

LAIQON AG

Germany | Financial Services | MCap EUR 118.4m

13 February 2023

UPDATE



JV in the rapidly growing market of wealth management; BUY

What's it all about?

LAIQON's (LQAG) wealth management subsidiary BV Bayerische Vermögen GmbH (BV) and "meine Volksbank Raiffeisenbank eG" (mVBRB Rosenheim) are pooling their expertise for wealth management services in the Upper Bavaria/Munich region to form "meine Bayerische Vermögen" GmbH (mBV), Rosenheim. BV holds a 25% stake in the new JV and 75% are held by mVBRB Rosenheim. The latter is the 10th largest cooperative bank in Germany and manages EUR 22bn. The JV is another step for LQAG to become an attractive full-service provider in the rapidly growing and lucrative wealth management market for affluent clients. We reiterate our BUY recommendation with an unchanged PT of EUR 9.00.

BUY (BUY)

Target price	EUR 9.00 (9.00)
Current price	EUR 7.92
Up/downside	13.6%



MAIN AUTHOR

Levent Yilmaz

l.yilmaz@alsterresearch.com

+49 40 309 293-58

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

alsterresearch.com

This research is the product of AlsterResearch, which is registered with the BaFin in Germany.

LAIQON AG

Germany | Financial Services | MCap EUR 118.4m | EV EUR 131.1m

BUY (BUY)

Target price EUR 9.00 (9.00)
Current price EUR 7.92
Up/downside 13.6%

MAIN AUTHOR

Levent Yilmaz
l.yilmaz@alsterresearch.com
+49 40 309 293-58

JV in the rapidly growing market of wealth management; BUY

BV Bayerische Vermögen GmbH and meine Volksbank Raiffeisenbank form a JV LAIQON's (LQAG) wealth management subsidiary BV Bayerische Vermögen GmbH (BV) and "meine Volksbank Raiffeisenbank eG" (mVBRB Rosenheim) are pooling their expertise for wealth management services in the Upper Bavaria/Munich region. BV holds a 25% stake in the new JV „meine Bayerische Vermögen“ GmbH (mBV) and 75% are held by mVBRB Rosenheim, which is the tenth largest cooperative bank in Germany and manages EUR 22bn.

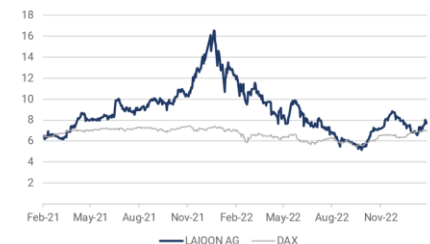
Building a modern wealth management business for affluent clients BV transfers its know-how and the established platform strategy of the existing wealth products and solutions of LQAG to the new JV. The aim is to position the JV "mBV" as an attractive full-service provider in the rapidly growing market of wealth management for high-end banking clients. To capture the growing wealth opportunity, the wealth manager is evolving its connectivity and service delivery. More clients are becoming accessible through its modular and scalable platform.

LQAG issues a convertible bond LQAG has decided to issue a convertible bond of up to EUR 5.0m and a maturity of 4 years, excluding the subscription rights of shareholders. In order to give shareholders of LQAG the opportunity to participate in the issuance of the convertible bond despite the exclusion of subscription rights, the company has decided to give priority to existing shareholders. The issue proceeds will be used for to expand the multi-client capability of the digital asset platform 4.0 and the Wealth Tech LAIC. AlsterResearch has not adjusted its figures as the conversion price of the convertible bond and the coupon are not known.

Conclusion The JV is another step for LQAG to become an attractive full-service provider in the rapidly growing and lucrative wealth management market for affluent clients. We reiterate our BUY recommendation with an unchanged PT of EUR 9.00.

LAIQON AG	2019	2020	2021	2022E	2023E	2024E
Sales	8.2	27.7	26.1	26.3	34.1	42.7
<i>Growth yoy</i>	3.9%	237.3%	-5.8%	0.5%	30.0%	25.0%
EBITDA	-10.5	6.6	4.3	-6.6	0.2	4.5
EBIT	-11.8	2.8	0.3	-10.7	-4.8	-0.2
Net profit	-0.1	-0.7	5.2	-7.5	-1.7	-0.1
Net debt (net cash)	0.3	10.6	12.7	17.0	16.4	13.0
Net debt/EBITDA	-0.0x	1.6x	3.0x	-2.6x	96.4x	2.9x
EPS reported	-0.01	-0.05	0.39	-0.50	-0.11	-0.00
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	94.8%	96.1%	89.7%	89.6%	90.5%	90.6%
EBITDA margin	-128.2%	23.6%	16.4%	-25.1%	0.5%	10.6%
EBIT margin	-143.5%	10.1%	1.3%	-40.8%	-14.0%	-0.5%
ROCE	-13.0%	3.1%	0.4%	-11.2%	-5.3%	-0.2%
EV/EBITDA	-11.3x	19.7x	30.6x	-20.5x	790.1x	29.1x
EV/EBIT	-10.1x	45.9x	380.0x	-12.6x	-28.2x	-668.8x
PER	-866.3x	-149.5x	20.5x	-15.7x	-74.2x	-2,205.7x
FCF yield	0.6%	-2.6%	17.4%	-7.9%	0.2%	2.3%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

High/low 52 weeks 12.90 / 4.98
Price/Book Ratio 2.4x

Ticker / Symbols

ISIN DE000A12UP29
WKN A12UP2
Bloomberg L10A:GR

Changes in estimates

		Sales	EBIT	EPS
2022E	old	31.1	-9.5	-0.44
	Δ	-15.5%	na%	na%
2023E	old	42.9	-4.8	-0.11
	Δ	-20.4%	na%	na%
2024E	old	57.1	1.3	0.06
	Δ	-25.2%	na%	na%

Key share data

Number of shares: (in m pcs) 14.95
Book value per share: (in EUR) 3.25
Ø trading volume: (12 months) 20,000

Major shareholders

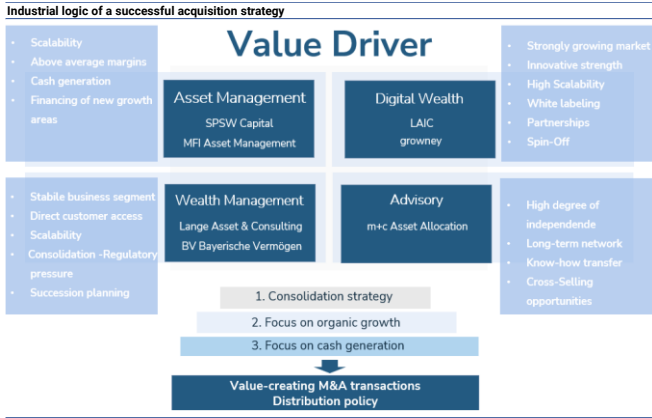
DEWB 21.0%
SPSW investors 10.0%
Plate Family Office (CEO) 10.0%
Free Float 51.0%

Company description

LAIQON (formerly Lloyd Fonds AG) is an independent asset and wealth manager with focus on actively managed non-benchmark funds as well as digitizing wealth management via its LAIC Advisor.

Investment case in six charts

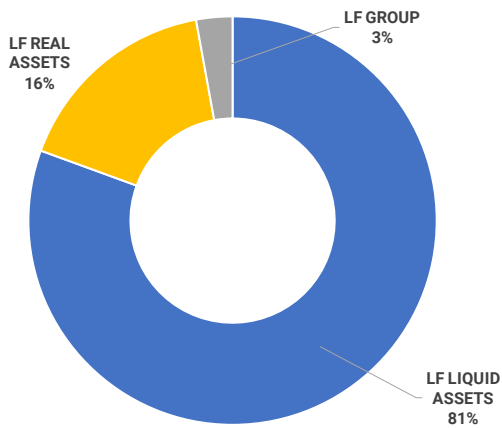
Industrial logic of a successful acquisition strategy



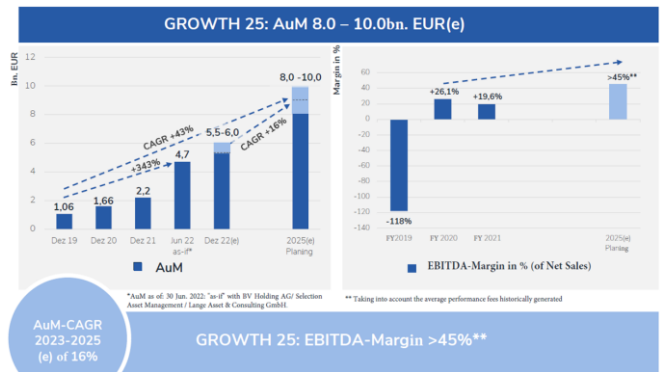
Group Strategy



Sales by segment in %



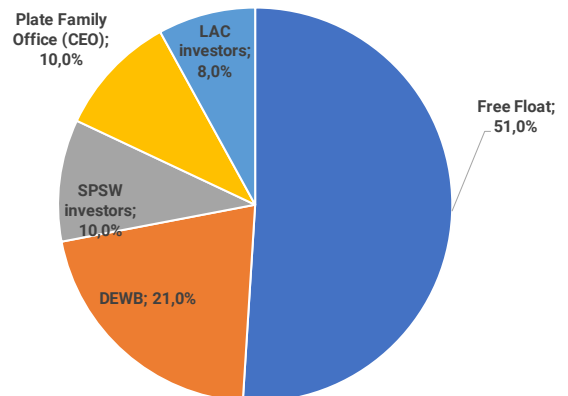
AuMs in EURm



Platform Strategy - Wealth Experience - UX

Clients	<ul style="list-style-type: none"> Focus on Evolving Customer Needs Focus is on the Client's Wealth Goals Dynamic Customer Segmentation Without Standards Permanent Availability of Modern Reporting Structures Service Excellence Centre and Contact Management
Wealth Solutions	<ul style="list-style-type: none"> Maximum Transparency in Asset Management Client-Specific Risk-Reward Profiles Product Portfolio Individualised in Article 8/9 Focus on Personal Sustainability Preferences Fully Individualised Risk Management
Wealth Products	<ul style="list-style-type: none"> Positioning as a Full-Service Provider Clear Defined and Scalable Strategies Product Portfolio consisting of Article 8/9 Solutions Optimised Investment Decisions Through Data and AI Forward-Looking Digital Solutions
Platform Strategy	<ul style="list-style-type: none"> DAP 4.0 Supports All Functions and Areas Digitally Supported Touch Points Data and KPI-Driven Marketing Digital Optimisation and Automation Potential

Major shareholder



Source: Company data; AlsterResearch

SWOT analysis

Strengths

- Among the largest independent asset and wealth management firms in Germany
- Broad product offering due to platform model
- Strategic management with innovative vision
- Proportion of fixed revenues on the rise
- Scalable business model
- AuM Growth above Industry

Weaknesses

- Some funds have fallen more than market in the 2022 downturn
- High personal costs in a market downturn
- Relative high cost-income ratio
- Premium to peer group

Opportunities

- Market recovery could lead to fund inflows
- Outperformance of funds could lead to inflows
- Platform model with cross selling opportunities
- Active management could cushion sell-off
- Company should benefit from latest acquisitions

Threats

- Prolonged bear market could lead to fund outflows
- Underperformance of funds could lead to outflows
- Weak performance would lead to lower performance fees
- Integration of acquired companies could last longer than expected
- Higher interest rates and taxes likely to lead to lower stock returns in the future

Valuation

DCF Model

The DCF model results in a **fair value of EUR 8.89 per share**:

Top-line growth: We expect LAIQON AG to continue benefitting from structural growth. Hence our growth estimates for 2022E-2029E is in the range of 16.9% p.a. The long-term growth rate is set at 2.0%.

EBIT margins. We expect an improvement of EBIT margins based on our assumption of higher revenues due to acquisitions and the platform strategy. A market recovery should also lead to higher performance fees. Economies of scale of the One-Stop-Shop-model should boost profitability in expectation of more product sales/additional service offering per client.

WACC. The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.20. Unlevering and correcting for mean reversion yields an asset beta of 1.01. Combined with a risk-free rate of 2.0% and an equity risk premium of 6.0% this yields cost of equity of 10.4%. With pre-tax cost of borrowing at 5.0%, a tax rate of 25.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.2%.

DCF (EURm) (except per share data and beta)	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	Terminal value
NOPAT	-8.3	-4.0	-0.2	1.9	2.5	3.7	5.5	6.8	
Depreciation & amortization	4.1	4.9	4.7	4.5	4.3	4.1	4.0	3.9	
Change in working capital	-5.2	-1.7	-0.8	0.6	1.6	1.8	-2.6	1.2	
Chg. in long-term provisions	1.9	0.4	0.4	0.4	0.4	0.4	0.3	0.2	
Capex	-1.1	-1.0	-0.9	-1.0	-1.2	-1.4	-1.5	-1.6	
Cash flow	-8.5	-1.4	3.3	6.4	7.6	8.7	5.7	10.6	175.1
Present value	-8.6	-1.3	2.9	5.1	5.6	6.0	3.6	6.2	102.1
WACC	8.4%	8.4%	8.4%	8.3%	8.2%	8.1%	8.1%	8.1%	8.2%

DCF per share derived from	
Total present value	121.5
Mid-year adj. total present value	126.4
Net debt / cash at start of year	12.7
Financial assets	19.3
Provisions and off b/s debt	na
Equity value	132.9
No. of shares outstanding	14.9
Discounted cash flow / share upside/(downside)	8.89 12.3%

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2022E-2029E)	16.9%
Terminal value growth (2029E - infinity)	2.0%
Terminal year ROCE	12.4%
Terminal year WACC	8.2%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	25.0%
Equity beta	1.20
Unlevered beta (industry or company)	1.01
Target debt / equity	0.5
Relevered beta	1.39
Risk-free rate	2.0%
Equity risk premium	6.0%
Cost of equity	10.4%

Share price	7.92
--------------------	-------------

Sensitivity analysis DCF								
Change in WACC (%-points)		Long term growth					Share of present value	
		1.0%	1.5%	2.0%	2.5%	3.0%		
2.0%	5.8	6.1	6.4	6.7	7.1	2022E-2025E	-1.6%	
1.0%	6.7	7.1	7.5	7.9	8.5	2026E-2029E	17.6%	
0.0%	7.8	8.3	8.9	9.6	10.4	terminal value	84.0%	
-1.0%	9.3	10.0	10.9	11.9	13.2			
-2.0%	11.4	12.5	13.8	15.5	17.7			

FCF Yield Model

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

The adjusted Free Cash Flow Yield results in a fair value between EUR -5.32 per share based on 2022E and EUR 6.12 per share on 2026E estimates.

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

FCF yield in EURm	2022E	2023E	2024E	2025E	2026E
EBITDA	-6.6	0.2	4.5	6.9	7.7
- Maintenance capex	1.4	1.3	1.3	1.2	1.2
- Minorities	-1.3	-0.3	-0.0	0.2	0.4
- tax expenses	-1.0	-0.2	-0.0	0.2	0.5
= Adjusted FCF	-5.7	-0.6	3.2	5.2	5.6
Actual Market Cap	118.4	118.4	118.4	118.4	118.4
+ Net debt (cash)	17.0	16.4	13.0	6.9	-0.8
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	18.4	18.4	18.4	18.4	18.4
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	-1.4	-1.9	-5.3	-11.5	-19.2
= Actual EV'	117.0	116.4	113.0	106.9	99.2
Adjusted FCF yield	-4.8%	-0.5%	2.9%	4.9%	5.7%
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
Fair EV	-81.0	-9.1	46.3	74.4	80.5
- <i>EV Reconciliations</i>	-1.4	-1.9	-5.3	-11.5	-19.2
Fair Market Cap	-79.6	-7.2	51.7	85.9	99.7
No. of shares (million)	14.9	16.3	16.3	16.3	16.3
Fair value per share in EUR	-5.32	-0.44	3.17	5.27	6.12
Premium (-) / discount (+)	-167.2%	-105.6%	-60.0%	-33.5%	-22.7%

Sensitivity analysis FV

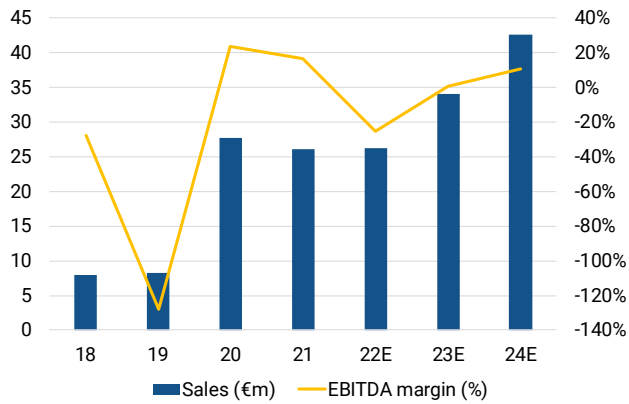
	5.0%	-7.5	-0.7	4.3	7.1	8.1
Adjusted hurdle rate	6.0%	-6.2	-0.5	3.6	6.0	6.9
	7.0%	-5.3	-0.4	3.2	5.3	6.1
	8.0%	-4.6	-0.4	2.8	4.7	5.5
	9.0%	-4.1	-0.3	2.5	4.3	5.0

Source: Company data; AlsterResearch

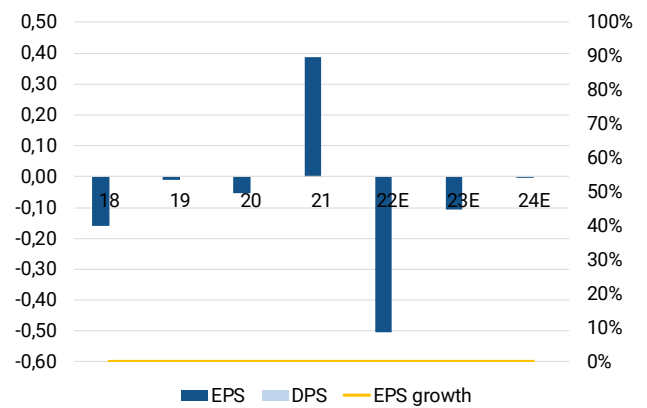
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments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

Financials in six charts

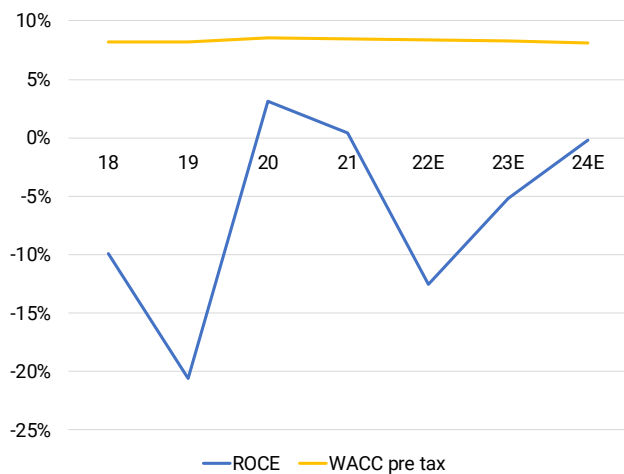
Sales vs. EBITDA margin development



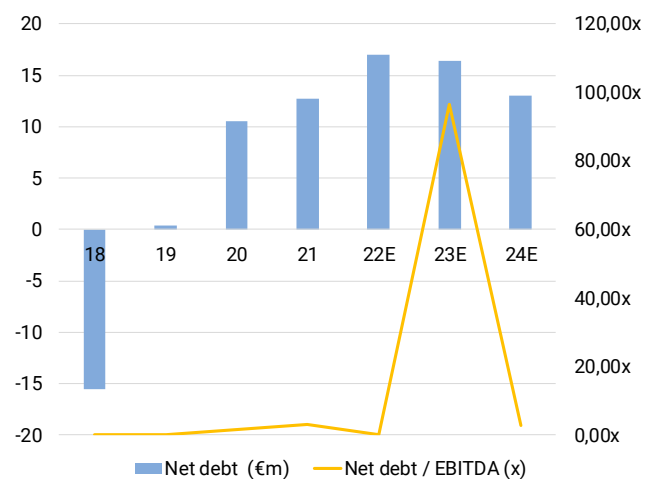
EPS, DPS in EUR & yoy EPS growth



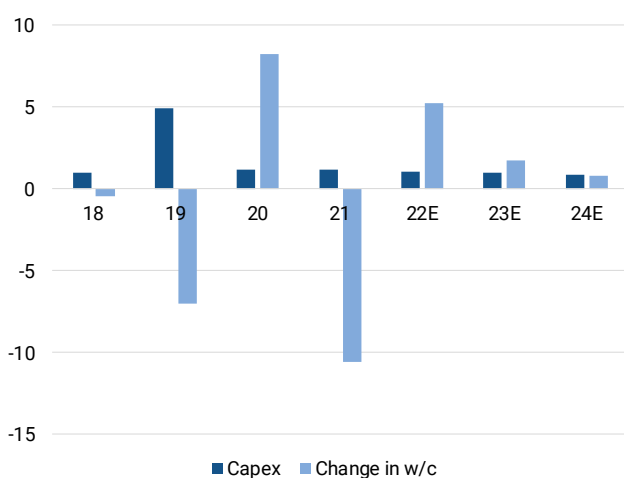
ROCE vs. WACC (pre tax)



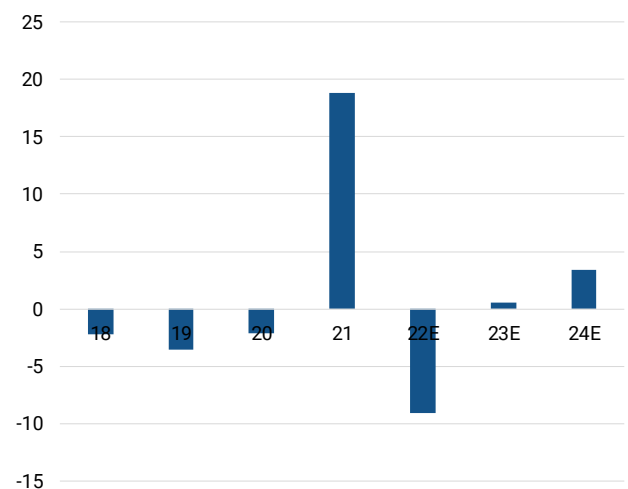
Net debt and net debt/EBITDA



Capex & chgn in w/c requirements in EURm



Free Cash Flow in EURm



Source: Company data; AlsterResearch

Financials

Profit and loss (EURm)	2019	2020	2021	2022E	2023E	2024E
Net sales	8.2	27.7	26.1	26.3	34.1	42.7
Sales growth	3.9%	237.3%	-5.8%	0.5%	30.0%	25.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	8.2	27.7	26.1	26.3	34.1	42.7
Material expenses	0.4	1.1	2.7	2.7	3.2	4.0
Gross profit	7.8	26.7	23.4	23.5	30.9	38.7
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	8.7	11.7	11.3	19.1	18.8	21.3
Other operating expenses	9.6	8.4	7.8	11.0	11.9	12.8
EBITDA	-10.5	6.6	4.3	-6.6	0.2	4.5
Depreciation	0.9	1.8	1.6	1.4	1.3	1.3
EBITA	-11.4	4.8	2.7	-8.0	-1.2	3.2
Amortisation of goodwill and intangible assets	0.3	2.0	2.3	2.7	3.6	3.4
EBIT	-11.8	2.8	0.3	-10.7	-4.8	-0.2
Financial result	6.7	-5.8	6.1	0.9	2.5	0.1
Recurring pretax income from continuing operations	-5.1	-3.0	6.4	-9.8	-2.3	-0.1
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-5.1	-3.0	6.4	-9.8	-2.3	-0.1
Taxes	-5.0	-4.0	-0.2	-1.0	-0.2	-0.0
Net income from continuing operations	-0.1	1.0	6.6	-8.9	-2.0	-0.1
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-0.1	1.0	6.6	-8.9	-2.0	-0.1
Minority interest	0.0	-1.7	-1.5	1.3	0.3	0.0
Net profit (reported)	-0.1	-0.7	5.2	-7.5	-1.7	-0.1
Average number of shares	10.17	13.27	13.33	14.95	16.29	16.29
EPS reported	-0.01	-0.05	0.39	-0.50	-0.11	-0.00

Profit and loss (common size)	2019	2020	2021	2022E	2023E	2024E
Net sales	100%	100%	100%	100%	100%	100%
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
Total sales	100%	100%	100%	100%	100%	100%
Material expenses	5%	4%	10%	10%	10%	9%
Gross profit	95%	96%	90%	90%	90%	91%
Other operating income	0%	0%	0%	0%	0%	0%
Personnel expenses	106%	42%	43%	73%	55%	50%
Other operating expenses	117%	30%	30%	42%	35%	30%
EBITDA	-128%	24%	16%	-25%	1%	11%
Depreciation	11%	6%	6%	5%	4%	3%
EBITA	-139%	17%	10%	-30%	-3%	8%
Amortisation of goodwill and intangible assets	4%	7%	9%	10%	11%	8%
EBIT	-143%	10%	1%	-41%	-14%	-0%
Financial result	82%	-21%	23%	3%	7%	0%
Recurring pretax income from continuing operations	-62%	-11%	25%	-37%	-7%	-0%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-62%	-11%	25%	-37%	-7%	-0%
Taxes	-61%	-14%	-1%	-4%	-1%	-0%
Net income from continuing operations	-1%	4%	25%	-34%	-6%	-0%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
Net income	-1%	4%	25%	-34%	-6%	-0%
Minority interest	0%	-6%	-6%	5%	1%	0%
Net profit (reported)	-1%	-3%	20%	-29%	-5%	-0%

Source: Company data; AlsterResearch

Balance sheet (EURm)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (exl. Goodwill)	57.6	56.2	54.8	72.0	68.4	65.0
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	12.8	11.5	9.9	9.6	9.3	8.8
Financial assets	13.2	16.8	19.3	18.4	18.4	18.4
FIXED ASSETS	83.7	84.5	84.0	100.0	96.1	92.2
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	4.1	18.9	6.2	6.5	7.5	8.2
Other current assets	2.6	1.8	9.9	9.9	9.9	9.9
Liquid assets	14.5	8.4	16.3	11.0	8.6	9.0
Deferred taxes	0.0	0.0	0.5	0.5	0.5	0.5
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	21.2	29.1	33.0	28.0	26.5	27.6
TOTAL ASSETS	104.8	113.7	117.0	127.9	122.6	119.8
SHAREHOLDERS EQUITY	38.1	37.9	43.3	61.0	59.0	58.9
MINORITY INTEREST	3.1	4.9	5.1	5.1	5.1	5.1
Long-term debt	14.1	17.7	18.3	15.0	15.0	12.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	34.7	27.8	0.3	1.3	1.7	2.1
Non-current liabilities	48.8	45.5	18.6	16.3	16.7	14.1
short-term liabilities to banks	0.7	1.3	10.7	13.0	10.0	10.0
Accounts payable	4.1	3.7	25.3	18.7	17.8	17.6
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	-3.2	6.9	0.0	0.0	0.0	0.0
Deferred taxes	13.2	12.6	13.9	15.5	15.5	15.5
Deferred income	0.1	0.9	0.0	0.1	0.3	0.4
Current liabilities	14.8	25.5	50.0	47.3	43.6	43.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	104.8	113.7	117.0	129.8	124.4	121.6

Balance sheet (common size)	2019	2020	2021	2022E	2023E	2024E
Intangible assets (excl. Goodwill)	55%	49%	47%	56%	56%	54%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	12%	10%	8%	7%	8%	7%
Financial assets	13%	15%	16%	14%	15%	15%
FIXED ASSETS	80%	74%	72%	78%	78%	77%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	4%	17%	5%	5%	6%	7%
Other current assets	3%	2%	8%	8%	8%	8%
Liquid assets	14%	7%	14%	9%	7%	7%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	20%	26%	28%	22%	22%	23%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	36%	33%	37%	48%	48%	49%
MINORITY INTEREST	3%	4%	4%	4%	4%	4%
Long-term debt	13%	16%	16%	12%	12%	10%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	33%	24%	0%	1%	1%	2%
Non-current liabilities	47%	40%	16%	13%	14%	12%
short-term liabilities to banks	1%	1%	9%	10%	8%	8%
Accounts payable	4%	3%	22%	15%	14%	15%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	-3%	6%	0%	0%	0%	0%
Deferred taxes	13%	11%	12%	12%	13%	13%
Deferred income	0%	1%	0%	0%	0%	0%
Current liabilities	14%	22%	43%	37%	36%	36%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	101%	101%	102%

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2019	2020	2021	2022E	2023E	2024E
Net profit/loss	-11.8	1.9	6.6	-8.9	-2.0	-0.1
Depreciation of fixed assets (incl. leases)	1.3	3.7	3.9	1.4	1.3	1.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	2.7	3.6	3.4
Others	4.9	1.8	-1.1	1.9	0.4	0.4
Cash flow from operations before changes in w/c	-5.6	7.3	9.4	-2.8	3.3	5.1
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.9	-14.2	2.4	-0.3	-1.0	-0.7
Increase/decrease in accounts payable	3.4	1.9	1.8	-6.6	-0.9	-0.2
Increase/decrease in other w/c positions	2.7	4.1	6.3	1.7	0.2	0.1
Increase/decrease in working capital	7.0	-8.3	10.6	-5.2	-1.7	-0.8
Cash flow from operating activities	1.4	-0.9	20.0	-8.0	1.6	4.3
CAPEX	-4.9	-1.2	-1.2	-1.1	-1.0	-0.9
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	-46.7	0.0	-0.1	-0.9	0.0	0.0
Income from asset disposals	-4.6	0.3	0.1	0.0	0.0	0.0
Cash flow from investing activities	-56.2	-0.9	-1.1	-1.9	-1.0	-0.9
Cash flow before financing	-54.8	-1.9	18.9	-10.0	0.5	3.4
Increase/decrease in debt position	4.6	-0.8	-14.0	-1.1	-3.0	-3.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	18.0	0.0	0.0	12.6	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	20.7	0.1	5.0	-6.9	0.0	0.0
Effects of exchange rate changes on cash	3.4	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	46.6	-0.7	-9.0	4.6	-3.0	-3.0
Increase/decrease in liquid assets	-8.2	-2.6	9.8	-5.3	-2.5	0.4
Liquid assets at end of period	9.1	6.5	16.3	11.0	8.6	9.0

Source: Company data; AlsterResearch

Regional sales split (EURm)	2019	2020	2021	2022E	2023E	2024E
Domestic	8.2	27.7	26.1	26.3	34.1	42.7
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	8.2	27.7	26.1	26.3	34.1	42.7

Regional sales split (common size)	2019	2020	2021	2022E	2023E	2024E
Domestic	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100%	100%	100%	100%	100%	100%

Source: Company data; AlsterResearch

Ratios	2019	2020	2021	2022E	2023E	2024E
Per share data						
Earnings per share reported	-0.01	-0.05	0.39	-0.50	-0.11	-0.00
Cash flow per share	0.05	-0.20	1.38	-0.63	0.01	0.18
Book value per share	3.75	2.85	3.25	4.08	3.62	3.62
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	-866.3x	-149.5x	20.5x	-15.7x	-74.2x	-2,205.7x
P/CF	173.3x	-39.0x	5.7x	-12.6x	595.9x	43.4x
P/BV	2.1x	2.8x	2.4x	1.9x	2.2x	2.2x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	0.6%	-2.6%	17.4%	-7.9%	0.2%	2.3%
EV/Sales	14.4x	4.6x	5.0x	5.2x	4.0x	3.1x
EV/EBITDA	-11.3x	19.7x	30.6x	-20.5x	790.1x	29.1x
EV/EBIT	-10.1x	45.9x	380.0x	-12.6x	-28.2x	-668.8x
Income statement (EURm)						
Sales	8.2	27.7	26.1	26.3	34.1	42.7
yoy chg in %	3.9%	237.3%	-5.8%	0.5%	30.0%	25.0%
Gross profit	7.8	26.7	23.4	23.5	30.9	38.7
Gross margin in %	94.8%	96.1%	89.7%	89.6%	90.5%	90.6%
EBITDA	-10.5	6.6	4.3	-6.6	0.2	4.5
EBITDA margin in %	-128.2%	23.6%	16.4%	-25.1%	0.5%	10.6%
EBIT	-11.8	2.8	0.3	-10.7	-4.8	-0.2
EBIT margin in %	-143.5%	10.1%	1.3%	-40.8%	-14.0%	-0.5%
Net profit	-0.1	-0.7	5.2	-7.5	-1.7	-0.1
Cash flow statement (EURm)						
CF from operations	1.4	-0.9	20.0	-8.0	1.6	4.3
Capex	-4.9	-1.2	-1.2	-1.1	-1.0	-0.9
Maintenance Capex	0.9	1.8	1.6	1.4	1.3	1.3
Free cash flow	-3.5	-2.1	18.8	-9.1	0.5	3.4
Balance sheet (EURm)						
Intangible assets	57.6	56.2	54.8	72.0	68.4	65.0
Tangible assets	12.8	11.5	9.9	9.6	9.3	8.8
Shareholders' equity	38.1	37.9	43.3	61.0	59.0	58.9
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	49.4	46.8	29.3	29.3	26.7	24.1
Net financial debt	0.3	10.6	12.7	17.0	16.4	13.0
w/c requirements	-0.1	15.2	-19.1	-12.2	-10.3	-9.4
Ratios						
ROE	-0.2%	2.7%	15.3%	-14.5%	-3.5%	-0.1%
ROCE	-13.0%	3.1%	0.4%	-11.2%	-5.3%	-0.2%
Net gearing	0.9%	27.9%	29.4%	27.8%	27.9%	22.1%
Net debt / EBITDA	-0.0x	1.6x	3.0x	-2.6x	96.4x	2.9x

Source: Company data; AlsterResearch

Conflicts of interest

Disclosures regarding research publications of SRH AlsterResearch AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under an EEA branch passport, subject to the FCA requirements on research recommendation disclosures. It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analyzed company. Further to this, under the FCA's rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if SRH AlsterResearch AG

- (1) or its affiliate(s) (either in its own right or as part of a consortium) within the past twelve months, acquired the financial instruments of the analyzed company,
- (2) has entered into an agreement on the production of the research report with the analyzed company,
- (3) or its affiliate(s) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analyzed company or have received services or a promise of services under the term of such an agreement,
- (4) or its affiliate(s) holds a) 5% or more of the share capital of the analyzed company, or b) the analyzed company holds 5% or more of the share capital of SRH AlsterResearch AG or its affiliate(s),
- (5) or its affiliate(s) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analyzed company or derivatives thereof,
- (6) or its affiliate(s) is a market maker or liquidity provider in the financial instruments of the issuer,
- (7) or the analyst has any other significant financial interests relating to the analyzed company such as, for example, exercising mandates in the interest of the analyzed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

Company	Disclosure
LAIQON AG	2, 8

Important disclosures

1. General Information/Liabilities This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by SRH AlsterResearch AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of SRH AlsterResearch AG. Reproduction of this document, in whole or in part, is not permitted without prior permission SRH AlsterResearch AG. All rights reserved. Under no circumstances shall SRH AlsterResearch AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analyzed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organizational Requirements SRH AlsterResearch AG took internal organizational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of AlsterResearch AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update The determination of the fair value per share, i.e. the price target, and the resultant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made. The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate. The operating cash flow is calculated as EBITDA less maintenance capex and taxes. Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The adjustment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value. Detailed information on the valuation principles and methods used and the underlying assumptions can be found at <https://www.alsterresearch.com>.

SRH AlsterResearch AG uses the following three-step rating system for the analyzed companies:

- **Speculative (Spec.) BUY:** Sustainable upside potential of more than 25% within 12 months, above average risk
- **Buy:** Sustainable upside potential of more than 10% within 12 months
- **Sell:** Sustainable downside potential of more than 10% within 12 months.
- **Hold:** Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of SRH AlsterResearch AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analyzed in this document was solely made by SRH AlsterResearch AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of SRH AlsterResearch AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Date and time of first publication of this financial analysis
13-Feb-23 11:02:53

6. Risk information

- Stock exchange investments and investments in companies (shares) are always speculative and involve the risk of total loss.
- This is particularly true in respect of investments in companies which are not established and/or small and have no established business or corporate assets.
- Share prices may fluctuate significantly. This is particularly true for shares with low liquidity (market breadth). Even small orders can have a significant impact on the share price.
- In the case of shares in narrow markets, it may also happen that there is no or very little actual trading there and that published prices are not based on actual trading but have only been provided by a stockbroker.
- In such markets a shareholder cannot expect to find a buyer for his shares at all and/or at reasonable prices. In such narrow markets there is a very high possibility of manipulating prices and in such markets there are often considerable price fluctuations.
- An investment in shares with low liquidity and low market capitalization is therefore highly speculative and represents a very high risk.
- There is no regulated market for unlisted shares and securities and a sale is not possible or only possible on an individual basis.

7. Major Sources of Information Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. SRH AlsterResearch AG has checked the information for plausibility but not for accuracy or completeness.

8. Competent Supervisory Authority SRH AlsterResearch AG are under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M. This document is distributed in the UK under a MiFID EEA branch passport and in compliance with the applicable FCA requirements.

9. Specific Comments for Recipients Outside of Germany This research report is subject to the law of the Federal Republic of Germany. The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

10. Miscellaneous 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 free of charge under <https://www.alsterresearch.com>.

Contacts

SRH AlsterResearch AG
Himmelstr. 9
22299 Hamburg

Tel: +49 40 309 293-52
E-Mail: info@alsterresearch.com

Team Assistant

HANNAH GABERT
Team Assistant
Tel: +49 40 309 293-53
E-Mail: h.gabert@alsterresearch.com

Sales

MARKUS KÖNIG-WEISS
Head of Sales
Tel: +49 40 309 293-52
E-Mail: mkw@alsterresearch.com

Research

HARALD HOF
Senior Analyst
Tel: +49 40 309 293-52
E-Mail: h.hof@alsterresearch.com

LEVENT YILMAZ
Senior Analyst
Tel: +49 40 309 293-52
E-Mail: l.yilmaz@alsterresearch.com

KATHARINA SCHLÖTER
Analyst
Tel: +49 40 309 293-52
E-Mail: k.schloeter@alsterresearch.com

THOMAS WISSLER
Senior Analyst
Tel: +49 40 309 293-58
E-Mail: t.wissler@alsterresearch.com

DR. OLIVER WOJAHN, CFA
Senior Analyst
Tel: +49 40 309 293-55
E-Mail: o.wojahn@alsterresearch.com

ALEXANDER ZIENKOWICZ
Senior Analyst
Tel: +49 40 309 293-56
E-Mail: a.zienkowicz@alsterresearch.com

mwb fairtrade Wertpapierhandelsbank AG
Rottenbucher Straße 28
82166 Gräfelfing

Tel: +49 89 85852-0
Fax: +49 89 85852-505
E-Mail: info@mwbfairtrade.com

Equity Capital Markets / Trading

KAI JORDAN
Member of the Board
Tel: +49 40 36 0995-22
E-Mail: kjordan@mwbfairtrade.com

ALEXANDER DEUSS
Head of Institutional Sales
Tel: +49 40 36 0995-22
E-Mail: adeuss@mwbfairtrade.com

SASCHA GUENON
Head of Designated Sponsoring
Tel: +49 40 360 995 - 23
E-Mail: sguenon@mwbfairtrade.com

Our research can be found under



RESEARCH HUB	www.research-hub.de
BLOOMBERG	www.bloomberg.com
FACTSET	www.factset.com
THOMSON REUTERS / REFINITIV	www.refinitiv.com
CAPITALIQ	www.capitaliq.com