

SEMESTER REPORT

SUSE 2025

DAX PERFORMANCE
FUND

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Our Mission

“Our mission is to go beyond the theoretical financial concepts of the classroom and create a community of students that share a strong passion for investment management and are dedicated to apply their knowledge in our virtual funds”

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Foreword

Dear Reader,

As we conclude this semester, it's clear that 2025 so far has been a period of both learning and achievement for the ESB Capital Student Funds. Economic uncertainty, fluctuating market sentiment, and sector-specific challenges have tested our ability to make sound investment decisions in a dynamic environment. Despite these headwinds, our team has continued to grow and adapt, showing strong analytical thinking, teamwork, and a commitment to responsible investing.

This semester was marked by an impressive level of engagement from both Fund Managers and Analysts. Whether it was screening stocks, presenting investment ideas, or managing portfolios on wikifolio, each member contributed to the continued success and high standards of ESB Capital. The decisions outlined in this report reflect not only market conditions, but also the rigorous preparation and thoughtful collaboration behind every investment.

As always, our goal goes beyond portfolio performance. ESB Capital is a place to connect theory with practice, develop leadership skills, and build relationships with like-minded students who share a passion for finance.

For those considering joining ESB Capital, I strongly encourage you to apply. Whether as an Analyst or a Manager, you will find opportunities to challenge yourself, grow professionally, and contribute meaningfully to a unique and ambitious student initiative.

As financial markets continue to evolve, I am confident that ESB Capital will remain a place for innovation, development, and lasting impact. The lessons learned this semester will stay with our members well beyond their time at university.

Warm regards,

Tamara Dietz

Head of ESB Capital

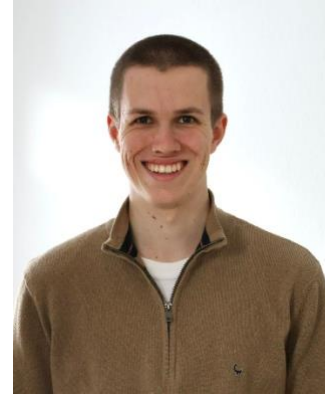
Team



Marleen Schröder
Fund Manager



Jule Renner
Analyst



Erik Stamer
Analyst



Xenia Anschütz
Analyst



Peter Seikel
Analyst



Selin Tatli
Analyst

Performance and Holdings

Welcome to the Performance & Holdings section of our DAX40 Performance portfolio report. Here we want to provide you with some keen insights into this semesters decisions and stocks, showing a detailed analysis into our performance and work. For this we used multiple metrics to best showcase our performance, selected carefully to underline our decision-making and visualize it in a simple manner. Whether you are unfamiliar with the financial world or a seasoned expert, we strive to make it both informative and accessible, and explore it together.

Without further ado, let's dive into it.

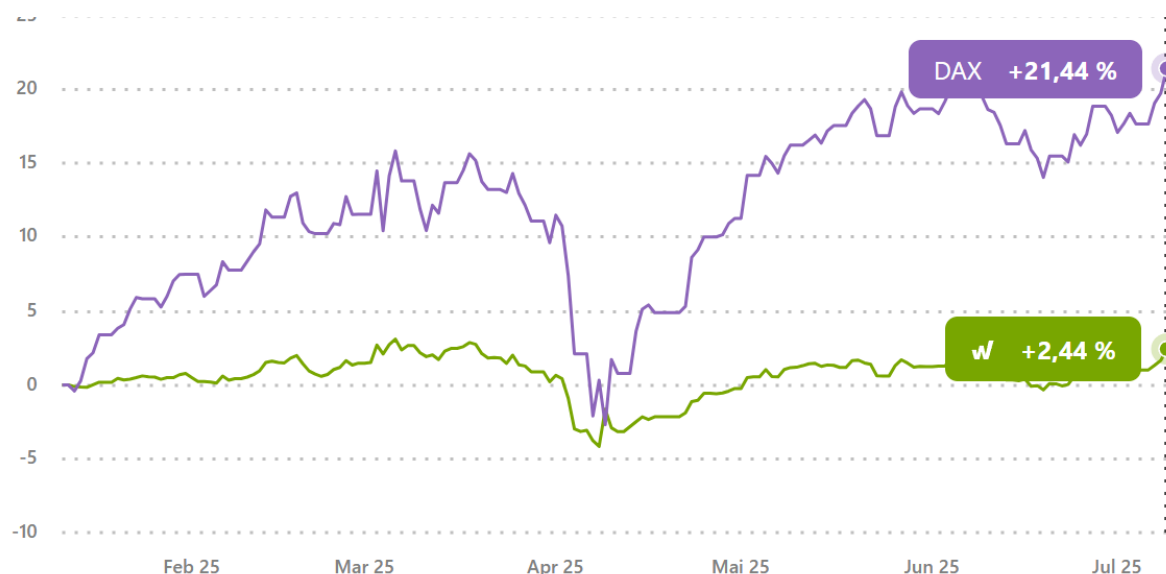


Figure 1: Portfolio compared to benchmark (Source: own)

Let's start by comparing our funds performance with our benchmark – the DAX40. We can clearly see the ups and downs that the DAX companies experienced these last few months. While the DAX index performed an impressive growth return of 21,44%, our fund still achieved a positive return of 2,44% since February.

It's important to note that our investment strategy prioritized long-term and risk-adjusted returns, over aggressive growth. This approach often results in more moderate growth, but protects strongly against phases of downturn, as we clearly see in the relatively small dip in our portfolio in April.

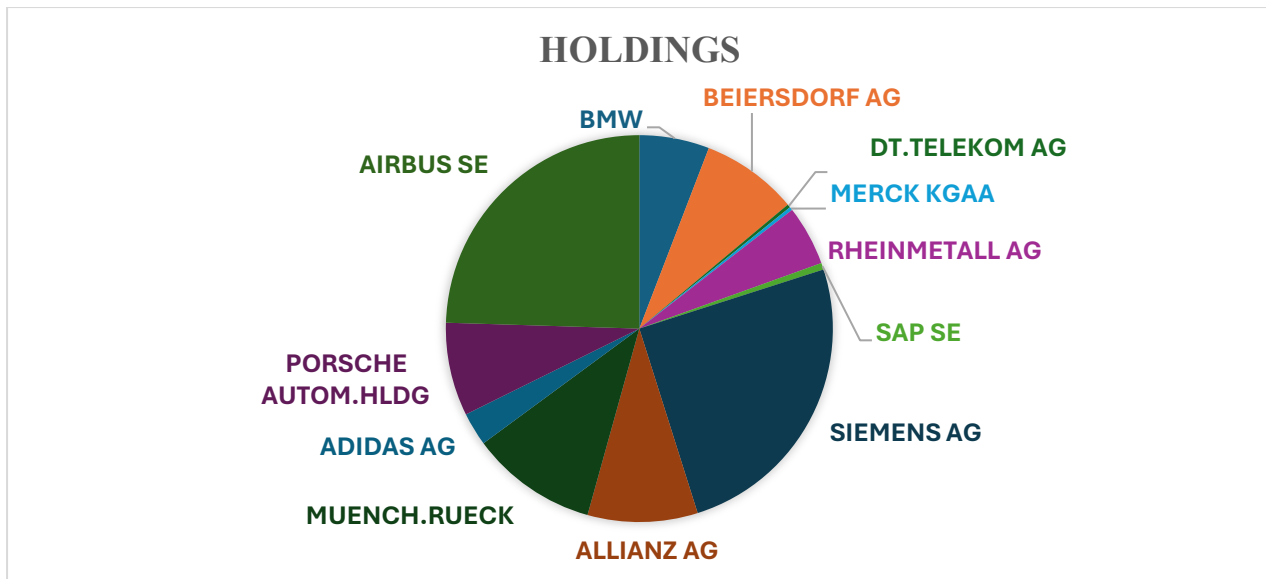


Figure 2: Current Components & their Weights (Source: own)

Next we see our holdings. Immediately obvious is the heavy weighting of the stocks we bought last semester, but our new stars are quickly visible too, with Rheinmetall AG leading. At this moment, Airbus SE and Siemens AG are our strongest weighted stocks, with great profitability too. There are a few more stocks not listed in this chart, as they are under 0,1% in weighting. You can find out more about these later in our highlights.

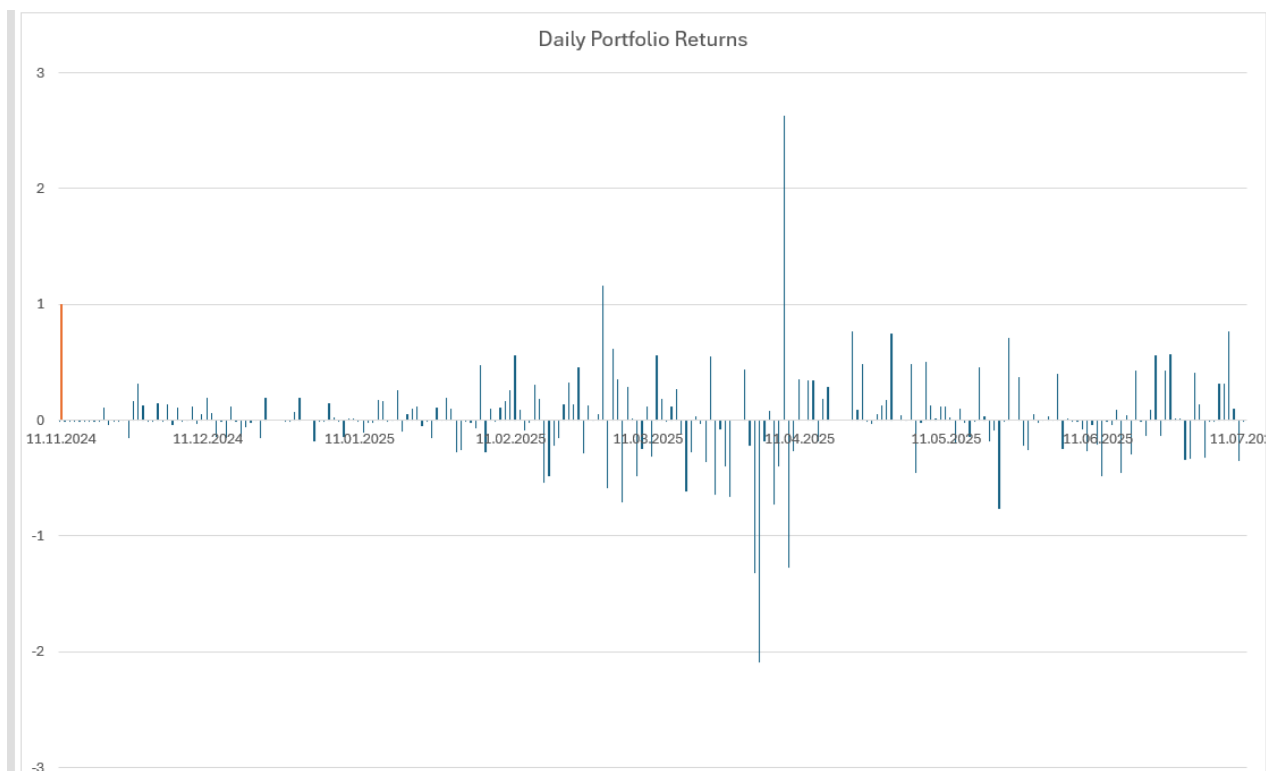


Figure 3: Daily Portfolio Returns (Source: own)

Moving on, we find the daily returns of our portfolio. On the Y-Axis there are our daily portfolio returns represented in decimal values, while we find the dates on the X-Axis. Immediately obvious: they hover around the 0 point. This goes back to our long-term and low-risk strategy with a well-devised portfolio, as the small daily fluctuations show. The bigger fluctuations around April reflect the hard times the market went through at that time.

To really understand how each stock influenced our portfolio, let's move on to our highlights, where each stock analyzed this semester is listed by our analysts.

Stock Highlights

Rheinmetall (+33,5% since buy)

Company Overview

Rheinmetall is a German company that operates in both the defence and automotive sectors. It is best known for supplying military equipment and technology to NATO countries. The company has grown strongly in recent years due to rising defence budgets and international demand.

Industry Trends

The defence industry is expanding, especially in Europe, where many countries are increasing their military spending. Current geopolitical conflicts and the need for modern equipment support further growth. There is also a trend toward digital defence systems and more sustainable technologies.

Investment Rationale

We decided to invest in Rheinmetall. The company has a strong reputation and benefits from the rising demand for defence equipment. Its financials are solid, and the public perception is mostly positive. ESG ratings are improving, and the outlook for future contracts is strong. We see this as a good long-term opportunity. -*Xenia Anschütz*

Siemens Healthineers: (0,7% since buy)

Company profile

Siemens Healthineers AG is a global leader in medical technology with headquarters in Erlangen, Germany. The company was founded in 2017 as a spin-off of Siemens AG and currently employs around 72,000 people. Siemens Healthineers is internationally active in over 70 countries and is considered one of the top 3 providers in laboratory diagnostics and the market leader in imaging diagnostics (MRI, CT, X-ray). Since the acquisition of the US company Varian, Siemens Healthineers has also been a leader in radiation therapy. The company is currently pursuing the "New Ambition" strategy with a focus on digitalization, AI and precision medicine.

Industry trends

The global medical technology industry is undergoing profound change - shaped by the digitalization of healthcare, demographic change and the increasing demand for individualized and integrated care solutions. Siemens Healthineers is making targeted investments in AI-supported diagnostics and the expansion of digital offerings such as telemedicine and remote monitoring. At the same time, the industry is facing regulatory challenges and increasing international competitive pressure, particularly from providers in China and the USA.

Investment rationale

Siemens Healthineers was selected as a strategic investment due to its strong global market position, high level of innovation and solid financials. In 2025, the company generated sales of around 23.7 billion€, EBITDA of 4.9 billion€ and a profit of around 2.2 billion€. The EBITDA margin is a strong 20.5%, with an estimated P/E ratio of around 25 and free cash flow of around 2.8 billion€. The consistent focus on future-oriented topics such as AI, precision medicine and digital healthcare solutions is particularly impressive. The acquisition of Varian enabled the oncology portfolio to be sensibly expanded and synergies to be leveraged. The strong brand, broad product portfolio and low debt in relation to total assets make Siemens Healthineers an attractive investment with potential for long-term growth - especially in emerging markets with growing healthcare needs. *-Peter Seikel*

MERCK KGaA (-1,8% since buy)

Company profile

Merck KGaA, headquartered in Darmstadt, Germany, is a global science and technology company with three business sectors: Life Science (42%), Healthcare (40%) and Electronics (18%). With around 62,600 employees and activities in over 70 countries, Merck is a global leader in the life science industry. The company is a market leader in therapies for multiple sclerosis and fertility. As a family-run company with the legal form of a KGaA, Merck benefits from a long-term strategic orientation and a high degree of stability. The current corporate strategy focuses on high-margin core businesses, innovation and international growth - particularly in North America and Asia.

Industry trends

The life science and healthcare sectors are in a state of flux - driven by increasing investment in research and development, the digitalization of industrial processes and growing demand for precision therapies and high-tech materials. At the same time, the biotech sector is recovering slowly after the pandemic boom. Merck is also facing increasing competition - particularly from the US - as well as geopolitical tensions, regulatory hurdles and exchange rate risks. Nevertheless, strategic acquisitions and ESG transformations continue to drive the company's long-term transformation.

Investment rationale

Merck KGaA was selected as a strategic investment as the company has a broadly diversified business model, a strong innovation pipeline and a solid financial base. In 2024, Merck generated sales of € 20.99 billion (-5.6% year-on-year), adjusted EBITDA of € 5.88 billion (-14.2%) and net income of € 2.83 billion (-15%). The EBITDA margin was 1.91% and the dividend remained stable at 2.20€ per share. With a payout ratio of 22.76%, the majority of the profit is left in the company for future growth.

Particularly noteworthy are the high R&D investments (> 2 billion€ /year), the acquisition of SpringWorks Therapeutics (3.9 billion€) and the strong positioning in high-growth areas such as oncology and digitalization. Low debt in relation to total assets and a strong ESG focus also make Merck an attractive investment from a sustainability perspective.

Overall, Merck KGaA offers compelling long-term potential despite short-term challenges - thanks to its global presence, innovative strength and strategic focus on promising markets. *-Peter Seikel*

DHL (Deutsche Post AG): (+0,7% since buy)

Company profile

Deutsche Post AG, which operates worldwide under the DHL brand, is one of the world's leading logistics groups. The company generated revenue of around 82 billion euros in 2024 and employs around 600,000 people. DHL is one of the global market leaders, particularly in the international express and parcel business. In Germany, the company has a de facto monopoly in the traditional mail business. The strategic focus is on expanding high-margin areas such as pharmaceuticals, healthcare and temperature-controlled logistics solutions. Deutsche Post is aiming to increase its turnover to 120 billion euros by 2030. Key growth markets include India, Southeast Asia, Mexico and the Middle East.

Industry trends

The logistics industry is caught between rising e-commerce, declining letter volumes and growing demand for sustainable and digital supply chain solutions. The ongoing boom in online retail is driving strong growth in the parcel and express segment, while the traditional mail business is in decline. In addition, the demand for transparent, climate-friendly supply chains is increasing, which requires innovation and investment in green logistics solutions. At the same time, geopolitical uncertainties, inflation and trade barriers are having an impact on the global logistics landscape.

Investment rationale

Deutsche Post AG was selected as a strategic investment as the company has a strong market position, a robust business model and solid financial metrics. Revenue of EUR 86.7 billion is forecast for 2025, which corresponds to growth of around 3%. EBITDA is expected to reach EUR 11.2 billion (+30% compared to 2024) and net profit EUR 3.6 billion (+9%). With earnings per share of EUR 3.11 and a P/E ratio of 13.72, the share is attractively valued. The return on capital is in the range of 12 to 14%, supported by a share buyback program that has been extended until 2026. The free cash flow amounts to around 3 billion euros, the gearing ratio is at a healthy level of 1.3, with an equity ratio of around 34%.

The diversified business model - consisting of Mail, Parcel National, Express International, Supply Chain and eCommerce Solutions - offers stability in the face of cyclical market developments. In addition, DHL's high brand awareness ensures competitive advantages in the global logistics market. Growth opportunities arise particularly in emerging markets and in the area of sustainable supply chains. The solid balance sheet structure, strong cash flows and an attractive dividend policy

(dividend yield of over 4 percent) make Deutsche Post an attractive long-term investment. -*Peter Seikel*

RWE

Company Overview

RWE is one of Germany's largest energy providers with a long-standing history dating back to 1898. Based in Essen, the company employs over 20,000 people and generates around €24.2 billion in annual revenue (2024), with €5.7 billion in net profit. Its current strategy focuses heavily on expanding renewable energy production, with €50 billion earmarked for green investments.

Industry Trends

The European energy sector is undergoing a fundamental transformation as governments push for decarbonization. RWE is well-positioned in this trend but faces competition and regulatory complexity. While its renewable pivot is promising, valuation remains a concern, as recent earnings growth has already been priced in.

Investment Rationale

We decided not to include RWE in the final fund portfolio. Although the company has a strong renewable energy strategy and solid fundamentals, its stock appears overvalued at current levels, limiting its short-term upside potential. *-Erik Stamer*

Volkswagen AG

Company Overview

Volkswagen is a global automotive giant headquartered in Wolfsburg, Germany. With over 684,000 employees and annual revenues of €324 billion (2024), it owns a portfolio of brands including Audi, Porsche, Skoda, and Lamborghini. The group is actively transitioning toward electric mobility but remains heavily exposed to cyclical automotive trends.

Industry Trends

The auto industry is currently facing headwinds including trade tariffs, slowing demand in key markets, and margin pressures. Despite solid fundamentals and scale advantages, the sector has seen weakening profitability. Volkswagen in particular has struggled to maintain momentum in a challenging market environment.

Investment Rationale

We ultimately chose not to include Volkswagen in the portfolio. Despite its brand strength and scale, the company faces structural challenges, and the broader sector is under pressure. Combined with limited earnings growth, this made the investment less compelling at this stage. *-Erik Stamer*

Vonovia SE (-3,8% since buy)

Company Overview

Vonovia is Germany's largest real estate company, managing over 550,000 residential units. Founded in 2001 and headquartered in Bochum, the company is a dominant player in the housing market with a strong presence across the country. In 2024, it reported €4.9 billion in revenue, but a net loss of €896 million due to valuation adjustments.

Industry Trends

The German housing market is constrained by regulatory measures such as rent caps and rising interest rates. However, structural housing shortages and a declining interest rate environment offer long-term support for the sector. Vonovia's scale enables cost efficiencies and value creation through modernization and acquisitions.

Investment Rationale

We decided to include Vonovia in the fund due to its strong market position and defensive business model. While short-term earnings were affected by macroeconomic factors, the long-term fundamentals remain intact. Stable rental income and high barriers to entry make this a reliable long-term investment. *-Erik Stamer*

Heidelberg Materials AG

Company Overview

Heidelberg Materials (formerly HeidelbergCement) is a leading European building materials company. Founded in 1874 and based in Heidelberg, the firm operates over 140 cement plants globally and generated €21.2 billion in revenue with €1.7 billion in profit in 2024. It focuses on cement, concrete, and aggregates — with an increasing emphasis on sustainable materials.

Industry Trends

The construction sector is cyclical and carbon-intensive, but growing demand for green infrastructure and carbon capture technologies is opening new opportunities. As one of the top players globally, Heidelberg is actively developing CO₂-reduced cement and innovative processes to stay ahead.

Investment Rationale

We included Heidelberg Materials in the fund due to its strong market position, vertical integration, and leadership in sustainable construction materials. It is wellpositioned to benefit from infrastructure spending and the transition to green building solutions. *-Erik Stamer*

SAP SE (-2,5% since buy)

Company Overview

SAP is a global leader in enterprise software and IT solutions, headquartered in Walldorf, Germany. With approximately 110,000 employees and €34 billion in revenue (2024), SAP provides mission-critical ERP systems to over 400,000 Business customers. Its transition to cloud-based services has been largely successful and well-received by the market.

Industry Trends

The tech industry remains volatile, but enterprise software demand is stable. SAP's cloud migration provides recurring revenues and stronger customer lock-in. While the stock is relatively expensive (P/E ~88), its long-term growth outlook remains positive.

Investment Rationale

SAP was included in the portfolio due to its dominant market position, loyal customer base, and strong brand. Its cloud transformation supports long-term scalability, and the company is expected to benefit from continued digitalization in global business operations. *-Erik Stamer*

Henkel

Company Overview

Henkel AG & Co. KGaA is a German multinational chemical and consumer goods company headquartered in Düsseldorf, Germany. Founded in 1876, the DAX company is organized into two globally operating business units (Consumer Brands, Adhesive Technologies) and is known for brands such as Persil, Fa, Pritt, Dial and Purex.

Industry Trends

The chemicals and consumer goods sectors are suffering from geopolitical uncertainty through tax changes of the USA and China. Which is represented by a 2.2% decrease in the US Market of Henkel. Henkel reported stable growth in its industrial adhesives segment and successfully implemented price increases across categories. Analysts expect EPS to improve from 4.79€ in 2024 to 5.53€ in 2025.

Investment Rationale

While Henkel reported solid financials and demonstrated operational resilience, geopolitical risk and market uncertainty weighed heavily on the investment decision. In mid-April, newly announced U.S. tax regulations under President Trump and escalating trade tensions between the U.S. and China introduced significant unpredictability in two of Henkel's largest markets. Therefore, we have decided not to invest in Henkel. -*Jule Renner*

Deutsche Börse Group

Company Overview

Deutsche Börse Group is one of the world's leading market infrastructure providers. With headquarters in Frankfurt it is a multinational corporation that offers a marketplace for organizing the trading of shares and other securities. It is also a transaction services provider, giving companies and investors access to global capital markets. It is a joint stock company and was founded in 1992. Key platforms include Xetra, Eurex, and Clearstream. The company has pursued growth through both organic expansion and strategic acquisitions.

Industry Trends

The financial infrastructure sector benefits from long-term secular drivers such as increased market volatility, rising trading volumes, and growing demand for data and analytics services. However, regulatory scrutiny is increasing, and fee compression in core markets continues to challenge growth. Moreover, new entrants and blockchain-based platforms are emerging as long-term threats to incumbents.

Investment Rationale

Despite solid fundamentals and a strong competitive position, we ultimately decided against an investment in Deutsche Börse. At the end of April, there was significant movement in the general stock market due to the new tax regulations. As a result, the stock price of Deutsche Börse Group rose sharply and reached an all-time high. Given the elevated valuation, we considered the timing unfavourable for initiating a position. *-Jule Renner*

Deutsche Bank AG

Company Overview

Deutsche Bank AG is Germany's largest lender, offering a wide range of services across corporate banking, investment banking, asset management, and retail banking. Over the past few years, the bank has undergone significant restructuring to improve profitability and streamline its operations. Due to legal dispute Deutsche Bank AG's profit decreased from 5.8 Mrd € in 2023 to 3.7 Mrd. € in 2024.

Industry Trends

European banks are experiencing a shift in interest rate dynamics, improved margins, and tighter capital requirements. At the same time, the sector is still facing legacy risks, including credit exposure, geopolitical uncertainty, and increasing competition from digital-native financial institutions.

Investment Rationale

Although Deutsche Bank showed signs of operational improvement and capital discipline, we decide not to invest. The decision was influenced by ongoing volatility in financial markets. The stock was at an all time high and it was forecasted that the stock will fall again. *-Jule Renner*

Symrise AG

Company Overview

Symrise AG is a leading global supplier of flavors, fragrances, and cosmetic ingredients, headquartered in Holzminden, Germany. With over 12,000 employees across 100 sites worldwide, Symrise serves more than 6,000 customers and holds approximately 10% global market share in its segment. In 2024, the company generated €5.2 billion in revenue and €478 million in net income.

Industry Trends

Symrise operates in a stable yet competitive sector characterized by growing demand for natural ingredients, health-conscious products, and sustainable sourcing. However, the industry has faced scrutiny for potential anticompetitive practices, and raw material inflation has affected profitability across the board.

Investment Rationale

Although Symrise posted strong results and consistent dividend increases, we chose not to take a position. The company remains under investigation by European regulators for suspected price-fixing — a reputational and financial risk that is difficult to quantify. In addition, the forecast for Revenue Exposure by countries is decreasing for all countries and the high P/E ratio suggested limited near-term upside given the current market environment. *-Jule Renner*

MTU Aero Engines

Company Overview

MTU Aero Engines is Germany's leading manufacturer of aircraft engines and maintenance services. The company is an essential supplier to both military and commercial aviation, with key partnerships including Pratt & Whitney. MTU combines original equipment manufacturing with aftermarket services, which leads to high revenue if something is sold. The company reported a profit of 633 million € last year. Notably, the Chinese market grew significantly due to political disputes with the USA, from which MTU benefited.

Industry Trends

The aerospace sector is recovering from the pandemic-induced slowdown, with rising demand for narrow-body aircraft and increased flight activity. However, supply chain issues, engine durability concerns, and geopolitical tensions continue to impact OEMs. The sector is also under pressure to meet decarbonization targets.

Investment Rationale

While MTU is well-positioned for long-term growth, the company remains dependent on major partners such as Airbus and military contracts. At the time of the pitch, there were only rumors of a potential major deal between Airbus and China. If finalized, such a deal would likely benefit MTU. However, given the lack of confirmed negotiations, we decided to wait before making an investment.

-Jule Renner

Fresenius SE & Co. KGaA

Company Overview

Fresenius is a global medical technology and healthcare company, founded in 1912. Its sectors are Fresenius Kabi, Helios, and Medical Care and they gather a large workforce of around 176,000 employees. Fresenius focuses on providing medical care products and services, such as infusion therapies, nutrition, and dialysis. Additionally, it also operates hospitals.

Industry Trends

The healthcare industry faces operational and cost pressure due to inflationary impacts, regulatory changes, and staffing shortages. As such, recent trends include a focus on restructuring, cost-cutting, and digitalization, which Fresenius has joined in. Moreover, the industry benefits from demographic trends such as the aging populations and the consequently need for long-term healthcare services.

Investment Rationale

We decided against buying the stock at this moment. Positive is the companys continued strategic operations and workings, as we see in their further expansion in the USA. While Fresenius has shown a slight growth in revenue, we also see the challenges that they face reflected in their profitability. The companys high revenue base (~21,8 Mio. Euro in 2024) contrasts with a relatively low net income (~1,04 Mio. Euro in 2024), pointing to possible operational cost issues and inefficiencies. Additionally, the stock price at this time was relatively high, suggesting a soon following downturn. -*Marleen Schröder*

Infiniteon Technologies AG

Company Overview

Infiniteon Technologies AG is a global and world leading semiconductor manufacturer with its base in Germany. Especially famous are their power systems, IoT solutions, and their broad portfolio on semiconductor products in the automotive and industrial sectors. They cater mostly to the automotive sector (56,3%) with power & sensor systems (20,6%), and green industrial power (12,9%) soon following, creating most revenue in Asia.

Industry Trends

The semiconductor industry is experiencing significant trends such as increasing investments in AI and IoT applications, advancements in automotive and 5G technologies, and a focus on sustainable manufacturing practices. On the other hand, the industry faces geopolitical and supply chain challenges, on top of the regular security concerns on their technology.

Investment Rationale

While Infiniteon is a promising company, especially because of its global presence, geopolitical vulnerabilities and supply chain issues are examples of the challenges it faces. They are really depended on the automotive industry, an industry which has been severely challenged for a long time now, and the semiconductor industry is fiercely competitive already. To add to this, the company experiences declining growth, which led us to not buy the stock at this time. -Marleen Schröder

Deutsche Telekom AG (-4,7% since buy)

Company Overview

Deutsche Telekom is a leading telecommunications and digital services provider in Europe and North America. Their headquarters are in Bonn, Germany, and they have multiple daughter companies. Serving both consumers and businesses, they offer a wide range of products from mobile and fixed-network communications to IT solutions. Their service segment makes up ~83% of their revenue and is expanding 4-6% annually.

Industry Trends

Driven by advancements in 5G, cloud computing, and IoT, the telecommunications industry is undergoing rapid change. The industry is shaped by the high level of competition and price wars, combined with increased energy costs and inflationary impacts over the last 6 months.

Investment Rationale

We decided to invest in the stock, because of its constant numbers and moderate growth. Deutsche Telekom is market leading in Europe and has a magnificent presence in the US, with products produced there and less affected by tariffs. In 2024, dt. Telekom increased their net revenue by 3.4% to 115.8 billion euro, which shows movement for more growth. Moreover, further expansions and partnerships are underway, in addition to new product lines. *-Marleen Schröder*

Zalando (-12,6% since buy)

Company Overview

Zalando is a European online retailer founded in Berlin in 2008. It focuses on clothes, accessories, and cosmetic products, selling their own brands and others (91,7% of their revenue). Additionally, the company offers logistic and marketing services (8,3%) and leads the market in Germany. In 2024, they made ~10,57 Mio Euro in revenue.

Industry Trends

Over the past 6 months and longer, the e-commerce and online fashion industry has experienced challenges in the form of cautious consumer spending due to inflation and economic uncertainty. This led to pressure on order volumes and with constant and growing competition, the industry has been tense. Still, digitalization aids the industry with easy returns and growth in digital platforms, potentially improving future expansion as well.

Investment Rationale

Because of its growth forecast and strong presence in Europe, we decided to buy the stock. In contrast to the previous year, the company experienced a 7,9% grow in revenue of 2.42 billion euro in the first quarter of 2025. It is completely based in Europe and therefor one of the only online-retailers less effected by geopolitical vulnerabilities from the US or China. Additionally, Zalando is in the process of expanding through their merge with the competitor About You and has other expansions planned. -*Marleen Schröder*

BASF

Company Overview

BASF is the largest chemical company in the world, founded in 1865 and based in Germany. It has over 112,000 employees and operates in sectors like chemicals, plastics, agriculture, and specialty products. The company has a strong global presence and long-standing customer relationships.

Industry Trends

The chemical industry is facing pressure from high energy costs, environmental regulations, and political risks. At the same time, there is a growing focus on sustainable products and green chemistry. Digitalization is also becoming more important for improving efficiency and innovation.

Investment Rationale

We decided not to invest in BASF. Even though the company is a global leader, its financial performance has been weak. The return on equity is very low, and the high P/E ratio suggests the stock is overvalued. Recent ESG concerns, like their exit from Xinjiang, and legal risks also played a role in our decision. -*Xenia Anschütz*

Commerzbank

Company Overview

Commerzbank is one of the main financial institutions in Germany. The bank focuses on both private and corporate clients and is especially known for its strong ties to small and medium-sized businesses. It is currently going through a digital transformation to modernize its services and improve efficiency.

Industry Trends

The banking industry is recovering from years of low interest rates. Rising rates have helped improve profitability, but economic uncertainty and competition from digital banks create pressure. Banks also face stricter regulations and must invest more in technology and ESG compliance.

Investment Rationale

We decided not to invest in Commerzbank. Even though the bank showed strong performance in 2025 and trades at an attractive valuation, there are concerns about liquidity and high debt levels. The banking sector is still sensitive to economic conditions, and takeover rumors (e.g., UniCredit) bring extra uncertainty. -*Xenia Anschütz*

Mercedes-Benz Group

Company Overview

Mercedes-Benz Group is a leading premium car manufacturer based in Stuttgart, Germany. The company includes brands like Mercedes-Benz, AMG, Maybach, and EQ. It was formed in 2022 after separating its truck business into Daimler Truck. With over 175,000 employees, it is one of the largest carmakers in Europe.

Industry Trends

The automotive industry is changing fast, with strong focus on electric vehicles, autonomous driving, and sustainability. Companies are investing in digital technologies and battery production. However, global uncertainties and supply chain issues continue to affect sales, especially in Europe and China.

Investment Rationale

We decided not to invest in Mercedes-Benz. Although the stock has a low valuation and a high dividend yield, the company faced falling profits in 2024. Geopolitical risks and lower sales in key markets make the future outlook uncertain. The potential upside is there, but we chose to stay cautious. -*Xenia Anschütz*

Daimler Truck Holding

Company Overview

Daimler Truck is one of the world's biggest producers of trucks and buses. The company became independent from Daimler AG in 2021 and now operates under its own name. It has well-known brands like Mercedes-Benz Trucks, Freightliner, and FUSO, and employs over 100,000 people worldwide.

Industry Trends

The truck industry is in a transition phase. There is increasing focus on electric and hydrogen-powered trucks, as well as digital services like fleet management. At the same time, the market is cyclical and affected by global demand and economic slowdowns. Competition is strong, especially in the U.S. and Europe.

Investment Rationale

We decided not to invest in Daimler Truck. The company is solid and has a strong position in the U.S. market, but the stock showed high volatility. The debt level is relatively high, and customer loyalty is slightly weaker than competitors. While the long-term outlook is interesting, we chose more stable options for the portfolio. -Xenia Anschütz

Porsche AG

Company Overview

Porsche AG is a German premium manufacturer focused on sports cars, SUVs, and electric models such as the Taycan. Since its IPO in 2022, the company has been listed on the DAX. Despite strong brand presence, Porsche AG is currently facing declining sales, a falling operating margin, and disappointing performance in the electric vehicle segment.

Industry Trends

The automotive industry is undergoing structural transformation. While electromobility remains a key topic, demand is developing more weakly than expected, particularly in China. At the same time, costs and competitive pressure are rising. Many manufacturers, including Porsche AG, are shifting their focus back to higher-margin combustion and hybrid models.

Investment Rationale

An investment was not made, as Porsche AG's short-term development was unconvincing both strategically and financially. The lowered guidance, a strategy shift lacking clear direction, and the strong dependency on the Volkswagen Group currently represent risks from our point of view. -*Selin Tatli*

E.ON SE

Company Overview

E.ON SE is one of the largest European energy providers, headquartered in Essen, Germany. The company focuses on regulated electricity and gas networks as well as energy services. It has completely exited the electricity generation business. By 2028, E.ON plans to invest €42 billion, primarily in grid expansion and the modernization of energy infrastructure.

Industry Trends

The energy sector is undergoing transformation: decarbonization, grid expansion, and digitalization are setting the agenda. E.ON benefits from stable earnings due to regulation but offers limited growth potential. The long-term trend toward electrification supports the business model, though it is heavily influenced by political frameworks.

Investment Rationale

E.ON was not added to the portfolio, as the company is well positioned to benefit from the energy transition in the long run but currently lacks short-term momentum. The business model is defensive and heavily regulated, which provides stability but limits growth. -*Selin Tatli*

Learnings / Reflections

“I realized that it’s not enough to just look at strong financial figures, economic developments, industry trends, and external factors often play a much greater role. Through discussions within the group, I also learned to question key figures more critically and to make decisions based on a more thorough analysis.” -*Selin Tatli*

“During this semester, I have learned a lot in the ESBC. The workshops and my team’s pitches helped me understand which numbers to focus on when making decisions about a stock. I now have a good overview of key financial metrics from EBITDA to the P/E Ratio and their meanings. Additionally, I have improved my ability to pitch and to give quick overviews of the most important points.” -*Jule Renner*

“I was able to get to know the German market better and realize the high long-term potential of many German companies, also in an international comparison. I was also able to improve my quantitative skills in the context of equity analysis and became more familiar with current global framework conditions and correlations in the economic field.” -*Peter Seikel*

This past semester we faced many challenges on the German market, multiple of which were of macroeconomic nature. With geopolitical and political uncertainties and (the threat of) impressive tariffs, the economic world has been on edge. Tensions in the Middle East and East Europe added to further hesitations on the markets. This not only affected supply chains, but also consumer spending and stakeholders’ behavior. A landscape not easy to navigate, especially when accounting for the German markets very own vulnerabilities and high energy costs, inflation and recession still very prominent on everyone’s minds. These uncertainties affected consumers as companies and businesses, slowing down investments and economic growth.

Nonetheless, the DAX40 index showed substantial growth of 34% between the 13th of April and the 30th of June 2025. We see resilience and the willingness to grow and expand very clearly on the German market, internationally as nationally. With the development of AI and technology advancing rapidly, we can observe incredible new heights and potential. Noteworthy highlights that were driving the DAX40 these last few months were definitely Rheinmetall and Siemens Energy, which profited substantially from increased militarization efforts in Germany, Europe, and beyond and the rising energy demand.

Our fund was careful to navigate this financial and economic landscape. With six analysts and a fund which already hold some great companies of the semester prior, our focus were long-term investments and creating substantial growth in our portfolio. With ambition and hard work, we held regular meetings at least once a week and came to some great investment decisions. Those were not always easy with the many uncertainties – especially from the US and China, and the EUs own regulations-- but with the risks in mind we handled our investment decisions smoothly. A huge asset were also the educational workshops offered to us this semester, which presented some valuable insights into macroeconomics, financial behavior, DCF valuations, and multiple analysis. A big thank you goes out here!

In conclusion, the German stock market had many challenges ready for us these last few months, but I would like to say we handled them professionally and gracefully, showing once more that resilience, hard work, and adaptability always pays out.

I want to thank all analysts of our team this semester for the awesome work and look happily forward to more time spent together in meetings and investment opportunities next semester!

Kind regards,

Marleen Schröder (Portfolio Manager)

Contact

If you are interested in learning more about the ESB Capital Student Fund, you can find out more on our website <https://www.esb-investmentclub.de/esb-capital>.

Additionally, feel free to contact us via esbcapital@esb-investmentclub.de.

Disclaimer: This is no financial advice.