	22.5	21.3	20.1
thereof other intangible assets	0.1	0.1	1.2	0.9	7.5	6.3	5.1
thereof Goodwill	0.0	0.0	0.0	0.0	14.9	14.9	14.9
Property, plant and equipment	0.5	1.9	9.6	8.6	7.7	6.9	6.2
Financial assets	2.1	2.1	0.4	0.5	0.0	0.0	0.0
Other long-term assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Fixed assets	2.6	4.0	11.2	10.1	30.2	28.1	26.2
Inventories	5.0	6.7	4.9	3.8	3.3	3.9	4.5
Accounts receivable	5.0	3.5	3.6	2.8	5.3	6.8	7.8
Liquid assets	11.3	8.3	19.9	12.6	8.9	9.3	11.8
Other short-term assets	2.8	9.4	8.2	7.4	7.8	7.7	7.3
Current assets	24.1	27.9	36.5	26.4	25.4	27.7	31.4
Total Assets	26.7	31.9	47.7	36.5	55.5	55.8	57.6
Liabilities and shareholders' equity							
Subscribed capital	7.3	8.0	8.1	8.1	8.1	8.1	8.1
Capital reserve	9.7	20.2	20.2	20.4	20.5	20.5	20.5
Retained earnings	0.0	0.0	0.0	0.0	0.0	0.9	3.7
Other equity components	-3.3	-5.0	-2.7	-8.0	-8.8	-8.8	-8.8
Shareholders' equity	13.8	23.2	25.6	20.5	19.8	20.7	23.5
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total equity	13.8	23.2	25.6	20.5	19.8	20.7	23.5
Provisions	1.2	0.3	0.2	0.2	0.3	0.3	0.3
thereof provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial liabilities (total)	10.4	5.1	15.8	11.4	24.7	24.0	23.3
Short-term financial liabilities	10.4	1.9	5.1	2.0	1.3	1.3	1.3
Accounts payable	0.9	2.3	3.2	1.9	3.8	4.9	5.6
Other liabilities	0.4	1.0	3.0	2.5	6.9	5.9	4.9
Liabilities	12.9	8.7	22.2	16.0	35.7	35.1	34.1
Total liabilities and shareholders' equity	26.7	31.9	47.7	36.5	55.5	55.8	57.6

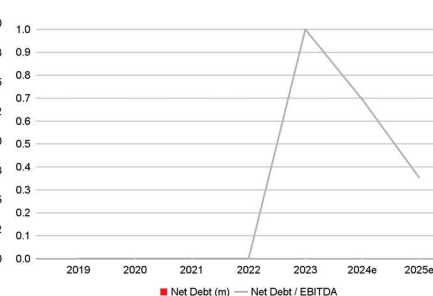
Financial Ratios

	2019	2020	2021	2022	2023	2024e	2025e
Efficiency of Capital Employment							
Operating Assets Turnover	2.6 x	2.6 x	2.6 x	1.9 x	4.6 x	4.9 x	5.0 x
Capital Employed Turnover	1.9 x	1.3 x	1.8 x	1.3 x	1.0 x	1.3 x	1.5 x
ROA	-52.7 %	-57.7 %	21.8 %	-52.3 %	-2.6 %	3.3 %	10.6 %
Return on Capital							
ROCE (NOPAT)	n.a.	n.a.	11.8 %	n.a.	0.0 %	2.9 %	8.2 %
ROE	-11.6 %	-12.5 %	10.0 %	-22.9 %	-3.8 %	4.6 %	12.5 %
Adj. ROE	-11.6 %	-12.5 %	10.0 %	-22.9 %	3.7 %	10.5 %	18.0 %
Balance sheet quality							
Net Debt	-0.9	-3.2	-4.0	-1.2	15.8	14.7	11.5
Net Financial Debt	-0.9	-3.2	-4.0	-1.2	15.8	14.7	11.5
Net Gearing	-6.5 %	-13.7 %	-15.8 %	-5.8 %	80.0 %	71.2 %	49.1 %
Net Fin. Debt / EBITDA	n.a.	n.a.	n.a.	n.a.	424.5 %	294.2 %	150.3 %
Book Value / Share	1.9	2.9	3.2	2.6	2.5	2.6	2.9
Book value per share ex intangibles	1.9	2.9	3.0	2.4	-0.3	-0.1	0.4

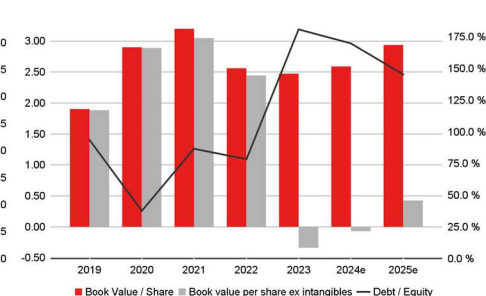
ROCE Development



Net debt in EUR m



Book Value per Share in EUR



Source: Warburg Research

Source: Warburg Research

Source: Warburg Research

Consolidated cash flow statement

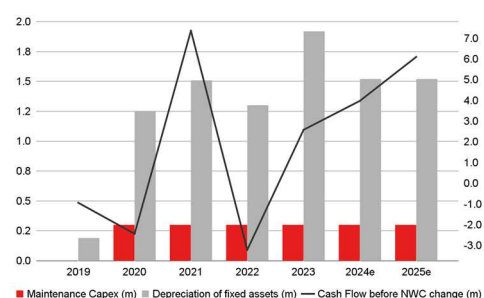
In EUR m	2019	2020	2021	2022	2023	2024e	2025e
Net income	-1.4	-2.3	2.4	-5.3	-0.8	0.9	2.8
Depreciation of fixed assets	0.2	1.2	1.5	1.3	1.9	1.5	1.5
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.2	0.1	0.1	0.2	1.8	1.4	1.4
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.1	0.0	0.0
Other non-cash income and expenses	0.1	-1.5	3.3	0.6	-0.4	0.1	0.4
Cash Flow before NWC change	-0.9	-2.4	7.4	-3.2	2.6	4.0	6.1
Increase / decrease in inventory	0.8	-1.8	1.8	1.2	0.5	-0.6	-0.6
Increase / decrease in accounts receivable	-2.7	1.6	-0.1	0.8	-2.6	-1.5	-1.0
Increase / decrease in accounts payable	0.3	1.4	0.9	-1.2	6.4	0.1	-0.3
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)	-1.6	1.2	2.5	0.8	4.3	-2.0	-1.9
Net cash provided by operating activities [1]	-2.5	-1.3	9.9	-2.4	6.9	2.0	4.2
Investments in intangible assets	-0.2	0.0	-1.2	-0.2	-0.5	-0.2	-0.2
Investments in property, plant and equipment	-0.4	-1.2	-0.5	-0.5	-0.5	-0.7	-0.8
Payments for acquisitions	0.0	0.0	0.0	0.0	-8.8	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.1	0.5	1.7	0.0	0.0	0.0	0.0
Net cash provided by investing activities [2]	-0.1	-0.7	0.1	-0.1	-9.8	-0.9	-1.0
Change in financial liabilities	-2.3	-10.4	1.6	-4.6	-0.6	-0.7	-0.7
Dividends paid	0.0	0.0	0.0	0.0	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	5.1	11.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	3.4	0.0	-1.2	0.0	0.0
Net cash provided by financing activities [3]	2.7	0.7	5.0	-4.6	-1.8	-0.7	-0.7
Change in liquid funds [1]+[2]+[3]	0.1	-1.3	15.0	-7.2	-4.8	0.4	2.5
Effects of exchange-rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash and cash equivalent at end of period	11.7	10.0	23.3	12.7	7.8	9.3	11.8

Financial Ratios

	2019	2020	2021	2022	2023	2024e	2025e
Cash Flow							
FCF	-2.7	-2.5	8.3	-2.5	5.8	1.1	3.2
Free Cash Flow / Sales	-10.8 %	-10.0 %	21.6 %	-10.1 %	15.7 %	2.4 %	6.2 %
Free Cash Flow Potential	n.a.	-1.2	3.7	-4.0	5.3	3.8	5.6
Free Cash Flow / Net Profit	196.0 %	108.0 %	338.8 %	48.2 %	-753.8 %	114.7 %	116.0 %
Interest Received / Avg. Cash	0.2 %	2.4 %	2.0 %	1.5 %	4.5 %	0.0 %	0.0 %
Interest Paid / Avg. Debt	1.7 %	4.7 %	2.8 %	2.6 %	10.7 %	0.8 %	0.8 %
Management of Funds							
Investment ratio	2.3 %	4.9 %	4.2 %	2.8 %	2.9 %	2.0 %	1.9 %
Maint. Capex / Sales	n.a.	1.2 %	0.8 %	1.2 %	0.8 %	0.7 %	0.6 %
Capex / Dep	148.7 %	91.7 %	102.9 %	46.6 %	28.8 %	30.8 %	34.2 %
Avg. Working Capital / Sales	32.8 %	33.8 %	17.3 %	19.7 %	6.6 %	2.9 %	6.3 %
Trade Debtors / Trade Creditors	541.0 %	150.5 %	112.9 %	141.4 %	139.6 %	138.8 %	139.3 %
Inventory Turnover	2.1 x	1.4 x	2.5 x	1.5 x	2.9 x	3.1 x	3.1 x
Receivables collection period (days)	73	50	34	40	53	55	55
Payables payment period (days)	32	87	94	127	146	147	147
Cash conversion cycle (Days)	211	219	88	158	-139	-80	-39

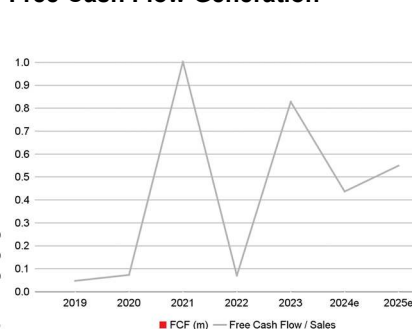
CAPEX and Cash Flow

in EUR m



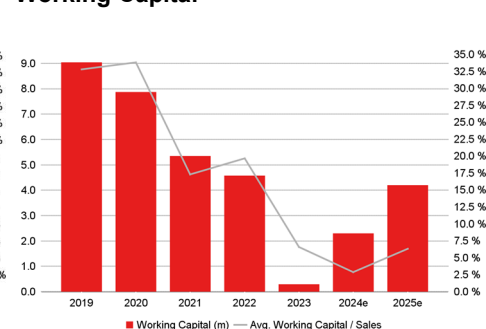
Source: Warburg Research

Free Cash Flow Generation



Source: Warburg Research

Working Capital



Source: Warburg Research

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Company	Disclosure	Link to the historical price targets and rating changes (last 12 months)
Vectron Systems AG	3, 5	https://www.mmwarburg.com/disclaimer/disclaimer_en/DE000A0KEXC7.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	70
Hold	45	22
Sell	9	4
Rating suspended	7	3
Total	203	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	45	79
Hold	9	16
Sell	0	0
Rating suspended	3	5
Total	57	100

PRICE AND RATING HISTORY VECTRON SYSTEMS AG AS OF 17.06.2024



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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