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Opportunity engine; INITIATE with BUY

Steyr Motors is a rare **pure-play in defence-grade diesel propulsion**, combining a **patented monoblock engine** architecture with a **small-series production** model that delivers **unmatched power-to-weight ratios and extreme reliability**. This engineering edge enables Steyr to build **tailor-made engines** for military vehicles, boats and APUs where weight, size and resilience are **mission-critical and alternatives simply do not fit**.

The result is a **business embedded as single-source supplier** on frontline platforms such as Leopard 2, Hawkei and GRF, backed by **blue-chip OEMs** like Thales, KNDS, Rheinmetall and Urovesa. With **decades-long platform lives** and **limited competition**, Steyr converts technical superiority into **pricing power, customer lock-in** and unusually high earnings visibility for a niche industrial.

Steyr Motors enters a **structurally re-arming Europe** with a growth pipeline far larger than its current scale suggests, supported by c. **€ 300m of backlog into 2030e**. Defence budgets are rising, equipment shares are expanding, and decades of underinvestment in ground forces are driving a sustained procurement cycle in exactly the subsystems where Steyr is embedded. Main battle tank **APUs represent the strongest growth vector**, with Leopard 2 A8, KF51 Panther and potentially the K2, offering multi-year, high-probability demand. In parallel, internationalisation across Asia and the US, combined with the new mobile power unit, broadens Steyr's TAM and supports growth beyond its current core programmes.

Altogether, **sales are expected to grow at a 37% CAGR** between 2024-28e. At the same time, the **EBIT margin looks set to reach 21% by 2028e** (eNuW), vs. 2025 guidance of 13-16%, thanks to improving personnel utilization, as only c. 22% of Steyr Motors employees work in production. Importantly, the setup has spare capacity, as Steyr Motors is currently only operating a four day week with one shift model.

Positive news ahead: Steyr Motors' newly launched mobile power **generator is on track for first commercial orders in H1 '26e** (eNuW), adding a new leg of structural demand. Parallel **internationalisation continues to gain traction**, with further progress expected in China, India and the US. In addition, several large-scale defence programmes entering procurement in 2026 carry cumulative **revenue potential well above € 100m** for Steyr Motors, underpinning a pipeline that should act as a meaningful catalyst for the shares.

INITIATE Steyr Motors with **BUY, PT € 59**, based on DCF.

- continued -

Y/E 31.12 (EUR m)	2022	2023	2024	2025e	2026e	2027e
Sales	28.1	38.1	41.7	48.5	71.0	103.0
Sales growth	-30.6%	35.9%	9.2%	16.4%	46.4%	45.1%
EBITDA	1.4	-1.4	7.4	8.4	13.1	21.3
EBIT	0.4	-5.8	6.5	6.8	11.0	18.8
Adj. EBIT	0.4	3.6	10.1	6.8	11.0	18.8
Net income	0.2	-9.1	4.9	4.7	8.0	13.4
EPS reported	n.a.	n.a.	0.94	0.91	1.53	2.58
Net debt	-1.0	-5.3	-7.6	-5.4	-4.6	-5.2
FCF	-6.7	4.2	0.7	0.6	0.6	3.0
EBITDA margin	4.9%	-3.8%	17.8%	17.3%	18.5%	20.7%
EBIT margin	1.4%	-15.2%	15.5%	14.0%	15.5%	18.3%
ROCE	1.6%	-25.8%	28.3%	24.4%	34.0%	44.8%
EV/sales	n.a.	n.a.	1.6	3.4	2.3	1.6
EV/EBITDA	n.a.	n.a.	8.7	20.1	12.9	7.9
EV/EBIT	n.a.	n.a.	10.0	24.8	15.3	9.0
PER	n.a.	n.a.	14.8	36.8	21.8	12.9
Adjusted FCF yield	n.a.	n.a.	1.0%	0.4%	0.3%	1.8%

Source: Company Data, NuWays AG | e = estimate, p = preliminary

Close Price as of 02.12.2025

BUY

old: n.a.

Target

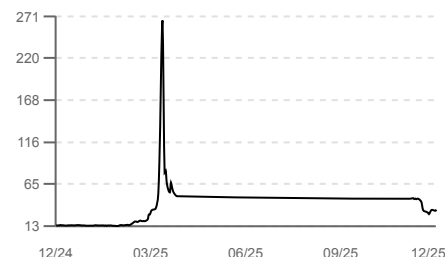
EUR 59.00

old: n.a.

Upside

76.6%

Share Performance



High/low 52 weeks (EUR)	266.0 / 13.1
3m rel. performance	-28.48%
6m rel. performance	-28.48%
12m rel. performance	142.03%

Market Data

Share Price (in €)	33.40
Market Cap (in € m)	173.68
Number of Shares (in m pcs)	5.20
Enterprise Value (in € m)	168.28
Ø Volume (6 Months, in k)	1,167

Ticker

Bloomberg	4X0 AV
WKN	A40TC4
ISIN	AT0000A3FW25

Key Shareholders

Free Float	80.00%
B&C Holding Österreich	20.00%

Guidance

Sales (2025): € 48-52m
Adj. EBIT margin (2025): 13-16%

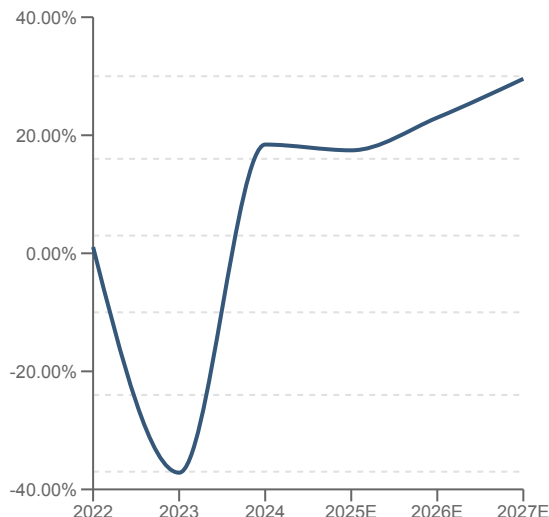
Forecast Changes

	2025e	2026e	2027e
Sales	-	-	-
EBIT	-	-	-

Company Profile

Steyr Motors is a leading producer of customized diesel engines for special situations. The engines are mainly used in military land vehicles, e.g. by the Australian forces, as well as in rigid inflatable boats, e.g. by the US Navy Seals. While the company's product core is only one diesel engine blueprint, the end-product is tailor-made with several modules and unique engineering additions.

Capital Efficiency



ROIC

Catalysts

- Sizable APU orders from KNDS (Leopard 2) and Siemens (locomotive)
- Sales and EBIT growth acceleration is expected near-term, thanks to a well filled international sales pipeline

Investment Case

- Steyr Motors is active in the niche of providing highly customized diesel engines powering defence platforms with high specification requirements. Defence accounts for c. 60% of sales.
- The company's USP rests on a long engineering legacy that was essentially focused on honing a monoblock engine design, which is then deeply customized for end clients in small-batch series. The result is a best-in-class power-to-weight ratio and reliability, which is key when human lives are at stake. Steyr Motors is, as a result, often a single-source provider on platforms that can span decades, providing earnings visibility.
- Steyr Motors is seen as a key beneficiary of the unfolding defence super-cycle forcing countries to rebuild capabilities in light of geopolitical tensions. We estimate a total sales CAGR of 37% and a 32% adj. EBIT CAGR 2024-28E.

Upcoming Events

SWOT Analysis

Strengths

- Unique engineering moat. Patented monoblock architecture, best-in-class power-to-displacement ratios (up to 70 kW/l) and lightweight construction (<300 kg) underpin a defensible USP in mission-critical applications.
- Deep customization capability. Small-series production enables tailor-made engines and APUs; high lock-in effects; usually IP remains fully with Steyr.
- Blue-chip customer base. Thales, KNDS, Rheinmetall, Urovesa, Siemens as well as end-customers incl. Bundeswehr, US Navy Seals and more validate reliability and brand reputation.

Weaknesses

- High customer and program concentration. A few core programmes (Hawkei, VAMTAC, Leopard 2 APU, etc.) represent a material share of sales.
- Limited scale. Production of c1,000 engines p.a. today; scaling APU capacity requires capex and increases execution risk.
- Factoring utilization. Low accounts receivable due to factoring usage improves liquidity but might signal structural working-capital tightness.

Opportunities

- APUs as structural growth leg. Tanks become more energy-hungry; Steyr has unmatched APU performance and effectively almost no competition.
- Internationalization. Growing foothold in APAC
- Defence super-cycle. Budgets and equipment share set to rise in Europe

Threats

- Competitive encroachment. Cummins, Iveco, CAT or Deutz could decide to invest more aggressively into Steyr's niche as defence visibility improves.
- Geopolitical barriers. Export restrictions, sanctions or regional instability could delay programmes or constrain supply chains.
- Governmental procurement delays. Defence acquisition cycles are inherently political and subject to shifting budget priorities, elections, coalition negotiations and parliamentary approvals.

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Company overview

		Group
Products	 Following bespoke engineering work, the diesel engine is produced in a 2-, 4- and 6- cylinder version with advanced customization features to allow for a high power to weight ratio. The engines are mainly used in military land vehicles, in tanks or locomotives as APUs and on boats such as RIB or rescue boats. The mobile power generator is a new product with expected serial production to start in H2 2026e. 	
Sales 2025e (eNuW, € m)		48.5
Sales split H1 25	Geographical split RoW 3% Asia 22% North America 5% Europe 69% Defence vs. civilian (eNuW: defence expected to grow faster, and is seasonally stronger in Q4) Civil 42% Defence 58%	
Market position	Market leading in small niche of high performance low weight diesel engines	
Distribution	Aprox. 60% is delivered to the key account directly, c. 35% is sold to distributors and c. 5% is sold to smaller customers (eNuW).	
Customers		
Customer concentration	Top 1: 26% Top 2: 16% No other >10%	
End users		
Competitors	Large diversified players, focused on volumes and less on the niche: mainly Cummins, next to General Motors, Iveco, Deutz, Yanmar, Volvo Penta and CAT	
Raw materials and suppliers	Metal casting, forging and machining (c. 30 major suppliers) Sub systems like oil pumps, injection equipment, starter motors, alternators, etc. (c. 10 major suppliers) Electrical systems, harnesses, control units, sensors, etc. (c. 10 major suppliers)	
Material expense ratio 2025E (eNuW)		54.0%
Production site	Located in Steyr, Austria, with a modern production area and office building. Principally, the production site also offers expansion capacity.	
Capacity utilisation	Currently, the company runs one shift four days a week. This enables an output of c.1,000 engines per year and 125 APUs per year. Total line capacity, when working in one shift with more personnel, is at 2,000 engines per year.	
EBIT 2025e (eNuW, € m)		6.8
EBIT margin 2025e (eNuW)		14.0%
ROCE 2025e (eNuW)		24.4%

Source: Company data, NuWays

Quality

1. High-performance engineering as the foundation

Steyr's engines are defined by **unusually high power-to-displacement ratios** (up to 70 kW/l), multi-fuel capability and compact, **lightweight** construction (<300kg weight). This combination is rare even among large engine OEMs and is decisive for military vehicles, special forces craft and applications requiring air transportability.

The core of this advantage is **Steyr's patented monoblock architecture**. By eliminating the separate cylinder head and gasket, Steyr creates a lighter, more compact and more durable engine that is inherently resistant to thermal and mechanical stress. Few competitors have anything comparable, and almost none combine it with the same small-series flexibility, to our knowledge (also see below for an example).

In fact, a comparison between Steyr Motors 4-cylinder engine (name: M14) with the 4-cylinder diesel engine produced by Deutz for military applications (name: TCD 5.2) shows that Steyr Motors engine has 69% more power per kg and 75% more power per litre of displacement. In sum, weight savings on whole drive-train of up to 500kg compared to engines of mass-producing competitors are possible due to the high-power density of Steyr Motors' engines. Below is also a comparison based on 6-cylinder versions.

Similarly, the new mobile power unit from Steyr Motors is weighing 40% less and has 65% less volume than a competing generator from Cummins with similar output.

Engine and power generator comparison

Engines	Steyr Motors M16 SCI	Deutz versatile diesel engine	BMW X6 diesel engine	Generators	Steyr Motors M12 PU	Cummins 30RMP-1060A	CAT XQP30
							
Power to weight	0.71 kW/kg	0.29 kW/kg	n.a.	Output	32kVA	31kVA	30kVA
Power to displacement	62.5 kW/l	29.5 kW/l	70.0 kW/l	Weight	600kg	1005kg	1230kg
Defence grade	✓	✗	✗	Noise	70db	70db	72db
Customizable	✓	✗	✗	Size (in mm)	L 1200, H 800, W 850	L 1913, H 1346, W 914	L 2150, H 1583, W 1120
				Defence-grade	✓	✓	Not in this version

Source: Company data, Deutz, BimmerToday, Cummins, CAT, NuWays

2. A century of engineering refinement

The company's **lineage reaches back to 1864** and the Steyr-Daimler-Puch conglomerate, one of Europe's historic centres of automotive and defence engineering. Their M1 engine series, today the backbone of Steyr's range, **introduced direct injection, intercooling and turbocharging to set industry standards** at reliability and performance. When a JV with BMW shifted focus away from the technology, also due to project delays, Steyr-Daimler-Puch continued refining the platform independently from 1983 onwards, ultimately securing unique IP that underpins Steyr Motors current competitive edge.

Decades of iteration have produced engines capable of operating with low acoustic and thermal signatures, extreme cold-start requirements, saltwater exposure, high altitudes and continuous full-load operation - the exact scenarios military customers care about most.

3. Customisation that creates lock-in effects, not complexity

Steyr's blueprint strategy, one core engine concept adapted for land or sea, primary or auxiliary power, and different cylinder counts, gives the company **economies of scope** that large manufacturers cannot easily replicate.

Around this base engine, **Steyr can engineer/integrate new subsystems**: charging systems, front end auxiliary drive systems (FEAD), gearbox interfaces, fuel systems, multi-fuel density compensation, electronic control units and software features.

This modularity lets the company deliver platforms that fit into extremely tight weight, size and performance envelopes. For customers, this is not a “nice-to-have”, it is often the difference between meeting a tender requirement and being excluded.

Because each defence **engine is custom-tailored**, the platform becomes effectively wedded to Steyr’s technology. The IP stays with Steyr, and there is **no off-the-shelf alternative** that fits the same specifications.

4. A market with very few serious competitors

Only few engine manufacturers play in the defence-grade diesel engine space to our knowledge and their typical engine weights are above Steyr’s focus: Cummins, Iveco, GM, CAT and Deutz. Most global players simply cannot justify the engineering effort and operational flexibility needed to serve projects where volumes can be as few as 100 engines spread over multiple years. According to Steyr, **Cummins by far is seen most often in tenders**.

5. Production designed for low-volume excellence

Steyr’s production setup is intentionally built for small batches. ISO 9001 certification (quality management), marine and **NATO-relevant approvals**, and stringent quality controls reinforce its positioning in high-stakes markets. Small-series manufacturing allows rapid design change, low inventory requirements, close quality supervision and flexible integration of customised subsystems.

Small series production setup



Source: Company data, NuWays

7. A respected brand with blue-chip customers

Steyr’s early-mover advantage and consistent performance have built a **customer list that instantly signals credibility**: Thales, KNDS, Urovesa, Rheinmetall, Siemens and others. End users include the Bundeswehr, US Navy and Australian Defence Force. Reference customers who expect only the best. **Combat-proven performance** (e.g. in Afghanistan, Congo, Lebanon) further strengthens trust.

8. Single-source status that converts engineering into profit

When a platform integrates a Steyr engine, switching becomes unfeasible:

- **No technical need**: engines are reliable, and lifetimes (10+ years or 10,000 hours in marine) remove replacement pressure.
- **No direct alternative**: there is no second tailor-made engine that matches the exact specifications.
- **IP remains with Steyr**: any competitor would need a new multi-year development cycle and spent often € >1m.

Moreover, once a defence customer has selected a Steyr engine for a platform, the default assumption becomes: **stay with what works**.

This explains why Steyr participates as sole engine/APU supplier on platforms like the **Hawkei** (Thales), **GRF/Mammoth** (Defenture) and **Leopard 2 A8** (KNDS), and why the company has been able to **push through meaningful price increases** (>40% on some engines since 2022).

Moreover, Steyr Motors has a 75% market share in the **VAMTAC**, which is very similar to the US HumVee. It is used by 14 nations and produced by Urovesa, Steyr Motors largest customer (c.26% of FY sales).

9. Multi-decade visibility through long-lived programmes

Defence platforms last decades. Looking at the HumVee as a reference case, although not directly containing a Steyr Motors engine: it was introduced in 1985 with maintenance likely to stretch into 2040e (eNuW). The Hawkei and VAMTAC, which contain Steyr Motors engines, should share a similar total lifetime with currently no end of useful life in sight.

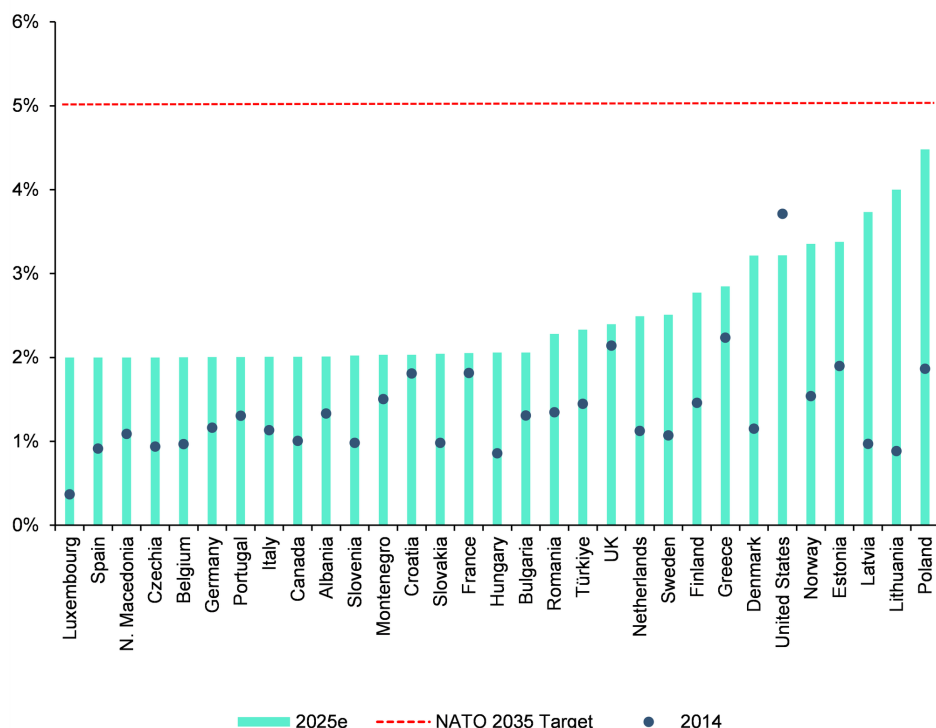
With Steyr's engines embedded as single-source components, future revenue visibility spans decades.

Growth

Defence super cycle summary

Defence spending in Europe is entering a **structurally higher trajectory**, underpinned by political commitment and favourable financing rules. **Germany's decision to exempt defence expenditures above 1% of GDP from the debt brake effectively creates a "whatever-it-takes" funding mechanism** for procurement programmes. Across the EU, defence spending stood at roughly 1.9% of GDP in 2024 but is expected to rise meaningfully as member states work towards NATO's long-term target of 5% of GDP by 2035, including 3.5% for core defence capabilities.

NATO spending (in % of GDP)



Source: NATO, NuWays

Crucially, the **budget mix is shifting**: the **equipment share** of the defence budgets in the EU **looks set to reach 40% by 2027e**, compared to c.31% in 2024 (source: Rheinmetall and eNuW).

Moreover, out of **€ 355bn** of planned defence investments through 2041 in Germany, around **€ 52.5bn** are allocated to ground-based combat vehicles (source: hartpunkt) - the exact categories Steyr is exposed to.

Importantly, **Steyr's revenue base is firmly tied to European demand**: c.62% of 2024 sales were generated in Europe, the clear majority of which stemmed from defence programmes, while non-European revenues remain mostly civilian in nature (eNuW).

Defence requirements favour diesel power

Diesel remains the dominant propulsion and power source in defence because alternatives have difficulties matching its physics: it delivers materially **higher energy density per litre than gasoline**, provides superior torque across a range of engine speeds, is safer to handle and store, and offers high durability thanks to slower combustion and fewer mechanical stress points. Equally important, it is fully **embedded in existing military logistics**, from fuel supply chains to maintenance infrastructure. Diesel should hence also remain the go-to technology for military applications, in our view.

Significant catch-up potential to tank fleet of cold war period

The German Armed Forces had reduced its fleet of active Leopard 2 tanks from over 2,000 in 1990 to just above 300 in 2008. As re-equipment efforts have just started, there remains a noticeable catch-up to achieving prior readiness levels.

And with that, **APU demand is on the rise**. APUs have become an integral subsystem in modern and upgraded main battle tanks (MBTs) because they solve a fundamental operational problem: the growing power demand of onboard electronics. An APU sales price is seen between € 70-90k, reflecting only c.0.5% of the total tanks price (eNuW).

Europe's most widely deployed MBT, the **Leopard 2**, offers the largest opportunity for Steyr Motors, as it is the tank's exclusive APU supplier. For Germany, **123 Leopard 2 A8 units were ordered already** (delivery until 2030) and an additional **75 units are to be ordered in 2026e**, according to Germany's defence Minister Pistorius in November. For security reasons, Pistorius kept further order plans a secret. However, he **excluded** that it would be 500 or more units, which makes us re-interpret an earlier Bloomberg report that anticipated a total 1,000 units for the German MoD.

Now, the **1,000 unit figure is rather likely reflecting European demand combined under the German framework agreement**. For example, the Czech MoD ordered 44 Leopard 2 under the German framework agreement with the option of 14 additional units in September. Further customers like Spain and Baltic countries could be the next to order, on a customer base that already includes 15 European countries.

Cumulative sales for Steyr Motors linked to this Leopard 2 rearmament cycle could be up to € 100m over the next 10 years (eNuW).

Next generation MBTs also look set to utilize Steyr Motors APU. Earlier in 2025, Steyr Motors signed a **partnership with Rheinmetall**. It marked Steyr Motors' entry into the KF51 Panther programme (eNuW), a direct contender for Europe's **next generation main battle tank** platform. **Italy has already ordered 272 units** from the Rheinmetall/Leonardo JV (eNuW: price per unit at c. € 80k-100k) and industry news suggest that this figure is going to be stepped up to 380 units (source: army recognition, eNuW: total revenue potential of c.€ 30m). In addition, **Hungary and Finland** are projected to order the Panther in 2028e (source: Rheinmetall; eNuW: cumulative revenue potential of c.€ 8m). Rheinmetall's deliveries are seen to accelerate meaningfully in 2029e and are expected to peak in 2031e (eNuW).

In addition, Steyr Motors is **in discussions with Hyundai Rotem**, the producer of the K2 MBT for delivery into Poland.

Steyr Motors could also enter a **German howitzer mid-term**, which is so far not equipped with an APU, to our knowledge, but where relations to KNDS/Rheinmetall are already set up via other programmes.

Light vehicle demand also likely to pick up

Details on **platforms for the special forces** are limited due to confidentiality. Nonetheless, European users of Defenture's GRF and MAMMOTH, including Germany, Netherlands, Austria and Poland, are seeing budget increases, which points towards additional demand. In 2025, Steyr has already received orders worth several millions from Defenture.

Meanwhile, **Japan is seen to replace its ageing fleet of nearly 2,000 Komatsu 4x4 Light Armored Vehicles (LAVs)**. Contenders are the **Thales Hawkei, which includes a Steyr Motors engine**, and General Dynamics Land Systems' "Eagle", employing a Cummins engine.

Trials are currently ongoing, and the winner will be selected based on demonstration results. A decision is expected for the end 2025e. Should Thales win the contract, this would require c.100 engines from Steyr Motors p.a., in our view. That being said, the total number of new vehicles is still under consideration according to the Japanese MoD (eNuW: 900).

Civil internationalisation continues to make progress

In 2025e, Steyr Motors has **added several new key accounts** and the list should continue to grow in light of **strong momentum and a new emission certificate for China**, that Steyr Motors was recently able to acquire.

Key orders in 2025 from new partnerships include:

- € >5m order with Golden Arrow Marine (UK) and with listed Petros Petropoulos AEBE (Greece)
- € 65m over five years (starting 2026) derived from a JV with Shangyan Power (Singapore). Steyr Motors is seen to hold 51% of the JV
- Long term framework agreement with Taurus Sea Power (Poland)
- Multiple framework agreements with combined volume of € >20m with partners in the UK, China, Italy and France for maritime applications
- € 15m framework contract with Laborde Products (USA)
- € 10m with Ghatge Patil Industries (India)
- € 10m frame contract with Brazilian distribution (eNuW)
- Two-year contract with Palfinger (eNuW: € 3m)

Expanding into mobile power generation: another growth leg

Steyr is expanding into mobile diesel power generation with the M12 Power Unit, a 32 kVA / 600 kg system derived from the company's APU engine platform. The targeted power class (≤60 kW) represents roughly 80% of the growing global diesel generator market, which is estimated at \$ 18-21bn in 2024 (sources: Grand View Research, bcc Research, Fortune Business Insights).

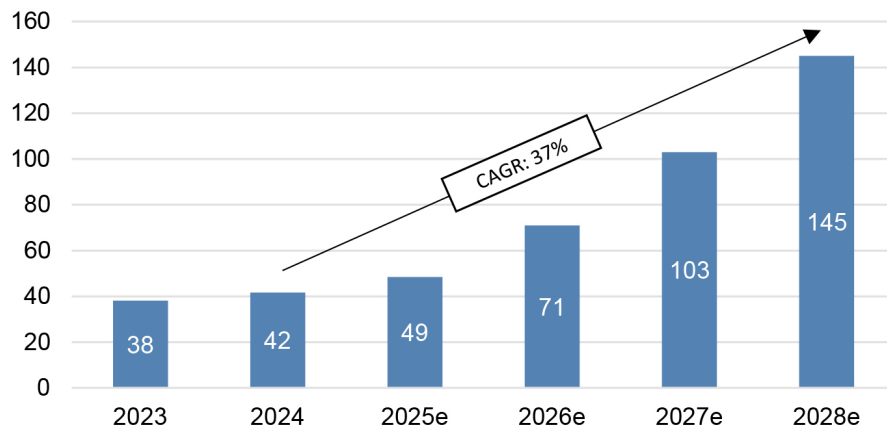
The product is **aimed at mission-critical defence** and humanitarian use cases such as **radar nodes, counter-UAS systems, base camps** and field hospitals, where high power density, mobility and reliability are key purchasing criteria.

Series production is planned for H2 26e, with first meaningful volumes expected from 2027e. **Discussions with potential customers are already ongoing**. Steyr aims for cumulative revenues of € >100m by 2030e, although commercial visibility remains limited at this stage. Scaling a new product line to € 100m will likely take time, but the **technical profile appears competitive** (saving 40% in weight and 60% in volume vs comparable Cummins military generators) and supports our assumption of an incremental growth contribution (partly reflected in NuW estimates).

Financial overview

Thanks to strong market growth, ongoing internationalisation efforts and a **backlog of € 300m** (consisting of fixed orders, frame contracts and committed sales into 2030e), **sales are expected to grow at a 37% CAGR** into 2028e.

Sales forecast (€ m)



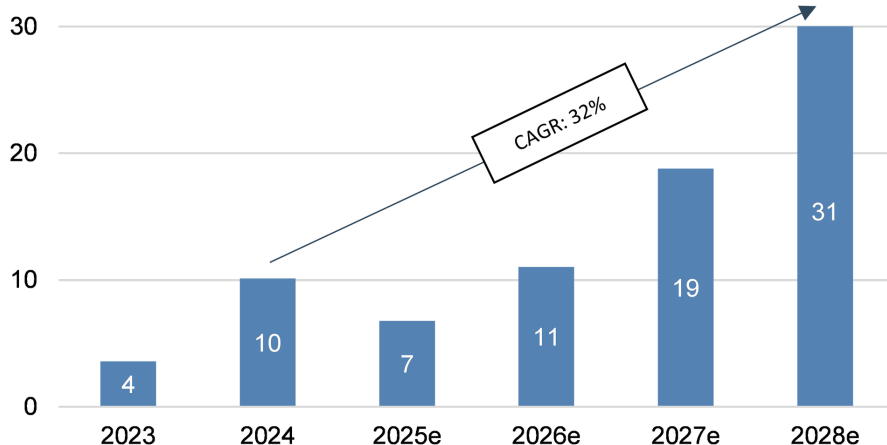
Source: Company data, NuWays

Steyr Motors' **self-set ambition to reach € 140m in sales by 2027e** is expected to be reached, but only in 2028e (eNuW), reflecting order delays for the K2 MBT, and several ramp-up programs e.g. on the Panther or the Leopard 2 expected to reach full swing only by the end of the decade. Similarly, Hensoldt has recently highlighted that their mid-term growth targets (until 2030e) are back-end loaded as well.

That said, Steyr Motors ambitious growth **targets were formulated before European spending announcements** made in 2025 (i.e., before new NATO targets and before Germany's debt brake adjustment) and should thus have become more achievable since.

EBIT should show a similarly strong acceleration to € 31m by 2028e (eNuW), reflecting margin of 21%.

EBIT outlook (adj. in 2023-24 for one-offs, € m)

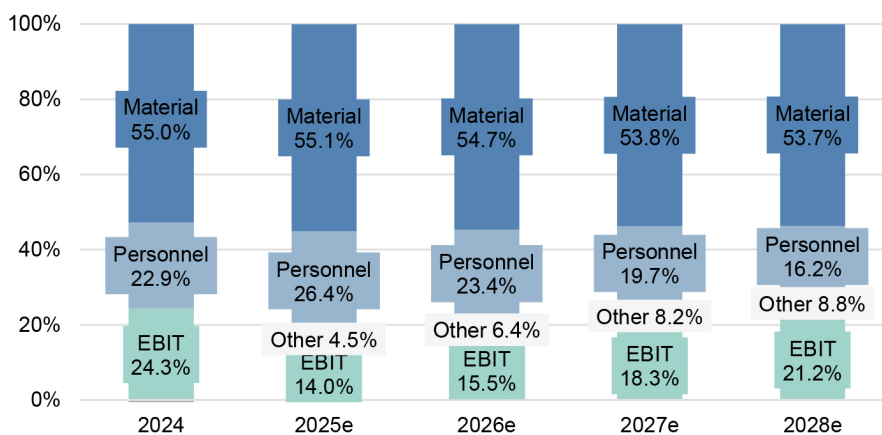


Source: Company data, NuWays

Elements that explain the margin outlook:

- **Material expenses are seen to benefit from volume effects and product standardization** (one engine addresses several customer requests, vs. (previously) a different engine for each request).
- **Blue colour workers are only c.22% of total workforce**, hence scaling production should impact total personnel expenses under proportionally.
- **Amortization should increase.** With the adoption of IFRS in 2024, own R&D is partially capitalized, while corresponding amortization is impacting the P&L only over time. D&A is included in "other" in the chart below.
- **Other income should remain flat, declining relative to sales.** Other income mainly reflects own work capitalized.

Percentage breakdown of sales into costs and profit (adj.)



Source: Company data, NuWays

In the chart above, "Other" reflects both other income and other expenses (in 2024 they offset each other). 2024 also contained € 3.6m in one-off costs (consulting fees to Mutares and listing expenses). The chart is adjusted for those one-offs.

Compared to Steyr Motors 2027e ambition's implied EBIT margin of 28.5%, we sit below at 21% by 2028e, to conservatively reflect expansion costs, as have been visible in 9M '25.

Capex needs remain limited, despite growth

Near-term investments comprise logistics automation and tooling. Current output is c. 1,000 engines, realized with one shift and a four-day week. Up to 2,000 engines is the output capacity of the current production line.

Meanwhile, c. 200 APUs can be produced under the current setup. The APU line can scale meaningfully with moderate capex for further test benches to accommodate the expected order wins.

In total, capex is projected to increase from € 0.7m to € 3m (eNuW). Investments into intangibles (mainly own work capitalized) looks set to remain flat at c. € 2.5m (eNuW).

At the same time, inventory looks set to grow dynamically in light of the c. 37% sales CAGR into 2028e, explaining a drag on near-term FCF (eNuW).

Cash flow outlook (€m)

	2023	2024	2025e	2026e	2027e	2028e
Operating CF before chg. in WC	-1	1	4	8	14	24
Chg. in WC (mainly inventory growth)	6	1	-2	-5	-9	-12
Capex (incl. leasing)	0	-1	-2	-2	-3	-3
FCF	4	1	1	1	3	10

Source: Company data, NuWays

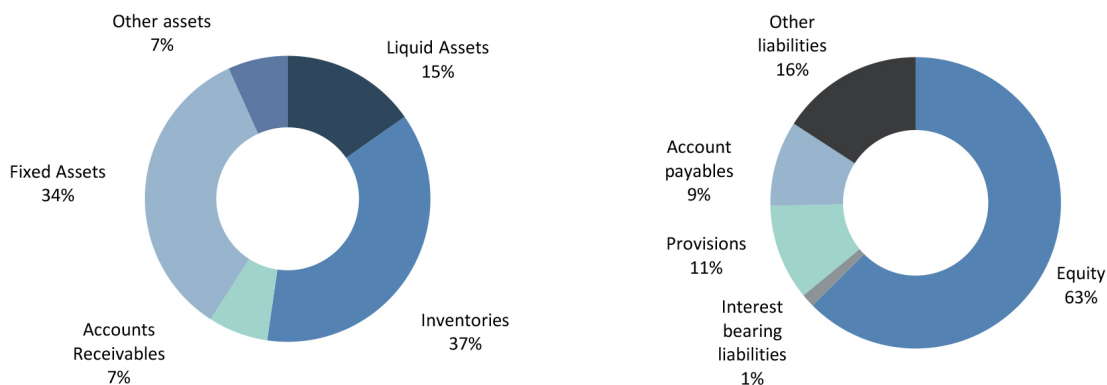
The limited capital needs, business quality as well as an optimized business setup, following restructuring, explain a high **ROCE of 24.4% expected for 2025e** (eNuW).

Lean balance sheet

Steyr Motors is operating in a lean setup. Total assets stood at only c.€ 36m at the end of 2024 (thereof: 18% PP&E, 37% inventories and only 6% AR, due to factoring usage).

The equity ratio stood at 63%, without financial debt. Lease liabilities reflect 13% of total assets.

Balance sheet overview (Dec. 2024)



Source: Company data, NuWays

Theme

A word on recent results and the guidance adjustment

Steyr Motors reported solid Q3 results, with revenue up **11% yoy to € 34m** (9M: +15% yoy to € 34m). This performance is broadly **in line with major defence peers** 9M results such as Hensoldt (+11.5%), Rheinmetall (+20%) and Renk (+19%), underpinning **healthy underlying demand**.

While **order momentum in the civilian business was positive** throughout 2025, **actual call-offs from frame contracts can vary** apparently with shifts into later periods. Slower sales growth seems also related to **order delays** e.g. from KNDS, Siemens and Hyundai Rotem (eNuW). Importantly, to our understanding **none of these anticipated orders was lost** – they rather face timing issues.

Hasty Mutares divestment should be viewed as an entry opportunity

Mutares had been steadily reducing its stake in Steyr Motors following the successful turnaround and listing. The most recent placement **increases the free float and should improve liquidity going forward**, while simultaneously **easing concerns about an overhang**. Although the November sale appeared hasty in light of the profit warning, **PE-ownership is inherently temporary**. Early monetisation enhances IRR and releases capital and management attention for new opportunities. The divestment therefore should **not** be interpreted as a loss of confidence in Steyr Motors, but rather as a natural step in the PE value-creation cycle. The subsequent weak share price performance should in our view offer entry opportunities.

Significant big-ticket orders to come

A new **framework contract for Leopard 2 APUs** should be imminent, given strong European demand and Steyr Motors single-source integration. KNDS appears to have >350 Leopard 2 orders in its books already (eNuW) and European customers **are expected to order up to 1,000 additional units** (revenue per APU € 80-100k).

Additionally, an APU **order for Siemens Vectron locomotives appears pending** and is expected to close next summer. The cumulative sales potential is seen at € >10m, split over 3 years (eNuW).

Both orders were expected to already close in 2025e, but should eventually come in in 2026, following government delays.

Mobile power generation offers new growth opportunities

Steyr Motors has launched the **M12 Power Unit (M12PU)**, marking its entry into the large **global mobile power generation market**. Series production is planned for **H2 2026**. Early order intake, due to unique features, should turn into an additional share price catalyst, in our view.

Valuation

Steyr Motors is valued on DCF (PT € 59). Thereby, the unique growth dynamics of the business are best reflected, in our view.

For reference, a peer group analysis is conducted as well (implied fair PT € 39.30 on PER 26e).

DCF model

Our DCF valuation derives an implied fair value per share of **€ 59** for Steyr Motors. The key assumptions of our model are:

Terminal EBIT margin: 20%. Steyr Motors is expected to achieve an EBIT margin of 14% in 2025e (eNuW). It is seen to accelerate toward the mid-term, in light of operating leverage during the defence rearmament cycle.

Terminal growth: 2%, which is in line with inflation.

WACC: 9.0% (2% risk-free rate, 6% risk premium, 1.2x beta given that Steyr Motors is a novice on public markets, despite defence companies generally having a beta below 1 due to their resilient business model). We assume that the company is completely equity financed in the long run.

Looking at the sensitivity analysis below, a 1pp higher or lower terminal year EBIT margin would imply a fair value per share of **€ 57** at a 19% EBIT margin or **€ 62** at a 21% EBIT margin.

[illegible]

DCF equity value derived from		DCF avg. growth and earnings assumptions	
Total present value	315	Short term growth (2025 - 2028)	44%
<i>thereof terminal value</i>	79%	Medium term growth (2028 - 2032)	8.1%
Net debt (net cash) at start of year	-8	Long term growth (2032 - infinity)	2.0%
Financial assets	0	Terminal year EBIT margin	20.0%
Provisions and off balance sheet debt	15		
Equity value	308	WACC derived from	
No. of shares outstanding	5.2	Cost of borrowings before taxes	6.0%
Discounted cash flow per share	59.2	Tax rate	23.0%
upside/(downside)	81%	Cost of borrowings after taxes	4.6%
		Required return on invested capital	9.2%
		Risk premium	6.0%
		Risk-free rate	2.0%
		Beta	1.2
Share price	32.80		

Sensitivity analysis DCF						Sensitivity analysis DCF							
Long term growth						EBIT margin terminal year							
	0.0%	1.0%	2.0%	3.0%	4.0%		18.0%	19.0%	20.0%	21.0%	22.0%		
WACC	11.0%	38	41	44	48	53	WACC	11.0%	41	42	44	46	47
	10.0%	43	46	51	56	64		10.0%	47	49	51	53	55
	9.0%	49	53	59	67	78		9.0%	54	57	59	62	64
	8.0%	56	62	71	83	101		8.0%	65	68	71	74	77
	7.0%	66	75	88	107	139		7.0%	80	84	88	92	96

Source: Company data, NuWays

Peer group analysis

We look at two peer groups: defence contractors and diesel engine manufacturers. The **defence peers should provide the more appropriate valuation anchor**, as both they and Steyr Motors **share key characteristics**: exposure to a defence upcycle, limited economic sensitivity, entrenched roles as mission-critical suppliers, and low dependence on fuel-transition trends.

Using the **2026e PER of the defence peer group**, the implied fair equity value is € 205m (€ 39.30 per share), suggesting that Steyr Motors is 17% undervalued. For reference, the diesel-engine peer group points to € 101m (€ 19.50 per share).

Defence contractor peer group

	PER 25E (x)	PER 26E (x)
Airbus	31.4	25.5
BAE Systems	22.0	19.4
Babcock	10.2	20.3
Indra Sistemas	22.9	19.9
Saab	44.1	36.1
Kongsberg Gruppen	28.5	25.8
Thales	24.3	20.6
Dassault Aviation	20.4	15.6
Safran	35.4	27.3
Leonardo	24.9	20.9
ELBIT Systems	44.7	34.5
Rheinmetall	52.1	33.7
HENSOLDT	42.6	33.7
RENK	35.1	27.8
Median	29.9	25.7

Diesel engine manufacturer peer group

	PER 25E (x)	PER 26E (x)
Deutz	15.3	8.9
Cummins	22.0	19.2
Rolls-Royce	37.9	32.6
Caterpillar	30.9	26.0
Weichai Power	12.2	10.7
General Motors	7.1	6.3
Isuzu Motors	10.2	11.8
CNH Industrial	19.2	15.6
Traton	8.7	6.2
Daimler Truck	10.5	9.0
PACCAR	20.7	18.4
Volvo Group	15.5	13.6
Kubota	15.7	14.3
Ford Motor Company	12.5	9.0
Median	15.4	12.7

Steyr Motors		
Net profit	4.7	8.0
Implied fair equity value	141.2	204.6
Current Steyr Motors market cap	170.6	170.6
Relative to peers	21%	-17%

Steyr Motors		
Net profit	4.7	8.0
Implied fair equity value	72.8	101.2
Current Steyr Motors market cap	170.6	170.6
Relative to peers	134%	69%

Source: Company data, NuWays

Defence peer group overview

Airbus – Airbus generates around 80% of its revenues with commercial aircraft (e.g. A320). Its defence and space division produces fighter aircraft (e.g. Eurofighter Typhoon), military transport aircraft and aerial refuelling tankers. Airbus is also developing unmanned aircraft systems such as the Eurodrone.

BAE Systems – UK-based defence contractor with 44% of sales in the US. It is the largest defence contractor in the UK and Australia. BAE is active across land, sea, air and electronic warfare domains, contributing to platforms such as the F-35 and Typhoon.

Babcock – British company focused on defence, aerospace and security. Around 70% of revenues stem from defence. The company provides specialised equipment (e.g. ship and submarine systems, liquid-gas and weapons-handling solutions) and maintains the entire British submarine fleet.

Indra Sistemas – Spanish company Indra generates c.21% of group sales in defence and space (42% of group EBIT) and is active in radar, communications and electronic defence. For example, it partnered with HENSOLDT on the Eurofighter Mk1 nose radar.

Saab – Swedish contractor with activities in aeronautics (26% of sales), missiles and weapons (23%), surveillance (35%) and marine applications (13%). Its flagship product is the Gripen fighter jet, known for cost-efficient operations.

Kongsberg Gruppen - Norwegian company specialising in missile systems, naval combat systems and advanced command-and-control solutions (defence is c. 40% of group sales). Key products include the Naval Strike Missile (NSM) and Joint Strike Missile (JSM). Kongsberg also supplies integrated systems for ships, submarines and coastal defence.

Thales – French contractor specialising in air-traffic management, defence sensors, avionics and civil satellites. The French state owns c.27% of the group and Dassault Aviation 26.6%.

Dassault Aviation – French manufacturer of Falcon business jets and Rafale fighter jets. Key participant in the Eurodrone programme and any next generation fighter jet.

Safran – French engine manufacturer (50% of sales), with c. 20% of sales exposed to defence (military aviation incl. helicopters).

Leonardo – Italian aerospace and defence contractor. 72% of sales relate to defence and European governments are the biggest customer group (56% of sales). Defence electronics & security accounts for 41% of sales and helicopters 30%. Represents Italy in GCAP (with BAE and Mitsubishi Heavy Industries).

ELBIT Systems – Israel-based defence technology company generating 27% of revenues in Europe. Specialised in infrared countermeasures, active protection systems, artillery, tactical radios, imaging, UAVs and EW.

Rheinmetall – German contractor focused on ammunition and military vehicles. Developer of Lynx and Panther KF51 and present on platforms such as Leopard 2, Puma and Boxer. Rheinmetall is strong in European air defence, the F-35 programme and is making strides also into the sea domain and into space.

HENSOLDT – German sensor and optronics specialist. Key products include TRML-4D air-defence radar and the Eurofighter nose radar. Listed since 2020, with roots going back >125 years.

RENK – German platform-independent contractor and market leader for transmissions in tracked vehicles and for propulsion systems in large naval vessels.

Diesel engine manufacturers overview

Deutz – German independent ICE manufacturer with strong positions in construction machinery, material handling and agriculture. Increasing focus on defence applications and diesel generators.

Cummins – US-based diesel and gas engine manufacturer (28% of sales). Also active in components, power systems and distribution. Supplies off-highway engines for defence; major on-highway customers include PACCAR, Traton and Daimler.

Rolls-Royce (Power Systems / mtu) – Manufactures gas and diesel engines for generators (15–20% global market share), land defence and naval applications and commercial marine/yacht engines.

Caterpillar – US manufacturer of construction, mining and industrial equipment. Produces diesel and gas engines used in CAT vehicles, locomotives, trucks and ships. Defence arm supplies engines for tanks and submarines.

Weichai Power – Large Chinese engine manufacturer. Historically produced engines based on Steyr Daimler Puch designs (WD615). Engines account for almost a third of sales and c. two thirds of EBIT. Also active in forklifts and components. Major shareholder of Kion (46.5%).

General Motors – US automotive manufacturer; its Detroit Diesel V8 is used in the HumVee military truck family.

Isuzu Motors – Japanese manufacturer of diesel-powered commercial vehicles and industrial/marine diesel engines.

CNH Industrial – Produces agricultural machinery and construction equipment under brands including Case IH, New Holland and Steyr. Purchases many engines externally (e.g. from Iveco/FPT).

Traton – Volkswagen-controlled truck and bus manufacturer. Produces diesel engines (notably via Navistar) within its portfolio.

Daimler Truck – Global leader in commercial vehicles. Develops heavy-duty diesel engines (Detroit Diesel) and also sources engines from Cummins.

PACCAR – US producer of light to heavy duty trucks. Manufactures diesel engines for its own vehicles, supplemented by engines from Cummins.

Volvo Group – Offers trucks, construction equipment and buses. Its Volvo Penta brand produces marine and industrial engines (diesel and petrol), complemented by third-party engines.

Kubota – Japanese manufacturer focused on agriculture and construction machinery; produces small diesel and gasoline engines (<6 litres displacement).

Ford Motor Company – Global automotive manufacturer. Develops heavy-duty diesel engines in-house and cooperates with PSA/Stellantis on smaller diesel engines.

Company background

Products

Steyr Motors builds on a single modular engine platform - a compact, high-performance, and durable diesel design - serving as the blueprint for all its variants. From this base, the company offers 2-, 4-, and 6-cylinder configurations that can be adapted for both land and marine applications. Engines for marine use are marketed under the "SE" series, while land-based engines carry the "M1" designation. The numeric suffix denotes the number of cylinders (e.g., M16 = six-cylinder land engine).

These engines are deployed as **primary power units** in military vehicles and rigid inflatable boats, in **auxiliary power units** (APUs) in tanks and locomotives and as **mobile power generators** (production start expected H2 26).

Auxiliary Power Units (APUs) and power generators

An APU functions as a compact generator **supplying electrical power when the main engine is idle**. In military applications, such as main battle tanks, it enables operation of critical systems (e.g., turret mobility, sensors, climate control), while minimizing noise and heat signatures. APUs also support stationary use cases, such as powering surveillance equipment or critical infrastructure (also see growth section).

Steyr's APUs are based on its standard M12 or M16 engines and are fully integrated systems combining the core engine with a generator, cooling circuit, hydraulic and fuel systems, and an electronic control unit within a single compact housing. Given the higher system complexity, pricing typically ranges from € 50–120k per unit, compared to roughly € 30k for a base engine. In practice, the M12 APU is mainly used in tanks, while the M16 APU powers locomotives such as Siemens' Vectron model. The new M12PU looks set to serve as a mobile power source for military vehicles, bases, and camps, ensuring a secure supply for command centers, radar systems, and defence systems.

Product overview

Marine: SE4 and SE6



 SE4: 106-118 kW
SE6: 88-215 kW

 SE4: 2.1 lt
SE6: 3.2 lt

 SE4: 263 kg
SE6: 340 kg

Primary propulsion & electricity for boats



Land vehicles: M14 and M16



 M14: 36-120 kW
M16: 110-215 kW

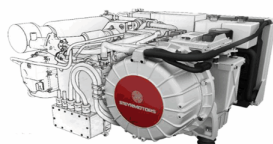
 M14: 2.1 lt
M16: 3.2 lt

 M14: n.a.
M16: <280 kg

Primary power for special military vehicles (3.5t to 10t)



Land aggregates: M12 and M16 variants



 M12: 20-40 kW
M16: 110-180 kW

 M14: 1.1 lt
M16: 3.2 lt

 M14: n.a.
M16: n.a.

Auxiliary power unit for tanks and locomotives



Mobile power unit: M12 PU



 M12PU: 32kVA

 M12PU: 600kg

Generator for counter-drone, camp power and more:



Source: Company data, NuWays

Employee structure

Steyr Motors employs **121 people as of H1 2025**, combining long-standing staff with newly recruited specialists, the majority of whom are based at the Steyr site. As of 2024, around 33% of employees worked in engineering, 22% in production and 18% in supply chain management.

Selected historic milestones

- **1864:** Foundation of Wrendl & Company in Steyr, later named to Steyr-Daimler-Puch.
- **1922:** Development of the first Monoblock engine in Steyr.
- **1979:** Testing of the so-called M1 engine for the first time.
- **1991:** Development of the first electronically controlled marine diesel engine.
- **1993:** Market launch of the Steyr marine diesel engine.
- **2001:** Foundation of Steyr Motors as an independent company after a management buy-out.
- **2003:** Moving into a new production and development site in Steyr.

- **2012:** Takeover of Steyr Motors by Phoenix Tree HSC Investment, a Hong Kong-based investor group.
- **2018:** Application for restructuring proceedings, due to liquidity problems. In our view, this was related to a broad product portfolio that suffered from the limited success of hybrid engines.
- **2019:** Takeover by Thales, with the aim to keep all 150 employees and to secure the orders Thales had received for the Hawkei from the Australian MoD, with limited growth ambition beyond this programme.
- **2022:** Takeover by Mutares
- **2024:** Listing on the Frankfurt Stock Exchange
- **2025:** Mutares exits entire stake, 80% of shares are now free-float

Mutares turnaround measures (2022-2024)

Thales sold Steyr Motors to Mutares in November 2022 through an exclusive process, seeking a buyer with proven turnaround expertise and the ability to ensure continued engine deliveries for the Hawkei programme (a military vehicle used by the Australian army).

Mutares identified Steyr as a fundamentally sound business and initiated a swift operational turnaround centred on liquidity stabilisation, cost discipline and renewed commercial focus.

Key measures included:

- **New sales strategy:** Expansion of customer-funded engineering and MRO services, reactivation of dormant key accounts with improved pricing, and broader international reach. (Estimated EBITDA uplift: € 10 m)
- **Lean organisational structure:** Discontinuation of low-margin development projects, consolidation of responsibilities, and a reduction of 18 FTEs between 2022–24 (eNuW), implemented through a social plan. (Estimated EBITDA uplift: € 5 m)
- **Process and product optimisation:** Streamlining of engineering workflows and a sharper focus on military-grade generator systems.

In total, the restructuring measures are **expected to deliver approximately € 20 m in EBITDA improvements**, with implementation well advanced.

About Steyr Motors CEO Julian Cassutti

Julian Cassutti has served as CEO of Steyr Motors since November 2022, when Mutares acquired the company. He previously held senior management positions including CFO of FONCIA Deutschland (Partners Group portfolio company), and leadership roles at Deutsche Post, Roland Berger, Lincoln International, and Lazard. Mr Cassutti holds a business degree (MBA equivalent) from the University of Mannheim.

Julian Cassutti (CEO)



Source: Company data, NuWays

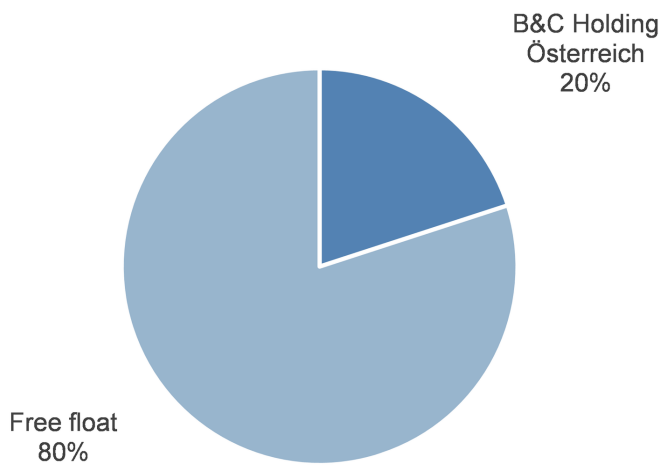
Option programme to further incentivize CEO:

Mr. Cassutti is entitled to receive a total of **80,000 stock options**, granted in two tranches of 40,000 options each. Each option entitles the holder to acquire one Steyr Motors share. The **exercise price is € 46**, with Tranche 1 exercisable in **December 2027** and Tranche 2 in **December 2028**. Exercise is permitted only if the company's average share price during the six months preceding the exercise date was not below € 46. Any acquired shares must be held for at least one year.

This **structure ensures a strong alignment of interests between Mr. Cassutti and shareholders.**

Shareholder Structure

Shareholder structure



Source: Company data, NuWays

20% of Steyr Motors shares are held by **B&C Holding**, with the remaining 80% being free float (which also includes management and employees). B&C initially acquired a 9.9% stake during the listing process and acts as a strategic anchor investor; the Austrian group is known for long-term industrial investments in Austria, emphasizing responsible ownership and strategic value-creation rather than short-term exits.

Prior PE owner Mutares does not own any share following its latest divestment in November 2025.

Investment risks

Competition: Steyr Motors competes with several established engine manufacturers. Should competitors accelerate innovation or invest heavily in next-generation propulsion systems, Steyr's market share and pricing could come under pressure.

Supply chain risks: Interruptions in the availability of key components or specialised materials could delay production and increase costs.

Customer dependency: The company's earnings are concentrated among a few large defence and industrial clients. The loss or delay of major contracts would materially affect revenue and profitability.

"Green warfare": Demand for propulsion and energy systems perceived as more sustainable, might reduce mid-term demand for Steyr's diesel based solutions.

Governance risks: The Scale segment provides limited investor protection and disclosure requirements, increasing governance risk for minority shareholders.

Liquidity risks: Despite a net cash position and a back-up facility, Steyr's small asset base and reliance on factoring could significantly reduce flexibility should operating cash flow fall short of investment needs.

Geopolitical risks: Exposure to international end markets, including China and the Middle East, entails potential sanction, export-control, or political-risk implications that could disrupt operations or demand.

Financials

Profit and loss (EUR m)	2022	2023	2024	2025e	2026e	2027e
Net sales	28.1	38.1	41.7	48.5	71.0	103.0
Sales growth	-30.6%	35.9%	9.2%	16.4%	46.4%	45.1%
Increase/decrease in finished goods and work-in-process	1.3	-1.1	0.9	1.0	1.0	0.0
Total sales	29.3	37.1	42.6	49.5	72.0	103.0
Other operating income	4.0	1.5	2.8	2.8	2.9	3.0
Material expenses	19.3	22.1	22.9	26.7	38.8	55.4
Personnel expenses	8.8	10.1	9.6	12.8	16.6	20.3
Other operating expenses	3.8	7.8	5.5	4.4	6.3	9.0
Total operating expenses	27.9	38.5	35.2	41.1	58.9	81.7
EBITDA	1.4	-1.4	7.4	8.4	13.1	21.3
Depreciation	0.9	4.2	0.8	1.1	1.3	1.5
EBITA	0.5	-5.7	6.6	7.3	11.8	19.8
Amortisation of intangible assets	0.1	0.1	0.1	0.5	0.8	1.0
EBIT	0.4	-5.8	6.5	6.8	11.0	18.8
Interest income	0.0	0.2	0.3	0.0	0.0	0.0
Interest expenses	0.1	0.3	0.6	0.7	0.7	0.7
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.1	-0.1	-0.3	-0.7	-0.7	-0.7
Recurring pretax income from continuing operations	0.3	-5.9	6.2	6.1	10.4	18.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.3	-5.9	6.2	6.1	10.4	18.1
Income tax expense	0.1	3.3	1.3	1.4	2.4	4.2
Net income from continuing operations	0.2	-9.1	4.9	4.7	8.0	13.9
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.2	-9.1	4.9	4.7	8.0	13.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.5
Net profit (reported)	0.2	5.5	7.7	4.7	8.0	13.4
Average number of shares	n.a.	n.a.	5.2	5.2	5.2	5.2
EPS reported	n.a.	n.a.	0.94	0.91	1.53	2.58

Source: Company Data, NuWays AG

Profit and loss (common size)	2022	2023	2024	2025e	2026e	2027e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Sales growth	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Increase/decrease in finished goods and work-in-process	4.5%	-2.8%	2.2%	2.1%	1.4%	0.0%
Total sales	104.5%	97.2%	102.2%	102.1%	101.4%	100.0%
Other operating income	13.7%	4.0%	6.5%	5.7%	4.0%	2.9%
Material expenses	66.0%	59.8%	53.8%	54.0%	53.9%	53.8%
Personnel expenses	30.0%	27.2%	22.4%	25.9%	23.1%	19.7%
Other operating expenses	13.1%	21.0%	12.9%	8.9%	8.8%	8.7%
Total operating expenses	99.6%	100.9%	84.4%	84.8%	82.9%	79.3%
EBITDA	4.9%	-3.8%	17.8%	17.3%	18.5%	20.7%
Depreciation	3.2%	11.1%	2.0%	2.3%	1.8%	1.5%
EBITA	1.7%	-14.8%	15.7%	15.0%	16.7%	19.2%
Amortisation of intangible assets	0.3%	0.3%	0.2%	1.0%	1.1%	1.0%
EBIT	1.4%	-15.2%	15.5%	14.0%	15.5%	18.3%
Interest income	0.0%	0.6%	0.8%	0.0%	0.0%	0.0%
Interest expenses	0.4%	0.8%	1.4%	1.3%	1.0%	0.7%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	-0.4%	-0.2%	-0.7%	-1.3%	-1.0%	-0.7%
Recurring pretax income from continuing operations	1.0%	-15.4%	14.9%	12.6%	14.6%	17.6%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	1.0%	-15.4%	14.9%	12.6%	14.6%	17.6%
Tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income from continuing operations	0.7%	-23.9%	11.7%	9.7%	11.2%	13.5%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	0.7%	-23.9%	11.7%	9.7%	11.2%	13.5%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.5%
Net profit (reported)	0.7%	-23.9%	11.7%	9.7%	11.2%	13.0%

Source: Company Data, NuWays AG

Balance sheet (EUR m)	2022	2023	2024	2025e	2026e	2027e
Intangible assets	0.4	1.6	4.0	6.0	7.8	9.4
Property, plant and equipment	4.4	6.2	6.3	7.3	8.6	10.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Fixed Assets	4.8	7.8	10.3	13.4	16.5	19.4
Inventories	15.9	12.5	12.5	14.5	20.3	30.3
Accounts receivable	3.9	3.6	2.1	2.7	4.5	7.3
Other assets and short-term financial assets	2.9	1.3	2.7	2.7	2.7	2.7
Liquid assets	1.5	5.7	8.2	6.0	5.2	5.9
Deferred taxes	0.0	1.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.1	0.0	0.0	0.0	0.0	0.0
Current Assets	24.5	24.1	25.4	25.8	32.7	46.2
Total Assets	29.3	31.9	35.7	39.2	49.1	65.5
Shareholders Equity	23.6	15.4	22.3	24.2	30.8	42.3
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	0.5	0.4	0.5	0.6	0.6	0.6
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	1.5	3.4	3.8	4.2	4.6	5.1
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	2.3	2.8	3.4	4.3	7.0	11.1
Advance payments received on orders	0.3	0.0	0.0	0.0	0.0	0.0
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	1.1	4.8	4.7	4.9	5.2	5.4
Deferred taxes	0.0	4.5	0.4	0.4	0.4	0.4
Deferred income	0.0	0.6	0.6	0.6	0.6	0.6
Current Liabilities	3.7	7.6	8.1	9.3	12.1	16.6
Total Liabilities and Shareholders Equity	29.3	31.9	35.7	39.2	49.1	65.5

Source: Company Data, NuWays AG

Balance sheet (common size)	2022	2023	2024	2025e	2026e	2027e
Intangible assets	1.5%	4.9%	11.2%	15.4%	15.9%	14.4%
Property, plant and equipment	15.0%	19.6%	17.8%	18.7%	17.6%	15.2%
Financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Fixed Assets	16.4%	24.5%	29.0%	34.2%	33.5%	29.5%
Inventories	54.4%	39.2%	34.9%	37.0%	41.3%	46.2%
Accounts receivable	13.2%	11.2%	5.9%	6.8%	9.1%	11.2%
Other assets and short-term financial assets	9.9%	4.1%	7.4%	6.8%	5.4%	4.0%
Liquid assets	5.2%	18.0%	22.9%	15.3%	10.7%	9.0%
Deferred taxes	0.1%	3.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Assets	83.6%	75.5%	71.0%	65.8%	66.5%	70.5%
Total Assets	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Shareholders Equity	80.4%	48.3%	62.6%	61.8%	62.6%	64.6%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	1.7%	1.2%	1.5%	1.5%	1.3%	1.0%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	5.2%	10.5%	10.7%	10.7%	9.4%	7.7%
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	8.0%	8.8%	9.5%	11.0%	14.2%	17.0%
Advance payments received on orders	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	3.6%	15.1%	13.2%	12.6%	10.5%	8.3%
Deferred taxes	0.0%	14.1%	1.0%	0.9%	0.7%	0.6%
Deferred income	0.0%	1.9%	1.7%	1.5%	1.2%	0.9%
Current Liabilities	12.7%	23.9%	22.6%	23.6%	24.7%	25.3%
Total Liabilities and Shareholders Equity	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company Data, NuWays AG

Cash flow (EUR m)	2022	2023	2024	2025e	2026e	2027e
Net profit/loss	0.2	-9.1	4.9	4.7	8.0	13.9
Depreciation of fixed assets (incl. leases)	0.9	4.2	0.8	1.1	1.3	1.5
Amortisation of goodwill & intangible assets	0.1	0.1	0.1	0.5	0.8	1.0
Other costs affecting income / expenses	-2.1	1.8	-5.1	-2.5	-2.6	-2.6
Cash flow from operating activities	-6.8	3.7	0.0	-0.0	0.2	2.6
Increase/decrease in inventory	-3.9	4.1	0.0	-2.0	-5.8	-10.0
Increase/decrease in accounts receivable	1.4	1.7	0.1	-0.6	-1.8	-2.9
Increase/decrease in accounts payable	1.3	-0.0	0.7	0.9	2.6	4.2
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-1.2	5.8	0.9	-1.7	-5.0	-8.7
Cash flow from operating activities	-5.8	4.7	2.0	2.5	3.0	5.6
CAPEX	0.8	0.4	1.4	2.0	2.5	2.7
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	-0.2	-0.3	0.0	0.0	0.0
Income from asset disposals	0.0	8.3	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.8	8.1	-1.0	-2.0	-2.5	-2.7
Cash flow before financing	-6.7	3.8	-4.7	-2.4	-1.0	0.5
Increase/decrease in debt position	-3.8	0.0	0.0	0.3	0.3	0.3
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	8.8	0.0	7.7	0.0	0.0	0.0
Dividends paid	0.0	9.0	5.6	2.9	1.4	2.4
Others	0.0	-0.3	-0.6	-0.1	-0.1	-0.1
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	5.0	-9.3	1.5	-2.7	-1.2	-2.2
Increase/decrease in liquid assets	-1.6	3.5	2.4	-2.2	-0.8	0.6
Liquid assets at end of period	1.5	5.7	8.2	6.0	5.2	5.9

Source: Company Data, NuWays AG

Key ratios	2022	2023	2024	2025e	2026e	2027e
P&L growth analysis						
Sales growth	-30.6%	35.9%	9.2%	16.4%	46.4%	45.1%
EBITDA growth	-51.7%	-204.1%	-614.3%	13.2%	56.7%	62.2%
EBIT growth	-80.0%	-1,566.4%	-212.0%	4.7%	62.7%	70.4%
EPS growth	0.0%	0.0%	0.0%	-3.2%	68.9%	68.5%
Efficiency						
Sales per employee	233.8	337.5	385.7	436.9	582.9	761.5
EBITDA per employee	11.5	-12.7	68.5	75.5	107.8	157.5
No. employees (average)	120	113	108	111	122	135
Balance sheet analysis						
Avg. working capital / sales	58.0%	40.1%	29.3%	24.8%	21.6%	21.5%
Inventory turnover (sales/inventory)	1.8	3.1	3.3	3.3	3.5	3.4
Accounts receivable turnover	50.2	34.2	18.4	20.0	23.0	26.0
Accounts payable turnover	30.5	26.8	29.6	32.6	35.8	39.4
Cash flow analysis						
Free cash flow	-6.7	4.2	0.7	0.6	0.6	3.0
Free cash flow/sales	-23.8%	11.1%	1.6%	1.2%	0.8%	2.9%
FCF / net profit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capex / sales	2.9%	0.6%	2.5%	4.1%	3.5%	2.6%
Solvency						
Net debt	-1.0	-5.3	-7.6	-5.4	-4.6	-5.2
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	0.0%	0.0%	58.7%	30.0%	30.0%	30.0%
Interest paid / avg. debt	4.3%	69.5%	132.4%	116.6%	110.9%	108.9%
Returns						
ROCE	1.6%	-25.8%	28.3%	24.4%	34.0%	44.8%
ROE	0.8%	-59.3%	21.8%	19.5%	25.9%	31.8%
Adjusted FCF yield	n.a.	n.a.	1.0%	0.4%	0.3%	1.8%
Dividend yield	n.a.	n.a.	4.0%	0.8%	1.4%	2.3%
DPS	n.a.	n.a.	0.6	0.3	0.5	0.8
EPS reported	n.a.	n.a.	0.94	0.91	1.53	2.58
Average number of shares	n.a.	n.a.	5.2	5.2	5.2	5.2
Valuation ratios						
P/BV	n.a.	n.a.	3.2	7.2	5.6	4.1
EV/sales	n.a.	n.a.	1.6	3.4	2.3	1.6
EV/EBITDA	n.a.	n.a.	8.7	20.1	12.9	7.9
EV/EBIT	n.a.	n.a.	10.0	24.8	15.3	9.0

Source: Company Data, NuWays AG

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Company	Disclosures
Steyr Motors AG	8, 2

Historical target price and rating changes for Steyr Motors AG

Company	Date	Analyst	Rating	Target Price	Close
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According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under: www.nuways-ag.com

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