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# MS Industrie AG

**Germany | Transportation Equipment | MCap EUR 38.4m**

2 April 2026

UPDATE

# Weak Q4 weighs on FY25, FY26 outlook solid; Reiterate BUY

**BUY** (BUY)

| | |
|---|---|
| **Target price** | **EUR 2.20** (2.40) |
| Current price | EUR 1.28 |
| Up/downside | 71.9% |

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## What's it all about?

MS Industrie's preliminary FY25 results came in below expectations, as the strong momentum from Q1-Q3 did not carry into Q4, which showed a clear slowdown and weaker profitability driven by US ramp-up costs. On a full-year basis, core revenue remained broadly stable when adjusted for the MS Ultraschall divestment in the prior year base. Adjusted EBITDA, excluding ramp-up costs and FX effects, still showed a resilient underlying trend. Looking ahead, a solid order backlog supports FY26 growth expectations, driven by the core business and the US ramp-up into AI-related applications. While macro uncertainties remain, visibility is solid. Additional support comes from accounting tailwinds related to the Trossingen site acquisition, though we slightly trim profitability forecasts due to truck-cycle headwinds and weaker contributions from minority investments. Overall, we continue to see MS Industrie as well positioned, supported by strong OEM exposure, low capex needs and increasing diversification. We reiterate BUY with a revised PT of EUR 2.20 (from EUR 2.40).

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# MS Industrie AG

## Germany | Transportation Equipment | MCap EUR 38.4m | EV EUR 57.5m

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## Weak Q4 weighs on FY25, FY26 outlook solid; Reiterate BUY

**Weak Q4 breaks momentum.** MS Industrie has published its preliminary FY25 figures, which came in below our expectations as the positive trend observed from Q1-Q3 could not be sustained in Q4. Based on the FY25 prelims, Q4 revenues amounted to EUR 33.7m, up 14% yoy on a weak prior-year base, but down 6.6% vs. Q3, indicating a clear slowdown towards year-end. EBITDA came in at EUR -1.4m, compared to EUR -0.7m last year and EUR 1.2m in Q3 25, reflecting both lower volumes and continued cost pressure from the US ramp-up. On a full-year basis, FY25 revenues reached EUR 145m (mwb est. EUR 148.9m), down 15.3% yoy; however, this decline is related to MS Ultraschall revenues being included in H1 2024, before the business was sold in H2 2024, which resulted in a higher comparison base. Adjusted for this, revenues would have been up 3.6% yoy, pointing to a stable, growing core business. EBITDA amounted to EUR 4.0m, down 30.5% yoy, but includes EUR 1.7m ramp-up costs for the Charlotte US site and EUR -0.5m FX effects. Adjusted EBITDA of EUR 6.2m would have grown by 7.7% yoy, indicating solid performance. At the EBT level, results remained negative at EUR -5.4m, including EUR -1.3m from minority valuation effects. Further similar burdens are not unlikely, largely from the remaining minority stake in MS Ultraschall, which is currently under operational pressure.

**Strong backlog supports growth outlook.** Order momentum remains solid, with FY25-end backlog of EUR 78m, up around 7.7% yoy, and backlog of EUR 80m as of end-February for the next six months. This provides good visibility and supports FY26 revenue guidance of approx. EUR 155m, implying c.7% yoy growth, to be driven by a stable core business and the US ramp-up, expected to add c. EUR 5m in 2026, mainly from power supply components for AI data centers. Management remains cautious amid macro and geopolitical risks that could affect supply chains and demand, but the guidance appears well supported by the current order situation.

**Model adjusted.** FY26 will benefit from accounting tailwinds following the Trossingen site acquisition, as the elimination of lease expenses leads to a structural EBITDA uplift of around EUR 2.6m p.a. (fully effective from FY27, partly in FY26). Our revised estimates reflect this effect and the FY26 guidance, which we view as well supported by strong order visibility and the completed US ramp-up, implying no further EBITDA drag from this.

-continued-

| MS Industrie AG | 2022 | 2023 | 2024 | 2025P | 2026E | 2027E |
|---|---|---|---|---|---|---|
| Sales | 206.2 | 249.9 | 171.2 | 145.0 | 154.8 | 166.4 |
| *Growth yoy* | 25.2% | 21.2% | -31.5% | -15.3% | 6.8% | 7.5% |
| EBITDA | 15.1 | 18.1 | 5.8 | 4.0 | 12.1 | 15.0 |
| EBIT | 2.7 | 8.7 | -3.2 | -2.5 | 6.1 | 8.1 |
| Net profit | 1.2 | 4.7 | -3.9 | -3.8 | 2.0 | 5.0 |
| Net debt (net cash) | 88.7 | 48.0 | 18.0 | 17.3 | 39.9 | 33.2 |
| Net debt/EBITDA | 5.9x | 2.7x | 3.1x | 4.3x | 3.3x | 2.2x |
| EPS reported | 0.04 | 0.16 | -0.13 | -0.13 | 0.07 | 0.17 |
| DPS | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.07 |
| *Dividend yield* | 0.0% | 0.0% | 0.0% | 0.0% | 0.5% | 5.2% |
| Gross profit margin | 47.1% | 47.3% | 45.1% | 43.0% | 41.0% | 41.0% |
| EBITDA margin | 7.3% | 7.2% | 3.4% | 2.8% | 7.8% | 9.0% |
| EBIT margin | 1.3% | 3.5% | -1.8% | -1.7% | 4.0% | 4.9% |
| ROCE | 1.6% | 6.0% | -3.3% | -2.9% | 5.6% | 7.4% |
| EV/Sales | 0.6x | 0.3x | 0.3x | 0.4x | 0.5x | 0.4x |
| EV/EBITDA | 8.4x | 4.8x | 10.0x | 14.3x | 6.6x | 4.9x |
| EV/EBIT | 46.6x | 10.0x | -18.2x | -22.9x | 13.0x | 9.0x |
| PER | 32.5x | 8.2x | -9.8x | -10.2x | 19.5x | 7.7x |

Source: Company data, mwb research (FY25 fully ex. MS Ultraschall after sale in mid-2024)


Source: Company data, mwb research

| | |
|---|---|
| **High/low 52 weeks** | 1.88 / 1.17 |
| **Price/Book Ratio** | 0.6x |

**Ticker / Symbols**

| | |
|---|---|
| ISIN | DE0005855183 |
| WKN | 585518 |
| Bloomberg | MSAG:GR |

**Changes in estimates**

| | | Sales | EBIT | EPS |
|---|---|---|---|---|
| **2025P** | old | 148.9 | 2.3 | 0.02 |
| | Δ | -2.6% | na% | na% |
| **2026E** | old | 156.9 | 8.2 | 0.20 |
| | Δ | -1.4% | -25.0% | -67.1% |
| **2027E** | old | 166.4 | 11.3 | 0.30 |
| | Δ | 0.0% | -27.9% | -44.6% |

**Key share data**

| | |
|---|---|
| Number of shares: (in m pcs) | 29.97 |
| Book value per share: (in EUR) | 2.02 |
| Ø trading vol.: (12 months) | 5,718 |

**Major shareholders**

| | |
|---|---|
| MS ProActive (Board of Directors) | 15.0% |
| Reto Garzetti | 17.0% |
| Management | 10.0% |
| Kreissparkasse Biberach | 5.0% |
| Free Float | 53.0% |

**Company description**

Based in Germany, MS Industrie AG, through its subsidiary MS XTEC GmbH, specialises in precision components and systems for modern combustion engines. The focus is on the heavy-duty truck market, but the company is also expanding into other markets.

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However, we have lowered our profitability forecasts and increased slightly the beta due to ongoing truck-cycle headwinds and weaker-than-expected contributions from minority investments, which remain a near-term drag on earnings.

**Well positioned despite cyclical headwinds; Maintain BUY.** We continue to see MS Industrie as well positioned, supported by a high degree of automation and strong exposure to new engine platforms at Daimler Truck and Traton. A slower pace of truck electrification, driven by investment restraint from logistics companies in new technologies, could further extend the lifecycle of these platforms, benefiting MS Industrie. Capex requirements are expected to remain low in the coming years, as major investments have already been completed and OEMs are no longer planning new engine variants due to the shift toward electrification. At the same time, MS Industrie is advancing its diversification strategy beyond the traditional truck business, targeting areas such as defense and data center infrastructure. While the truck cycle remains weak and its recovery may be delayed, a normalization of demand combined with increasing diversification could offer meaningful upside over time. Against this backdrop, we reiterate our BUY rating but slightly lower our price target to EUR 2.20 (from EUR 2.40), implying still around 72% upside.

The following table displays the six-monthly performance of **MS Industrie AG:**

| P&L data | H2 2021 | H1 2022 | H2 2022 | H1 2023 | H2 2023 | H1 2024 | H2 2024 | H1 2025 |
|---|---|---|---|---|---|---|---|---|
| Sales | 80.8 | 97.0 | 109.1 | 128.0 | 121.9 | 109.2 | 62.0 | 75.2 |
| yoy growth in % | -11.1% | 15.8% | 35.0% | 32.0% | 11.7% | -14.7% | -49.2% | -31.1% |
| Gross profit | 38.2 | 49.0 | 48.2 | 66.6 | 51.8 | 56.8 | 20.4 | 31.4 |
| Gross margin in % | 47.2% | 50.5% | 44.2% | 52.0% | 42.5% | 52.1% | 32.9% | 41.7% |
| EBITDA | 3.2 | 10.0 | 5.1 | 11.7 | 6.3 | 7.9 | -2.0 | 4.2 |
| EBITDA margin in % | 4.0% | 10.3% | 4.6% | 9.2% | 5.2% | 7.2% | -3.3% | 5.6% |
| EBIT | -3.9 | 4.2 | -1.5 | 7.1 | 1.5 | 2.8 | -5.8 | 0.5 |
| EBIT margin in % | -4.8% | 4.4% | -1.4% | 5.5% | 1.2% | 2.5% | -9.4% | 0.7% |
| EBT | -4.6 | 3.2 | -2.5 | 5.8 | -0.3 | 0.5 | -6.8 | -0.9 |
| taxes paid | -1.2 | 0.5 | -0.7 | 1.1 | 0.1 | -1.6 | -0.8 | 0.5 |
| tax rate in % | 27.0% | 16.7% | 28.9% | 18.8% | na% | na% | na% | -52.9% |
| net profit | -3.0 | 2.5 | -1.4 | 4.7 | -0.2 | 2.0 | -5.9 | -1.4 |
| yoy growth in % | na% | na% | na% | na% | na% | na% | na% | -169.4% |
| **EPS** | **-0.10** | **0.08** | **-0.05** | **0.16** | **-0.01** | **0.07** | **-0.20** | **-0.05** |

Source: Company data; mwb research

## Business transformation: Overview of progress and company expectations

**Traditionally (until 2020)**

- Industries: 100% powertrain for commercial vehicles
- Machines: 4 axis milling, mainly special machines for each customer
- Personnel: manual handling and partly automated assembly; personnel cost >23%
- Quality: statistic samples by separate quality department
- Energy: 100% from external providers

**Now (2025)**

- Industries: 70% powertrain for heavy commercial vehicles; 30% offroad and new passenger car drives
- Machines: 5 axis milling; mainly standard machines; flexible automation and logistics by AGVs
- Personnel: mainly automated machine handling and semi-automated assembly; personnel cost ~20%
- Quality: embedded automated quality control / full traceability
- Energy: ~ 25% from own PV systems, ~ 10% by two own heat & power units

**Future (until 2030)**

- Industries: ~50% powertrain for heavy commercial vehicles; 50% all kind of industries (medical, aerospace …)
- Machines: existing standard 5 axis machines; flexible automation and logistics by AGVs
- Personnel: full automated machine handling and automated assembly; personnel cost <17%
- Quality: embedded automated quality control / full traceability
- Energy: ~ 25% from own PV systems, ~10% by two own heat & power units

Source: Company data; mwb research

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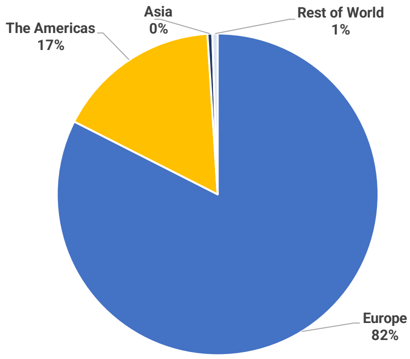
# Investment case in six charts

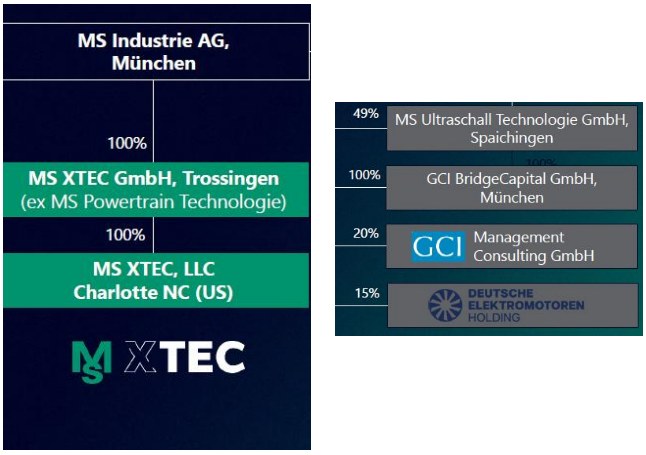
## Products & Services


## Regional sales split in % 2024

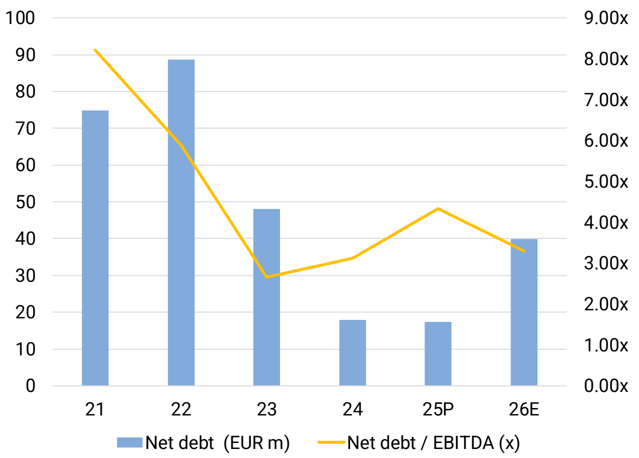



## Customers


## Corporate structure since mid-2024

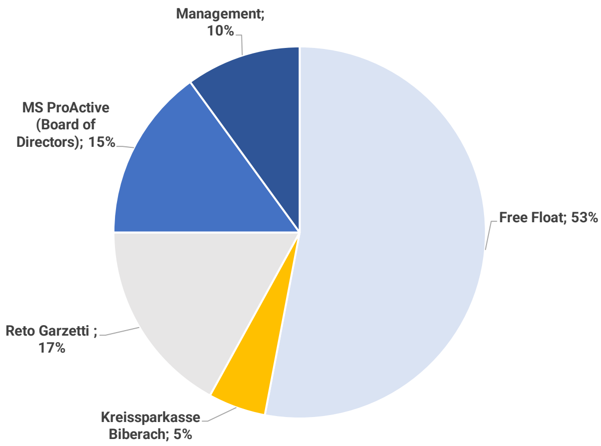



## Net debt and net debt/EBITDA




Source: Company data, mwb research

## Major Shareholders



# SWOT analysis

**Strengths**

- Highly automated production with full documentation and consistent quality products.
- Long-standing industry experience and established reputation.
- Long-term customer relationships.
- Products used in goods that find destination worldwide in growing markets.
- Highly skilled workforce of engineers and specialists.
- Flexible and adaptable to market demands, offering customized solutions.
- Long-term single-source agreements with a total volume of EUR 1.1bn over the next 5 to 10 years.

**Weaknesses**

- Dependence on a few large customers.
- Dependence on cyclical truck sector.
- Dependence on European framework conditions due to production in Europe and main European customers.
- Limited brand recognition in broader markets outside key sectors.

**Opportunities**

- Little medium-term CAPEX required as automation has been driven in recent years.
- Expansion into other product areas such as medical technology etc.
- Hydrogen engines where the MS XTEC products are also needed.

**Threats**

- Economic downturns affecting customer budgets and investment.
- Rapid technological changes.
- Conversion to electric motors for trucks in which MS XTEC present products are not required.

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# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 2.21 per share**:

**Top-line growth**: We expect MS Industrie AG to grow revenues at a CAGR of 4.2% between 2025P and 2032E. The long-term growth rate is set at 2.0%.

**ROCE**. Returns on capital are developing from -2.9% in 2025P to 6.4% in 2032E.

**WACC**. Starting point is a historical equity beta of 1.40. Unlevering and correcting for mean reversion yields an asset beta of 1.00. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 9.1%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.3 this results in a long-term WACC of 8.1%.

| DCF (EURm) (except per share data and beta) | 2025P | 2026E | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E | Terminal value |
|---|---|---|---|---|---|---|---|---|---|
| NOPAT | -1.7 | 4.6 | 6.1 | 5.7 | 5.9 | 5.6 | 4.9 | 5.1 | |
| Depreciation & amortization | 6.5 | 6.0 | 6.9 | 6.5 | 6.3 | 6.2 | 7.5 | 7.6 | |
| Change in working capital | 3.4 | -1.0 | -2.4 | -2.4 | -0.6 | -0.4 | -0.7 | -1.0 | |
| Chg. in long-term provisions | -4.5 | 0.7 | 0.8 | 0.7 | 0.4 | 0.3 | 0.3 | 0.3 | |
| Capex | -2.9 | -3.1 | -3.3 | -4.4 | -5.5 | -6.5 | -8.5 | -8.7 | |
| Cash flow | 0.7 | 7.1 | 8.0 | 6.1 | 6.5 | 5.2 | 3.5 | 3.2 | 54.3 |
| Present value | 0.7 | 6.7 | 7.0 | 4.9 | 4.9 | 3.6 | 2.2 | 1.9 | 32.2 |
| WACC | 7.9% | 8.1% | 8.1% | 8.1% | 7.9% | 7.9% | 7.9% | 7.9% | 8.1% |

| DCF per share derived from | |
|---|---|
| Total present value | 64.2 |
| Mid-year adj. total present value | 66.7 |
| Net debt / cash at start of year | 18.0 |
| Financial assets | 18.7 |
| Provisions and off b/s debt | 1.1 |
| Equity value | 66.2 |
| No. of shares outstanding | 30.0 |
| **Discounted cash flow / share** | **2.21** |
| **upside/(downside)** | **72.7%** |
| **Share price** | **1.28** |

| DCF avg. growth and earnings assumptions | |
|---|---|
| Planning horizon avg. revenue growth (2025P-2032E) | 4.2% |
| Terminal value growth (2032E - infinity) | 2.0% |
| Terminal year ROCE | 6.4% |
| Terminal year WACC | 8.1% |

| Terminal WACC derived from | |
|---|---|
| Cost of borrowing (before taxes) | 5.0% |
| Long-term tax rate | 25.0% |
| Equity beta | 1.40 |
| Unlevered beta (industry or company) | 1.00 |
| Target debt / equity | 0.3 |
| Relevered beta | 1.19 |
| Risk-free rate | 2.0% |
| Equity risk premium | 6.0% |
| Cost of equity | 9.1% |

**Sensitivity analysis DCF**

| Change in WACC (%-points) | Long term growth 1.0% | 1.5% | 2.0% | 2.5% | 3.0% |
|---|---|---|---|---|---|
| 2.0% | 1.7 | 1.7 | 1.8 | 1.8 | 1.9 |
| 1.0% | 1.9 | 1.9 | 2.0 | 2.0 | 2.1 |
| 0.0% | 2.0 | 2.1 | 2.2 | 2.3 | 2.4 |
| -1.0% | 2.3 | 2.4 | 2.5 | 2.7 | 2.9 |
| -2.0% | 2.6 | 2.8 | 3.0 | 3.3 | 3.7 |

| Share of present value | |
|---|---|
| 2025P-2028E | 30.1% |
| 2029E-2032E | 19.8% |
| terminal value | 50.1% |

Source: mwb research

## FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

**The adjusted Free Cash Flow Yield results in a fair value between EUR -0.42 per share based on 2025P and EUR 2.67 per share on 2029E estimates.**

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

| FCF yield in EURm | 2025P | 2026E | 2027E | 2028E | 2029E |
|---|---|---|---|---|---|
| **EBITDA** | **4.0** | **12.1** | **15.0** | **14.1** | **14.5** |
| - Maintenance capex | 6.5 | 6.0 | 6.9 | 6.5 | 6.3 |
| - Minorities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - tax expenses | -1.6 | 0.7 | 1.7 | 1.6 | 2.3 |
| **= Adjusted FCF** | **-0.9** | **5.5** | **6.5** | **6.0** | **5.9** |
| | | | | | |
| **Actual Market Cap** | **38.4** | **38.4** | **38.4** | **38.4** | **38.4** |
| + Net debt (cash) | 17.3 | 39.9 | 33.2 | 13.0 | 8.5 |
| + Pension provisions | 1.4 | 1.5 | 1.7 | 1.8 | 1.8 |
| + Off B/S financing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| - Financial assets | 18.7 | 18.7 | 18.7 | 1.7 | 1.7 |
| - Acc. dividend payments | 0.0 | 0.0 | 0.2 | 2.2 | 4.1 |
| *EV Reconciliations* | 0.1 | 22.7 | 16.0 | 10.9 | 4.6 |
| **= Actual EV'** | **38.5** | **61.1** | **54.4** | **49.3** | **43.0** |
| | | | | | |
| **Adjusted FCF yield** | **-2.3%** | **8.9%** | **11.9%** | **12.2%** | **13.8%** |
| base hurdle rate | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% |
| ESG adjustment | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| adjusted hurdle rate | 7.0% | 7.0% | 7.0% | 7.0% | 7.0% |
| **Fair EV** | **-12.5** | **78.1** | **92.4** | **85.9** | **84.5** |
| *- EV Reconciliations* | 0.1 | 22.7 | 16.0 | 10.9 | 4.6 |
| **Fair Market Cap** | **-12.6** | **55.4** | **76.5** | **75.0** | **79.9** |
| | | | | | |
| No. of shares (million) | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| **Fair value per share in EUR** | **-0.42** | **1.85** | **2.55** | **2.50** | **2.67** |
| **Premium (-) / discount (+)** | **-132.9%** | **44.3%** | **99.4%** | **95.5%** | **108.3%** |

| Sensitivity analysis FV | | | | | | |
|---|---|---|---|---|---|---|
| **Adjusted hurdle rate** | 5.0% | -0.6 | 2.9 | 3.8 | 3.6 | 3.8 |
| | 6.0% | -0.5 | 2.3 | 3.1 | 3.0 | 3.1 |
| | **7.0%** | **-0.4** | **1.8** | **2.6** | **2.5** | **2.7** |
| | 8.0% | -0.4 | 1.5 | 2.2 | 2.1 | 2.3 |
| | 9.0% | -0.3 | 1.3 | 1.9 | 1.9 | 2.0 |

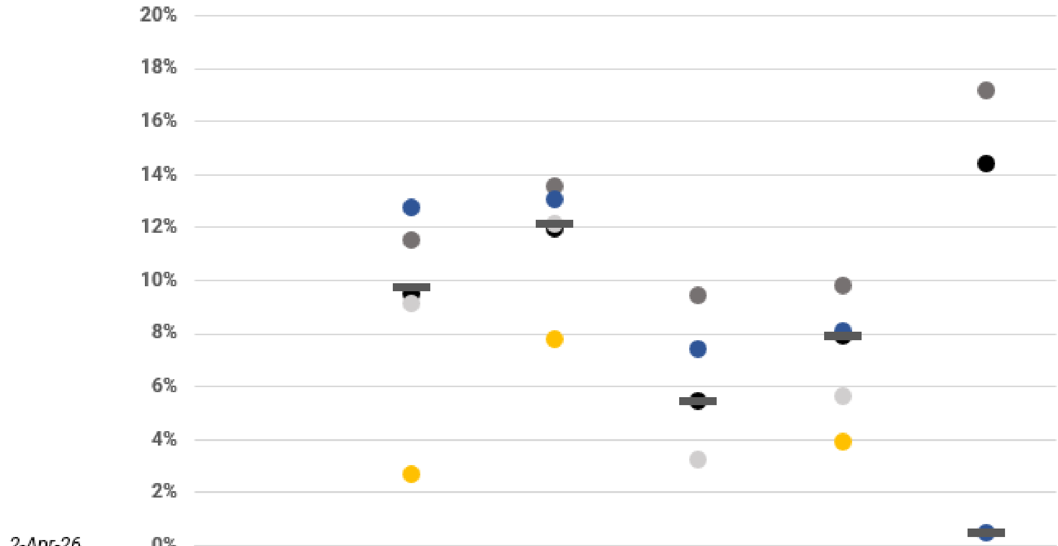
Source: Company data; mwb research

Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

## Peer group analysis

A peer group or comparable company ("comps") analysis is a methodology that calculates a company's relative value — how much it should be worth based on how it compares to other similar companies. Given that **MS Industrie AG** differs quite significantly in terms of size, focus, financial health and growth trajectory, we regard our peer group analysis merely as a support for other valuation methods. The peer group of MS Industrie AG consists of the stocks displayed in the chart below. As of 2 April 2026 the median market cap of the peer group was EUR 774.4m, compared to EUR 38.4m for MS Industrie AG. In the period under review, the peer group was more profitable than MS Industrie AG. The expectations for sales growth are higher for the peer group than for MS Industrie AG.

**Peer Group – Key data**



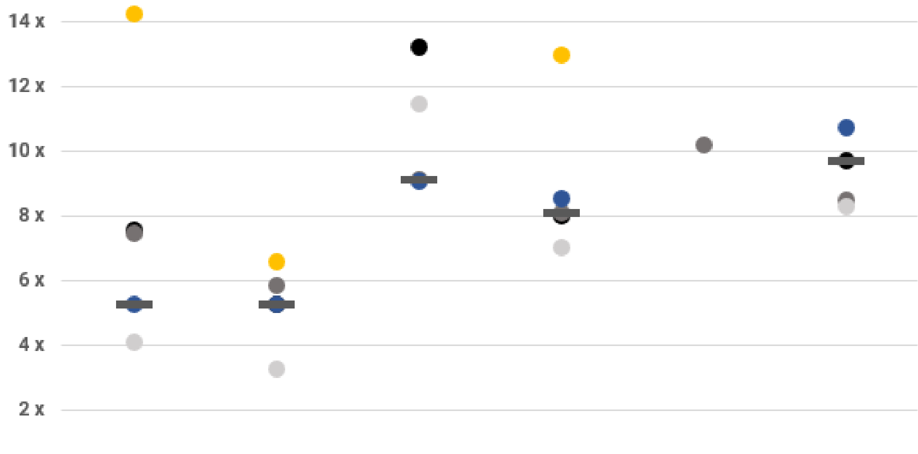

| | Market Cap (EURm) | EBITDA margin 2025 | EBITDA margin 2026 | EBIT margin 2025 | EBIT margin 2026 | Sales CAGR 2024-2027 |
|---|---|---|---|---|---|---|
| ● DEUTZ AG | 1.381 | 9,6% | 12,0% | 5,5% | 7,9% | 14,4% |
| ● JOST Werke SE | 841 | 11,5% | 13,6% | 9,5% | 9,8% | 17,2% |
| ● ElringKlinger AG | 324 | 9,1% | 12,2% | 3,3% | 5,7% | -0,5% |
| ● SAF-HOLLAND SE | 774 | 12,8% | 13,1% | 7,4% | 8,1% | 0,5% |
| ● MS Industrie AG | 38 | 2,8% | 7,8% | -1,7% | 4,0% | -0,9% |
| – Peer Group Median | 774 | 9,8% | 12,2% | 5,5% | 7,9% | 0,5% |

Source: FactSet, mwb research

Comparable company analysis operates under the assumption that similar companies will have similar valuation multiples. We use the following multiples: EV/EBITDA 2025, EV/EBITDA 2026, EV/EBIT 2025, EV/EBIT 2026, P/E 2025 and P/E 2026.

**Applying these to MS Industrie AG results in a range of fair values from EUR 0.13 to EUR 1.51.**

**Peer Group – Multiples and valuation**




| 2-Apr-26 | EV/EBITDA 2025 | EV/EBITDA 2026 | EV/EBIT 2025 | EV/EBIT 2026 | P/E 2025 | P/E 2026 |
|---|---|---|---|---|---|---|
| ● DEUTZ AG | 7,6x | 5,3x | 13,3x | 8,0x | 24,5x | 9,8x |
| ● JOST Werke SE | 7,5x | 5,9x | 9,1x | 8,1x | 10,2x | 8,5x |
| ● ElringKlinger AG | 4,1x | 3,3x | 11,5x | 7,0x | 21,6x | 8,3x |
| ● SAF-HOLLAND SE | 5,3x | 5,3x | 9,1x | 8,6x | 15,2x | 10,8x |
| ● MS Industrie AG | 14,3x | 6,6x | -22,9x | 13,0x | -10,2x | 19,5x |
| – Peer Group Median | 5,3x | 5,3x | 9,1x | 8,1x | 15,2x | 9,8x |
| Fair Value (EUR) | 0,08 | 1,51 | -1,39 | 1,04 | -1,92 | 0,64 |

Source: FactSet, mwb research

The following is a detailed description of the peer group and other major competitors (Source: FactSet):

**DEUTZ AG** engages in the development, design, manufacture, distribution, and servicing of diesel engines for professional applications. It operates through the DEUTZ Classic and DEUTZ Green segments. The DEUTZ Classic segment focuses on the development, production, distribution, and maintenance of diesel and gas engines. The DEUTZ Green segment is involved in all-electric and hybrid drives, hydrogen-powered drive solutions, mobile rapid charging stations, and the development of battery management hardware and software. The company was founded by Eugen Langen and Nicolaus August Otto on March 31, 1864 and is headquartered in Cologne, Germany.

**JOST Werke SE** engages in the production and supply of safety-critical components and systems for commercial vehicles. It operates through the following geographical segments: Europe, North America, and Asia, Pacific, and Africa. Its brands include JOST, ROCKINGER, TRIDEC, and Quicke. The company was founded in 1952 and is headquartered in Neu-Isenburg, Germany.

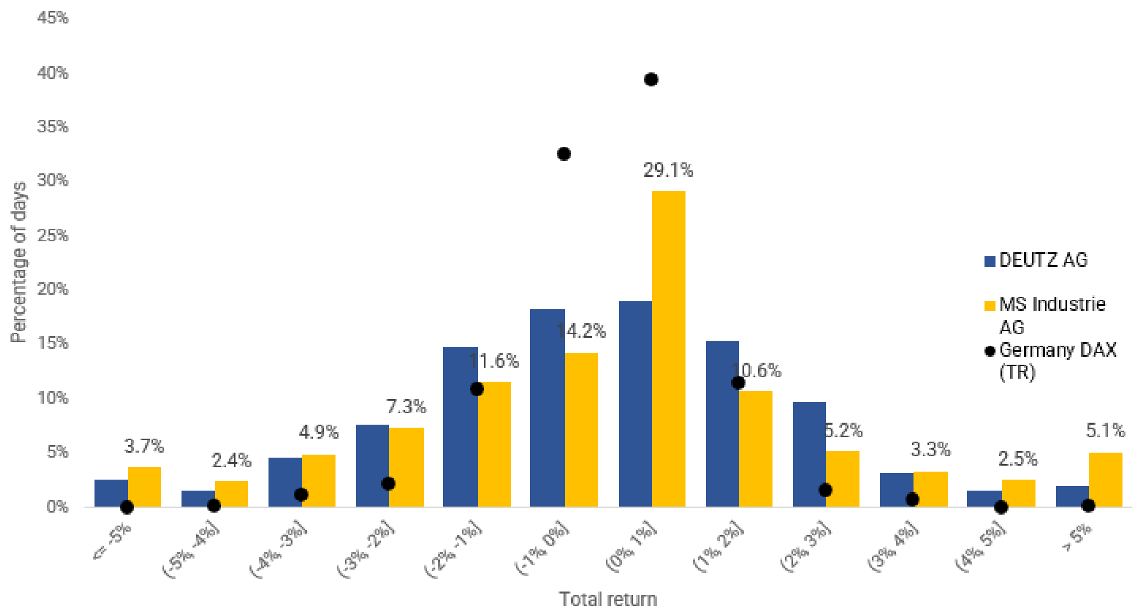
**ElringKlinger AG** engages in the provision of lightweight solutions, electromobility, sealing and shielding technology, tool technology and engineering services. It operates through the following segments: Original Equipment, Aftermarket, Engineered Plastics, and Other. The Original Equipment segment develops, manufactures, and sells products and assemblies destined for the automobile industry. The Aftermarket segment offers a range of gaskets, gasket sets, and service parts for the repair of engines, transmissions, exhaust systems, and auxiliary units in cars and commercial vehicles. The Engineered Plastics segment manufactures and markets a range of customized products made of plastic. The Other segment is composed of the activities of services and industrial parks segment. The company was founded in 1879 and is headquartered in Dettingen an der Erms, Germany.

**SAF-HOLLAND SE** operates as an international manufacturer of chassis-related assemblies and components for trailers, trucks, semi-trailers, and buses. The company product range includes axle and suspension systems for trailers as well as fifth wheels and coupling systems for trucks, trailers and semi-trailers as well as braking and EBS systems. The firm develops innovative products to increase the efficiency, safety and environmental friendliness of commercial vehicles. It markets its products under the SAF, Holland, Neway, KLL, V.Orlandi, TrailerMaster, and York brands. SAF-HOLLAND supplies manufacturers in the original equipment market in six continents. The company in the aftermarket business, supplies spare parts to manufacturers' service networks and wholesalers as well as to end customers and service centers via an extensive global distribution network. It primarily operates in Europe, the Middle East, Africa, the Americas, and the Asia Pacific. SAF-HOLLAND was founded on December 21, 2005, and is headquartered in Bessenbach, Germany.

# Risk

The chart displays the **distribution of daily returns of MS Industrie AG** over the last 3 years, compared to the same distribution for DEUTZ AG. We have also included the distribution for the index Germany DAX (TR). The distribution gives a better understanding of risk than measures like volatility, which assume that log returns are normally distributed. In reality, they are skewed (down moves are larger) and have fat tails (large moves occur more often than predicted). Also, volatility treats up and down moves the same, while investors are more worried about down moves. For MS Industrie AG, the worst day during the past 3 years was 02/04/2025 with a share price decline of -9.8%. The best day was 27/12/2023 when the share price increased by 14.5%.

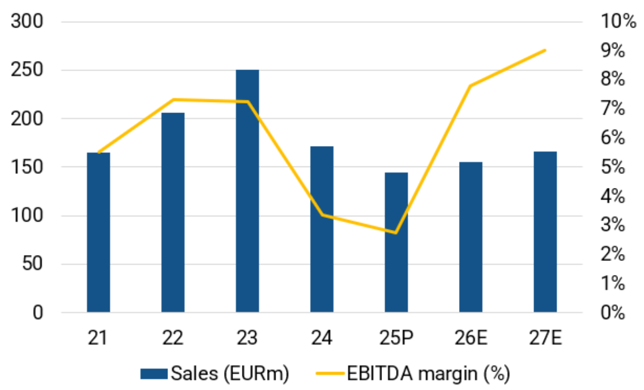
**Risk – Daily Returns Distribution (trailing 3 years)**



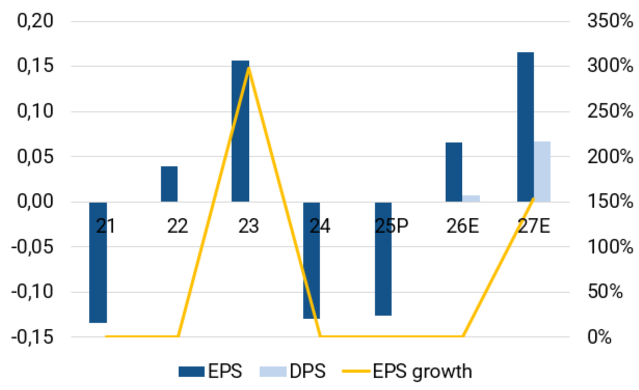

Source: FactSet, mwb research

# Financials in six charts

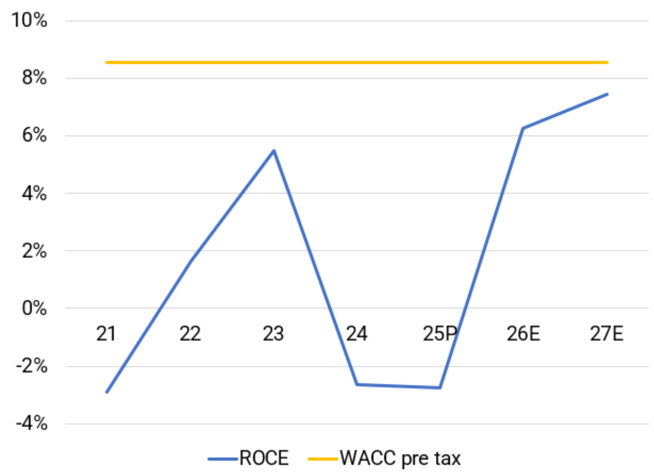
**Sales vs. EBITDA margin development**



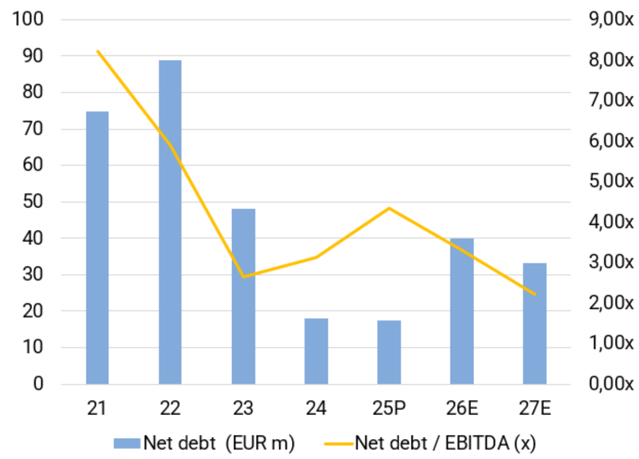

**EPS, DPS in EUR & yoy EPS growth**



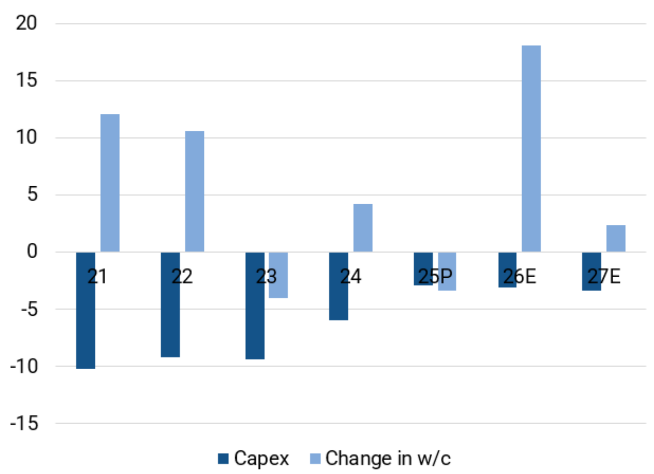

**ROCE vs. WACC (pre tax)**



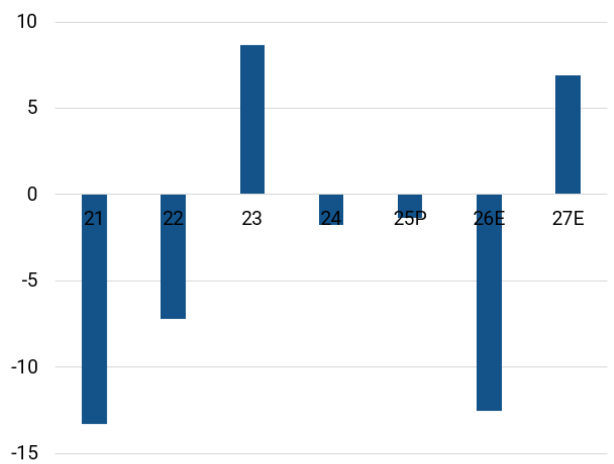

**Net debt and net debt/EBITDA**




**Capex & chgn in w/c requirements in EURm**




**Free Cash Flow in EURm**




Source: Company data; mwb research

mwb research

# Financials

| Profit and loss (EURm) | 2022 | 2023 | 2024 | 2025P | 2026E | 2027E |
|---|---|---|---|---|---|---|
| **Net sales** | **206.2** | **249.9** | **171.2** | **145.0** | **154.8** | **166.4** |
| Sales growth | 25.2% | 21.2% | -31.5% | -15.3% | 6.8% | 7.5% |
| Change in finished goods and work-in-process | 3.2 | -3.2 | -1.0 | 0.0 | 0.0 | 0.0 |
| **Total sales** | **209.4** | **246.8** | **170.1** | **145.0** | **154.8** | **166.4** |
| Material expenses | 112.2 | 128.5 | 92.9 | 82.6 | 91.3 | 98.2 |
| **Gross profit** | **97.2** | **118.2** | **77.2** | **62.3** | **63.5** | **68.2** |
| Other operating income | 6.9 | 4.9 | 4.8 | 0.0 | 0.0 | 0.0 |
| Personnel expenses | 57.7 | 62.5 | 43.8 | 27.7 | 25.9 | 26.6 |
| Other operating expenses | 31.2 | 42.5 | 32.4 | 30.6 | 25.5 | 26.6 |
| **EBITDA** | **15.1** | **18.1** | **5.8** | **4.0** | **12.1** | **15.0** |
| Depreciation | 12.4 | 9.4 | 8.9 | 6.5 | 6.0 | 6.9 |
| EBITA | 2.7 | 8.7 | -3.2 | -2.5 | 6.1 | 8.1 |
| Amortisation of goodwill and intangible assets | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **EBIT** | **2.7** | **8.7** | **-3.2** | **-2.5** | **6.1** | **8.1** |
| Financial result | -1.7 | -2.8 | -3.2 | -2.9 | -3.5 | -1.5 |
| Recurring pretax income from continuing operations | 1.0 | 5.9 | -6.3 | -5.4 | 2.6 | 6.6 |
| Extraordinary income/loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings before taxes | 1.0 | 5.9 | -6.3 | -5.4 | 2.6 | 6.6 |
| Taxes | -0.2 | 1.2 | -2.4 | -1.6 | 0.7 | 1.7 |
| Net income from continuing operations | 1.2 | 4.7 | -3.9 | -3.8 | 2.0 | 5.0 |
| Result from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Net income** | **1.2** | **4.7** | **-3.9** | **-3.8** | **2.0** | **5.0** |
| Minority interest | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net profit (reported) | 1.2 | 4.7 | -3.9 | -3.8 | 2.0 | 5.0 |
| Average number of shares | 29.93 | 29.97 | 29.97 | 29.97 | 29.97 | 29.97 |
| **EPS reported** | **0.04** | **0.16** | **-0.13** | **-0.13** | **0.07** | **0.17** |

| Profit and loss (common size) | 2022 | 2023 | 2024 | 2025P | 2026E | 2027E |
|---|---|---|---|---|---|---|
| **Net sales** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| Change in finished goods and work-in-process | 2% | -1% | -1% | 0% | 0% | 0% |
| **Total sales** | **102%** | **99%** | **99%** | **100%** | **100%** | **100%** |
| Material expenses | 54% | 51% | 54% | 57% | 59% | 59% |
| **Gross profit** | **47%** | **47%** | **45%** | **43%** | **41%** | **41%** |
| Other operating income | 3% | 2% | 3% | 0% | 0% | 0% |
| Personnel expenses | 28% | 25% | 26% | 19% | 17% | 16% |
| Other operating expenses | 15% | 17% | 19% | 21% | 16% | 16% |
| **EBITDA** | **7%** | **7%** | **3%** | **3%** | **8%** | **9%** |
| Depreciation | 6% | 4% | 5% | 4% | 4% | 4% |
| EBITA | 1% | 3% | -2% | -2% | 4% | 5% |
| Amortisation of goodwill and intangible assets | 0% | 0% | 0% | 0% | 0% | 0% |
| **EBIT** | **1%** | **3%** | **-2%** | **-2%** | **4%** | **5%** |
| Financial result | -1% | -1% | -2% | -2% | -2% | -1% |
| Recurring pretax income from continuing operations | 0% | 2% | -4% | -4% | 2% | 4% |
| Extraordinary income/loss | 0% | 0% | 0% | 0% | 0% | 0% |
| Earnings before taxes | 0% | 2% | -4% | -4% | 2% | 4% |
| Taxes | -0% | 0% | -1% | -1% | 0% | 1% |
| Net income from continuing operations | 1% | 2% | -2% | -3% | 1% | 3% |
| Result from discontinued operations (net of tax) | 0% | 0% | 0% | 0% | 0% | 0% |
| **Net income** | **1%** | **2%** | **-2%** | **-3%** | **1%** | **3%** |
| Minority interest | 0% | 0% | 0% | 0% | 0% | 0% |
| **Net profit (reported)** | **1%** | **2%** | **-2%** | **-3%** | **1%** | **3%** |

Source: Company data; mwb research

| Balance sheet (EURm) | 2022 | 2023 | 2024 | 2025P | 2026E | 2027E |
|---|---|---|---|---|---|---|
| **Intangible assets (exl. Goodwill)** | **2.7** | **3.4** | **0.0** | **0.0** | **0.0** | **0.0** |
| Goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Property, plant and equipment | 66.9 | 71.9 | 67.0 | 61.4 | 68.5 | 65.0 |
| Financial assets | 36.6 | 2.9 | 18.7 | 18.7 | 18.7 | 18.7 |
| **FIXED ASSETS** | **106.2** | **78.2** | **85.7** | **80.1** | **87.2** | **83.7** |
| Inventories | 40.2 | 51.1 | 18.2 | 21.3 | 22.5 | 25.6 |
| Accounts receivable | 49.5 | 31.2 | 22.3 | 16.7 | 17.8 | 19.2 |
| Other current assets | 5.8 | 20.4 | 0.3 | 0.3 | 0.3 | 0.3 |
| Liquid assets | 2.3 | 2.5 | 2.3 | 1.7 | 0.1 | 0.8 |
| Deferred taxes | 5.3 | 0.0 | 7.8 | 7.8 | 7.8 | 7.8 |
| Deferred charges and prepaid expenses | 1.1 | 1.2 | 1.1 | 0.0 | 0.0 | 0.0 |
| **CURRENT ASSETS** | **104.4** | **106.4** | **52.0** | **47.8** | **48.6** | **53.7** |
| **TOTAL ASSETS** | **210.5** | **184.6** | **137.6** | **127.8** | **135.8** | **137.4** |
| **SHAREHOLDERS EQUITY** | **71.7** | **64.8** | **60.5** | **56.7** | **58.7** | **63.5** |
| MINORITY INTEREST | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Long-term debt | 39.0 | 16.3 | 8.3 | 9.0 | 26.0 | 20.0 |
| Provisions for pensions and similar obligations | 0.0 | 0.0 | 1.1 | 1.4 | 1.5 | 1.7 |
| Other provisions | 8.1 | 29.0 | 13.6 | 8.7 | 9.3 | 10.0 |
| **Non-current liabilities** | **47.1** | **45.3** | **23.0** | **19.1** | **36.8** | **31.7** |
| short-term liabilities to banks | 52.1 | 34.2 | 11.9 | 10.0 | 14.0 | 14.0 |
| Accounts payable | 25.7 | 22.8 | 16.9 | 17.0 | 17.5 | 18.8 |
| Advance payments received on orders | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Other liabilities (incl. from lease and rental contracts) | 13.9 | 17.4 | 25.1 | 25.0 | 8.8 | 9.4 |
| Deferred taxes | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred income | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| **Current liabilities** | **91.7** | **74.4** | **54.1** | **52.0** | **40.3** | **42.3** |
| **TOTAL LIABILITIES AND SHAREHOLDERS EQUITY** | **210.5** | **184.5** | **137.6** | **127.8** | **135.8** | **137.4** |

| Balance sheet (common size) | 2022 | 2023 | 2024 | 2025P | 2026E | 2027E |
|---|---|---|---|---|---|---|
| **Intangible assets (excl. Goodwill)** | **1%** | **2%** | **0%** | **0%** | **0%** | **0%** |
| Goodwill | 0% | 0% | 0% | 0% | 0% | 0% |
| Property, plant and equipment | 32% | 39% | 49% | 48% | 50% | 47% |
| Financial assets | 17% | 2% | 14% | 15% | 14% | 14% |
| **FIXED ASSETS** | **50%** | **42%** | **62%** | **63%** | **64%** | **61%** |
| Inventories | 19% | 28% | 13% | 17% | 17% | 19% |
| Accounts receivable | 24% | 17% | 16% | 13% | 13% | 14% |
| Other current assets | 3% | 11% | 0% | 0% | 0% | 0% |
| Liquid assets | 1% | 1% | 2% | 1% | 0% | 1% |
| Deferred taxes | 3% | 0% | 6% | 6% | 6% | 6% |
| Deferred charges and prepaid expenses | 1% | 1% | 1% | 0% | 0% | 0% |
| **CURRENT ASSETS** | **50%** | **58%** | **38%** | **37%** | **36%** | **39%** |
| **TOTAL ASSETS** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |
| **SHAREHOLDERS EQUITY** | **34%** | **35%** | **44%** | **44%** | **43%** | **46%** |
| MINORITY INTEREST | 0% | 0% | 0% | 0% | 0% | 0% |
| Long-term debt | 18% | 9% | 6% | 7% | 19% | 15% |
| Provisions for pensions and similar obligations | 0% | 0% | 1% | 1% | 1% | 1% |
| Other provisions | 4% | 16% | 10% | 7% | 7% | 7% |
| **Non-current liabilities** | **22%** | **25%** | **17%** | **15%** | **27%** | **23%** |
| short-term liabilities to banks | 25% | 19% | 9% | 8% | 10% | 10% |
| Accounts payable | 12% | 12% | 12% | 13% | 13% | 14% |
| Advance payments received on orders | 0% | 0% | 0% | 0% | 0% | 0% |
| Other liabilities (incl. from lease and rental contracts) | 7% | 9% | 18% | 20% | 6% | 7% |
| Deferred taxes | 0% | 0% | 0% | 0% | 0% | 0% |
| Deferred income | 0% | 0% | 0% | 0% | 0% | 0% |
| **Current liabilities** | **44%** | **40%** | **39%** | **41%** | **30%** | **31%** |
| **TOTAL LIABILITIES AND SHAREHOLDERS EQUITY** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

Source: Company data; mwb research

| Cash flow statement (EURm) | 2022 | 2023 | 2024 | 2025P | 2026E | 2027E |
|---|---|---|---|---|---|---|
| Net profit/loss | 1.2 | 4.6 | -3.9 | -3.8 | 2.0 | 5.0 |
| Depreciation of fixed assets (incl. leases) | 11.6 | 9.4 | 8.8 | 6.5 | 6.0 | 6.9 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | -1.0 | -0.0 | 3.5 | -4.5 | 0.7 | 0.8 |
| Cash flow from operations before changes in w/c | 12.6 | 14.0 | 8.4 | -1.8 | 8.6 | 12.6 |
| Increase/decrease in inventory | 0.0 | 0.0 | 0.0 | -3.1 | -1.2 | -3.0 |
| Increase/decrease in accounts receivable | 0.0 | 5.7 | 0.0 | 5.6 | -1.1 | -1.3 |
| Increase/decrease in accounts payable | 13.5 | -1.7 | -14.1 | 0.1 | 0.5 | 1.3 |
| Increase/decrease in other w/c positions | -24.1 | 0.0 | 9.9 | 0.7 | -16.2 | 0.7 |
| Increase/decrease in working capital | -10.6 | 4.1 | -4.2 | 3.4 | -18.0 | -2.4 |
| **Cash flow from operating activities** | **2.0** | **18.0** | **4.2** | **1.6** | **-9.4** | **10.2** |
| CAPEX | -9.2 | -9.4 | -5.9 | -2.9 | -3.1 | -3.3 |
| Payments for acquisitions | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial investments | 0.4 | 2.1 | 0.2 | 0.0 | 0.0 | 0.0 |
| Income from asset disposals | 5.0 | 0.3 | 34.9 | 2.0 | 10.0 | 0.0 |
| **Cash flow from investing activities** | **-3.9** | **-7.0** | **29.2** | **-0.9** | **6.9** | **-3.3** |
| Cash flow before financing | -1.9 | 11.0 | 33.3 | 0.7 | -2.5 | 6.9 |
| Increase/decrease in debt position | 1.3 | -3.9 | -0.5 | -1.3 | 21.0 | -6.0 |
| Purchase of own shares | 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 |
| Dividends paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | -0.2 |
| Others | -8.4 | -6.1 | -10.0 | 0.0 | 0.0 | 0.0 |
| Effects of exchange rate changes on cash | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| **Cash flow from financing activities** | **-7.1** | **-9.9** | **-10.5** | **-1.3** | **21.0** | **-6.2** |
| Increase/decrease in liquid assets | -9.0 | 1.1 | 22.9 | -0.6 | 18.5 | 0.7 |
| **Liquid assets at end of period** | **-27.8** | **-26.7** | **-3.8** | **-4.5** | **14.0** | **14.7** |

Source: Company data; mwb research

| Regional sales split (EURm) | 2022 | 2023 | 2024 | 2025P | 2026E | 2027E |
|---|---|---|---|---|---|---|
| Domestic | 137.7 | 154.6 | 118.0 | 100.0 | 106.7 | 114.8 |
| Europe (ex domestic) | 31.7 | 37.8 | 23.1 | 19.6 | 20.9 | 22.5 |
| The Americas | 33.8 | 49.6 | 28.3 | 23.9 | 25.6 | 27.5 |
| Asia | 2.7 | 1.9 | 0.8 | 0.7 | 0.7 | 0.8 |
| Rest of World | 0.9 | 2.7 | 0.9 | 0.8 | 0.8 | 0.9 |
| **Total sales** | **206.2** | **249.9** | **171.2** | **145.0** | **154.8** | **166.4** |

| Regional sales split (common size) | 2022 | 2023 | 2024 | 2025P | 2026E | 2027E |
|---|---|---|---|---|---|---|
| Domestic | 66.8% | 61.9% | 68.9% | 68.9% | 68.9% | 68.9% |
| Europe (ex domestic) | 15.4% | 15.1% | 13.5% | 13.5% | 13.5% | 13.5% |
| The Americas | 16.4% | 19.9% | 16.5% | 16.5% | 16.5% | 16.5% |
| Asia | 1.3% | 0.8% | 0.5% | 0.5% | 0.5% | 0.5% |
| Rest of World | 0.4% | 1.1% | 0.5% | 0.5% | 0.5% | 0.5% |
| **Total sales** | **100%** | **100%** | **100%** | **100%** | **100%** | **100%** |

Source: Company data; mwb research

| Ratios | 2022 | 2023 | 2024 | 2025P | 2026E | 2027E |
|---|---|---|---|---|---|---|
| **Per share data** | | | | | | |
| Earnings per share reported | 0.04 | 0.16 | -0.13 | -0.13 | 0.07 | 0.17 |
| Cash flow per share | -0.35 | 0.29 | -0.16 | -0.16 | -0.51 | 0.11 |
| Book value per share | 2.40 | 2.16 | 2.02 | 1.89 | 1.96 | 2.12 |
| Dividend per share | 0.00 | 0.00 | 0.00 | 0.00 | 0.01 | 0.07 |
| **Valuation** | | | | | | |
| P/E | 32.5x | 8.2x | -9.8x | -10.2x | 19.5x | 7.7x |
| P/CF | -3.7x | 4.5x | -8.0x | -7.8x | -2.5x | 11.3x |
| P/BV | 0.5x | 0.6x | 0.6x | 0.7x | 0.7x | 0.6x |
| Dividend yield (%) | 0.0% | 0.0% | 0.0% | 0.0% | 0.5% | 5.2% |
| FCF yield (%) | -27.0% | 22.4% | -12.4% | -12.9% | -40.1% | 8.8% |
| EV/Sales | 0.6x | 0.3x | 0.3x | 0.4x | 0.5x | 0.4x |
| EV/EBITDA | 8.4x | 4.8x | 10.0x | 14.3x | 6.6x | 4.9x |
| EV/EBIT | 46.6x | 10.0x | -18.2x | -22.9x | 13.0x | 9.0x |
| **Income statement (EURm)** | | | | | | |
| Sales | 206.2 | 249.9 | 171.2 | 145.0 | 154.8 | 166.4 |
| yoy chg in % | 25.2% | 21.2% | -31.5% | -15.3% | 6.8% | 7.5% |
| Gross profit | 97.2 | 118.2 | 77.2 | 62.3 | 63.5 | 68.2 |
| Gross margin in % | 47.1% | 47.3% | 45.1% | 43.0% | 41.0% | 41.0% |
| EBITDA | 15.1 | 18.1 | 5.8 | 4.0 | 12.1 | 15.0 |
| EBITDA margin in % | 7.3% | 7.2% | 3.4% | 2.8% | 7.8% | 9.0% |
| EBIT | 2.7 | 8.7 | -3.2 | -2.5 | 6.1 | 8.1 |
| EBIT margin in % | 1.3% | 3.5% | -1.8% | -1.7% | 4.0% | 4.9% |
| Net profit | 1.2 | 4.7 | -3.9 | -3.8 | 2.0 | 5.0 |
| **Cash flow statement (EURm)** | | | | | | |
| CF from operations | 2.0 | 18.0 | 4.2 | 1.6 | -9.4 | 10.2 |
| Capex | -9.2 | -9.4 | -5.9 | -2.9 | -3.1 | -3.3 |
| Maintenance Capex | 12.4 | 9.4 | 8.9 | 6.5 | 6.0 | 6.9 |
| Free cash flow | -7.2 | 8.6 | -1.8 | -1.3 | -12.5 | 6.9 |
| **Balance sheet (EURm)** | | | | | | |
| Intangible assets | 2.7 | 3.4 | 0.0 | 0.0 | 0.0 | 0.0 |
| Tangible assets | 66.9 | 71.9 | 67.0 | 61.4 | 68.5 | 65.0 |
| Shareholders' equity | 71.7 | 64.8 | 60.5 | 56.7 | 58.7 | 63.5 |
| Pension provisions | 0.0 | 0.0 | 1.1 | 1.4 | 1.5 | 1.7 |
| Liabilities and provisions | 99.2 | 79.5 | 34.9 | 29.1 | 50.8 | 45.7 |
| Net financial debt | 88.7 | 48.0 | 18.0 | 17.3 | 39.9 | 33.2 |
| w/c requirements | 64.0 | 59.5 | 23.5 | 21.0 | 22.8 | 25.9 |
| **Ratios** | | | | | | |
| ROE | 1.6% | 7.2% | -6.4% | -6.7% | 3.4% | 7.8% |
| ROCE | 1.6% | 6.0% | -3.3% | -2.9% | 5.6% | 7.4% |
| Net gearing | 123.8% | 74.1% | 29.7% | 30.5% | 67.9% | 52.2% |
| Net debt / EBITDA | 5.9x | 2.7x | 3.1x | 4.3x | 3.3x | 2.2x |

Source: Company data; mwb research

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