

**Buy** (old: Buy)

28.02.2024

**EUR 10.00** (old: EUR 9.50)

## Game changing cooperation with Union Investment; chg

Recently, LAIQON has announced to have closed the game changing cooperation with Union Investment. With that, LAIQON provided a new promising guidance for its subsidiary LAIC, mainly reflecting the potential of the new cooperation. Further, LAIQON announced a capital raise on the level of LAIC and published FY23 prelims that came in rather weak. In detail:

**Cooperation with Union is heralding a new era.** Together Union and LAIQON will launch new type of fund-based investment product for wealthy Volksbanken and Raiffeisenbanken (VR) customers in Q4 '24. The core of the joint product is an **individual fund asset management (IFVV)** that is providing an **individually tailored portfolio**, based on dozens of AI-generated decision parameters of the WealthTech LAIC considering both – classic and sustainable (ESG-compliant) investments constraints. While LAIQON is providing the technology and the reporting via its wealth tech LAIC (DAP 4.0) as well as a fully digital onboarding, Union Investment is providing the distribution channels and the sales power within VR ecosystem. The VR banks sell the product to customers by advising and onboarding them. The joint goal is to attract **new customers for individual fund- and AI-based wealth management**.

**New promising guidance for LAIC.** While the management expects AuM's of LAIC to increase by € 5-6bn until FY28e to € 5.5-6.5bn, mainly driven by the new cooperation with Union, we are slightly more conservative expecting AuM's to increase to only € 4.5bn AuM.

**Financing secured.** In order to finance the initial costs of the cooperation (eNuW: c. € 3m), LAIQON plans to raise up to € 6.8m, partially via **emission of new "LAIC token 24"**, partially via **sale of existing token at a valuation of € 65m**.

**Weak FY23 prelims** of € 30.7m sales (eNuW: € 33.4m) and € -4.8m EBITDA (vs eNuW: € -1.6m) reflecting the frustrating situation on the capital markets in FY23.

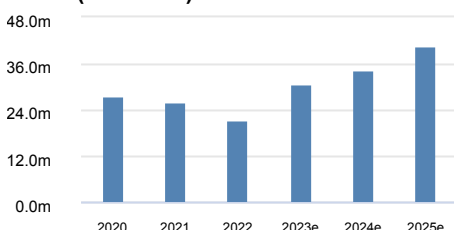
In this piece, we take a closer look at 1) the Digital Asset segment and the cooperation with Union Investment, 2) the Asset Management and 3) the Wealth Management.

As we consider the cooperation as a game changer for LAIQON, we reiterate **BUY** with a new **PT of € 10.00**, based on DCF.

Y/E 31.12 (EUR m)	2020	2021	2022	2023e	2024e	2025e
Sales	27.7	26.1	21.6	30.7	34.5	40.8
Sales growth	237.3%	-5.8%	-17.4%	42.3%	12.4%	18.3%
EBITDA	7.0	4.6	-9.9	-4.8	-1.1	3.9
Net debt (if net cash=0)	12.4	6.7	12.8	31.2	38.9	42.6
FCF	-2.1	18.8	-4.0	-9.8	-3.7	0.8
Net Debt/EBITDA	1.8	1.4	-1.3	-6.5	-34.4	10.9
EPS pro forma	-0.05	0.40	-0.58	-0.64	-0.38	-0.24
EBITDA margin	25.1%	17.6%	-46.1%	-15.7%	-3.3%	9.6%
ROCE	7.4%	1.0%	-18.3%	-12.5%	-7.6%	-2.7%
EV/sales	3.3	3.2	5.3	4.4	4.1	3.6
EV/EBITDA	13.0	18.3	-11.6	-27.7	-125.1	37.1
PER	-110.9	14.8	-10.2	-9.2	-15.5	-24.8
Adjusted FCF yield	6.6%	-0.8%	-7.5%	-7.3%	-3.6%	-1.8%

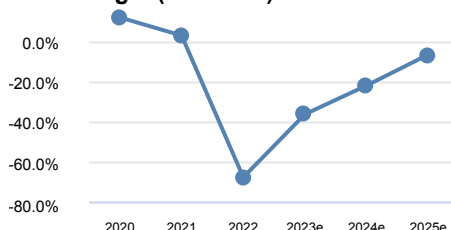
Source: Company data, NuWays, Close price as of 27.02.2024

### Sales (2020-25e)



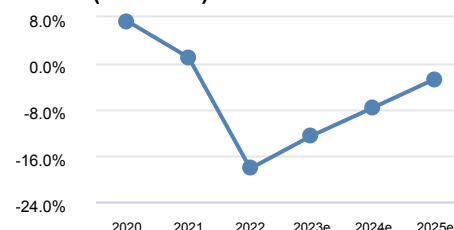
Source: NuWays Research

### EBIT margin (2020-25e)



Source: NuWays Research

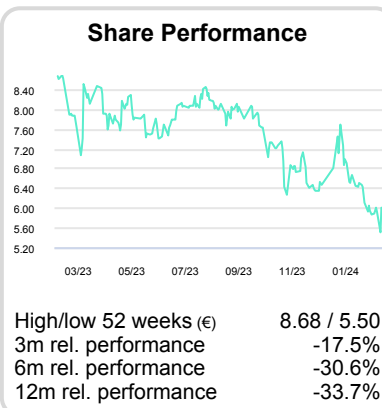
### ROCE (2020-25e)



Source: NuWays Research

### Company description

LAIQON is an independent asset- and wealth manager with focus on actively managed non-benchmark funds, on 360 degree, holistic wealth management solutions for wealthy clients as well as on digitizing wealth management via its WealthTech LAIC Advisor.



### Market data

Share price (in €)	6.00
Market cap (in € m)	102.5
Number of shares (in m pcs)	17.5
Enterprise value (in € m)	141.4
Ø trading volume (6 months)	6,500

### Identifier

Bloomberg	LQAG GR
Reuters	L10GK
WKN	A12UP2
ISIN	DE000A12UP29

### Key shareholders

DEWB	19.0%
SPSW Shareholder	8.0%
Plate Family Office	8.0%
Lange Asset & Consulting Shareholder	8.0%
Free Float	57.0%

### Estimates changes

	2023e	2024e	2025e
Sales	-8%	-16%	-15%
EBIT	-40%	-123%	-543%
EPS	-41%	-178%	-244%

### Comment on changes

- We trimmed our sales and EBIT estimates in FY23 and beyond in order to reflect softer than expected FY23 prelims

### Guidance

- FY25: € 8-10bn AuM
- FY25: >45% EBITDA margin (incl. performance fees)

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## 1. Digital Wealth – Game changing cooperation with Union Investment

The recently closed joint-venture contract for the launch of a new type of fund-based investment product between LAIQON's subsidiary and WealthTech LAIC and Union Investment – one Germany's largest asset manager, is heralding a new era for LAIQON.

The objective of the cooperation is to offer a **jointly developed, unique, fully-automated and AI-based individual wealth management solution (iFVV) to wealthy individuals** of the Volksbanken & Raiffeisenbanken, which should be reached and made acquainted with the product through the long-lasting connections between Union Investment and Volksbanken & Raiffeisenbanken. Expecting the launch of the joint product within Q4 2024, it should fuel AuM's and sales from FY25 onwards, marking the **breakthrough point of LAIC**.

With the new investment product, Union Investment improves its offering for the high-end customer segment of the Volksbanken & Raiffeisenbanken. The iFVV represents an **investment solution that is fully tailored to the individual customer** by proposing and adapting portfolio combinations according to the exact needs, objectives, risk preferences and other restrictions of the individual client. In other words, the iFVV enable customers to find its individually optimized portfolio.

**Importantly, the iFVV is not at all addressing the clients "Visual Vest"** – the robo advisor of Union Investment. Visual Vest is expected to remain the standardized wealth management solution of Union that is offering up to ten ETF portfolios directly to retail clients.

As of now, the wealth management solution for wealthy clients of Volksbanken & Raiffeisenbanken is "**Vermögen Plus**", introduced in 2019. Even though, c. € 5-6bn (eNuW) are invested via "Vermögen Plus" until today, we expect that the client advisors of Volksbanken & Raiffeisenbanken as well as the clients itself are not satisfied with the product as it is too static and not able to adapt restrictions demanded by the clients. Still, collecting c. € 5-6bn (eNuW) within five years is quite impressive and give us a rough idea of what we can expect for the joint iFVV of LAIC and Union.

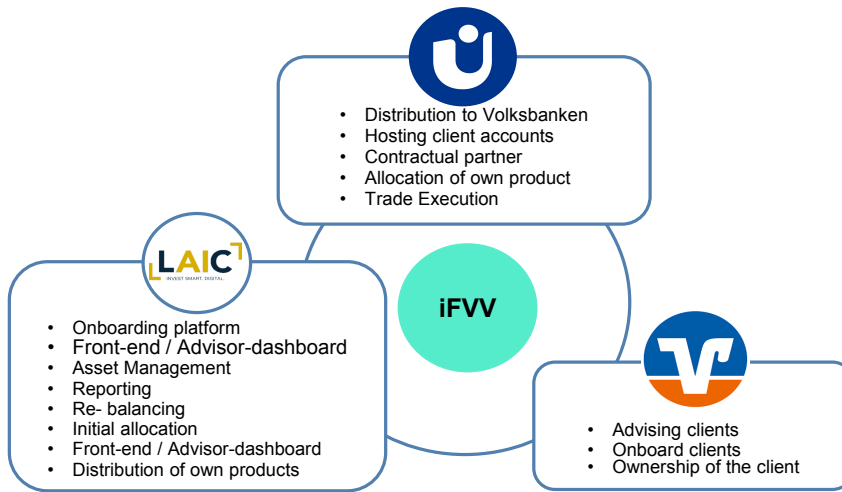
### Utilizing the strengths of each partner

As part of the agreement, **LAIQON will provide the technology via its WealthTech LAIC and its Digital Asset Platform 4.0 (DAP 4.0)**. The fully digital client onboarding process of the new product is essentially an adoption of the onboarding process of the LAIC ADVISOR, DAP 4.0, which is also the core of the LAIC ADVISOR and the LAIC funds. DAP 4.0 of LAIC is also delivering the AI-based algorithm, the decision parameters for the asset-allocation, the asset management and portfolio surveillance itself, as well as the reporting.

**Union Investment will take care of providing the targeted distribution channels and the sales power** within the Volksbanken & Raiffeisenbanken ecosystem (eNuW: Starting with a few pilot VR's), is hosting the client's accounts and is contract partner of the client.

**VR banks own the clients relationship, advise clients and will eventually place and sell the iFVV** to selected private clients that belongs to the category "wealthy clients" and "high-net-worth-individuals (HNWI)".

## The cooperation at a glance



Source: NuWays Research

## Attractive fee structure

The **annual service fee should be up to 1.0-1.2%** (eNuW), depending on the individual AuM, which is not overly expensive comparing it to other selected wealth management solutions. We expect the three cooperation partners to split the proceeds each retaining a pre-established portion of the fee imposed on the single customer (eNuW: c. 0.5% to Volksbanken & Raiffeisenbanken, c. 0.4% to Union Investment and c. 0.25-0.35% to LAIC).

On top of the service fee, we expect **further product and other fees to the amount of 1.0-1.2%** of the volume (eNuW), resulting in a **total expense ratio (TER) for the customers of 2.2-2.4%** (eNuW). The product costs could potentially become very important for LAIQON, as we expect that **LAIQON could partially include its own LAIC funds to the proposed portfolio solution** (eNuW).

In this case, LAIQON would naturally retain 100% of management fees of the included LAIC funds that we model with 0.15% (eNuW).

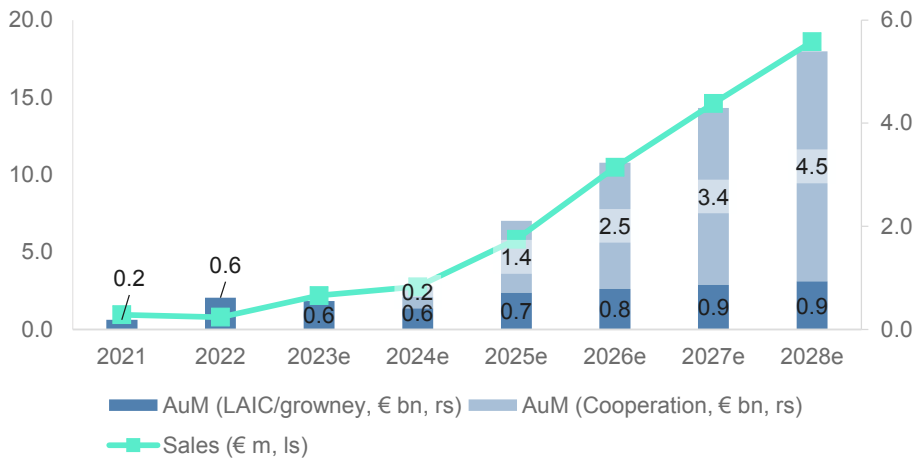
## Promising Outlook

As we expect the launch of the iFVV earliest in Q4'24, it is too early to deliver an accurate prediction regarding the ramp-up of AuM's and revenues stemming from the cooperation. Nonetheless, we strongly believe that the introduction of the iFVV is a game-changer for LAIC and for LAIQON and should fuel LAIC's AuM growth from Q4'24 onwards. As mentioned before, the ramp-up of "Vermögen Plus" delivers a rough idea regarding the growth trajectory of the new product.

While we expect only **€ 200m inflows in 2024** that should not have a significant effect on the topline, AuM's from the cooperation should increase to **€ 1.4bn in FY25**. Until FY28, we conservatively expect AuM's from the cooperation of € 4.5bn. That, plus the AuM's from other LAIC products and growney (together € 0.9bn in FY28e vs € 0.5bn in FY23e) result in **€ 5.4bn overall AuM of LAIC (incl. growney) in FY28e**, which is slightly below **management guidance of € 5.5-6.5bn (excl. growney)**.

Combining the anticipated AuM ramp-up with the expectation regarding the revenue split described earlier, we expect **sales from the cooperation to grow from € 0.4m in FY24e to € 15.2m in FY28e**. **Overall sales of LAIC should stand at € 18.6m**. Despite the fact, that the earnings of LAIC are a blackbox for us, we expect LAIC to deliver a significant EBITDA contribution from FY26 onwards.

## The cooperation to fuel AuM and sales of LAIC



Source: NuWays Research

## Financing secured

In order to deliver a tailored solution for Union Investment and Volksbanken & Raiffeisenbanken, we expect **ramp-up and development cost for LAIQON to amount to some € 3m**. While c. € 1m was already invested in FY23, the remaining c. € 2m should burden the bottom-line in FY24 (development costs and personnel expenses). In 2025 and beyond, after the onboarding and the frontend is implemented, the maintenance costs should remain rather low (eNuW: slowly increasing from € 0.3m to € 0.5m) as the same algorithm that is already managing the LAIC funds and the LAIC ADVISOR, can manage the new investment product. Hence, no further personnel ramp-up (after the initial ramp-up) are necessary.

The financing of the ramp-up and the development costs, should be secured by the recently issued the "LAIC-Token 24", which is basically a special AIF fund. By purchasing the token, the investors enter a trust relationship as a limited partner in a special AIF fund in the legal form of a GmbH & Co. KG with a 5-year term. The purpose of the special AIF fund is to acquire up 9.98% (post money) of the **LAIC Capital GmbH at a valuation of € 65m**. Mind you that the valuation of the "LAIC-Token 21" was € 50m, implying 9% CAGR.

In a first step, the AIF is expected to purchase **5.25% of the LAIC Capital GmbH** from LAIQON for up to **€ 3.4m**, already in Q1. In a second step the special AIF fund is expected acquire another 5.25% for up to **€ 3.4m via a capital increase on the level of the LAIC Capital GmbH** that should come in Q2.

After the successful issuance of the second token (LAIC-Token 24), LAIQON should still own some 80.76% of LAIC Capital, which is remarkable given that **LAIQON should have financed half of the € 20m total ramp-up costs via issuance of LAIC-Token 21 and LAIC Token 24**.

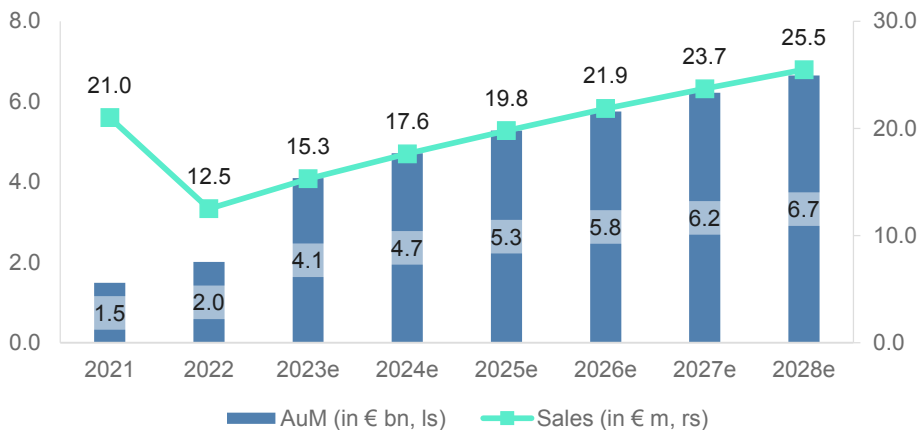
## 2. Asset Management – Sustainability and performance fees ahead

LAIQON recently announced the conversion of 4 already present funds into Art.9 public funds (i.e. funds with at least 80% volume focused on sustainable investing) and the introduction of 3 new Art.8 public funds (i.e. funds with at least 10% volume dedicated to green investing). The introduction of the new ESG-characterized public funds comes as the second fundamental milestone after the implementation of LAIQON’s sustainability focused growth strategy that came along with the closure of the partnership with the green investment fund Atacama Partners in Q3 last year.

We expect that with the consequent focus on sustainability, LAIQON is ahead of the curve, anticipating significant future inflow into ESG conform investments. The new Art. 8/9 funds should hence attract new institutional and private customer resulting in additional inflows within the next quarters and years.

In the short-term, the active managed funds should benefit from the recovery of the capital markets. While expecting **AuM to stand at € 4.1bn in FY23e** (including some € 2.0-2.5bn stemming from MFI Asset Management), it should increase to **€ 6.7bn in FY28e**, assuming moderate capital markets performance. **Sales should grow accordingly from € 15.3m in FY23e to € 25.5m in FY28e**. Mind you, potential performance fees are not included in our estimates and could lift sales significantly (visible i.e. in FY21).

### Steady AuM and sales growth



Source: NuWays Research

### Performance fees on the horizon

Thanks to the sound capital markets performance in Q4'23 and the solid start in 2024, the actively managed funds come closer to their high-water marks. As of now, no fund would generate performance related fees, but some funds such as the "LF-European Hidden Chamions", the "LF Green Dividend World", the "LF Sustainable Yield Opportunities" and the "LF ASSET Defense Opportunities" are close to its individual high water marks, performance fees are possible in FY24. Again, we have not included any performance fees in our estimates.

## Performance fees in reach

Fund	AuM (€ m)	Cut-off date	High water mark (€)*	Hurdle-rate	Performance Fee	Price (R-tranche)*	Dist. to HWM*	Perf. Fee (€ m)
LF- European Hidden Champion	55,1	31.03.	n/a	Stoxx Europe Small 200 Net Return	20,00%	68,68	-3,8%	0,0
LF- Green Dividend World	58,5	30.06.	n/a	MSCI World High Yield	15,00%	57,97	1,0%	0,1
LF- Atacama Global Equity Impact Opp.	4,3	30.06.	n/a	-	n/a	45,20	n/a	n/a
LF- WHC Global Discovery	408,4	30.06.	133,59	4,00%	20,00%	114,84	-18,0%	0,0
LF- Global Multi Asset Sustainable	94,6	30.06.	88,13	3,00%	15,00%	84,07	-7,6%	0,0
LF- Sustainable Yield Opportunities	145,5	31.12.	49,15	2,00%	15,00%	49,38	-1,5%	0,0
LF- ASSET Defensive Opportunities	76,4	31.12.	88,69	4,41%	20,00%	87,76	-5,5%	0,0
LF- MMT Premium Protect Value Fonds	16,1	31.12.	108,5	2,00%	8,00%	105,85	-4,4%	0,0
LF - AI Defensive Multi Asset	2,9	30.04.	56	n/a	7,50%	53,00	-5,4%	0,0
LF - AI Balanced Multi Asset	1,5	30.04.	57	n/a	7,50%	53,56	-6,0%	0,0
LF - AI Dynamic Multi Asset	7,1	30.04.	64	n/a	7,50%	59,82	-6,5%	0,0
LF- AI Impact Equity EU	2,0	30.04.	n/a	-	n/a	993,85	n/a	n/a
LF - AI Impact Equity US	7,0	30.04.	n/a	n/a	n/a	33,29	n/a	n/a

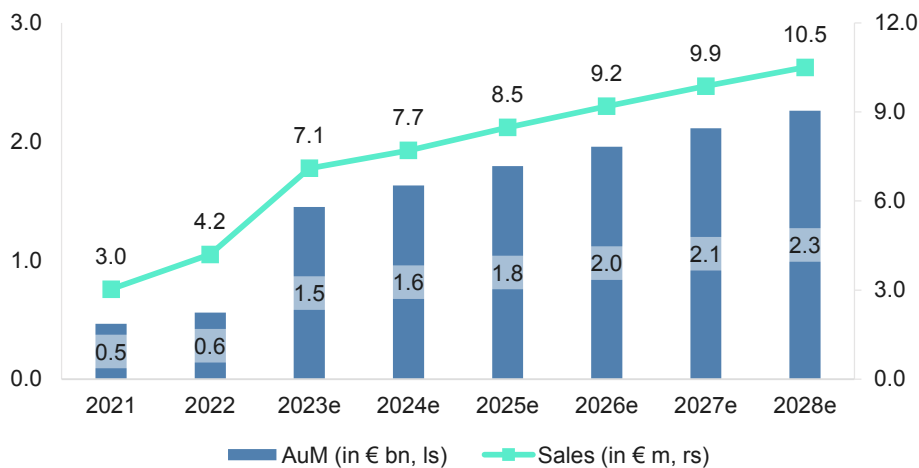
Source: NuWays Research, Morningstar, \*) data as of 27.02.2024

### 3. Wealth Management – Positive effects from business combination with BV

The completion of the 100% acquisition and integration of Bayerische Vermögen (BV) in 2023 represents an important milestone for LAIQON, making LAIQON to **one of the top 5 independent German asset managers**. The acquisition has enabled the combined company to benefit from enormous cross-selling potentials, strong operating synergy effects and scaling opportunities. While the positive synergies and scaling effects revealed themselves already in 2022 – immediately after the acquisition of BV. Nonetheless, we expect them to persist, having a positive impact on AuM and sales on the one hand due to cross-selling and on costs on the other hand thanks to synergy and scale effects.

Remaining rather conservative, we expect **AuM's in the Wealth Management segment to stand at € 1.5bn in FY23e and increase to € 2.3bn in FY28e**. This should translate into sales of **€ 7.1m in FY23e growing accordingly to AuM to € 10.5m in FY28e**. The implied margin on the AuM is 0.4% in FY23e.

#### Cross-selling to increase AuM and sales



Source: NuWays Research



## Valuation

The price target of € 10.00 is derived from a DCF model. The key assumptions of the model are:

- **Terminal EBIT margin of 25%:** Thanks to the highly scalable asset management platform, a rising share of the fully automated LAIC business and the strict focus on strong growing niche markets should enable EBIT margins of >25%. The terminal EBIT margin is conservatively set as we do not consider any performance related fees.
- **Terminal-year growth rate of 2.5%:** Mid-term growth is still seen at a dynamic 16% (CAGR 2026-30E) as Lloyd Fonds should continue to benefit from secular growth trends towards robo-advisory and sustainability. Long-term growth is nevertheless conservatively set at 2%.
- **WACC:** The discount factor of **9.0%** is based on a risk-free rate of 2.5%, an equity risk premium of 4% and a beta of 1.5x.

Looking at the sensitivity analysis below emphasizes that even a materially lower terminal margin of 22.5% would still yield substantial upside to € 9.20.

DCF (EUR m) (except per share data and beta)	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal value
NOPAT	-7.6	-4.5	-0.3	4.5	8.3	11.8	14.7	14.0	16.5
Depreciation	6.4	6.6	6.7	6.9	7.1	7.2	7.4	7.6	7.8
Increase/decrease in working capital	-7.4	-1.5	0.5	0.6	0.6	0.6	0.5	0.4	0.4
Increase/decrease in long-term provisions and accruals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capex	-4.0	-6.6	-6.7	-6.9	-7.1	-7.2	-7.4	-7.6	-7.8
Acquisitions	-3.5	-4.0	-4.5	-5.0	0.0	0.0	0.0	0.0	0.0
Capital increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow</b>	<b>-16.0</b>	<b>-10.0</b>	<b>-4.3</b>	<b>0.1</b>	<b>8.9</b>	<b>12.3</b>	<b>15.2</b>	<b>14.4</b>	<b>16.8</b>
Present value	-16.2	-9.4	-3.7	0.1	6.5	8.3	10.2	9.6	174.9
WACC	8.2%	8.2%	8.1%	8.2%	8.3%	8.5%	8.7%	8.7%	9.0%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	180	Short term growth (2023-2026)	3.4%
thereof terminal value	97%	Medium term growth (2026 - 2030)	16.0%
Net debt (net cash) at start of year	6	Long term growth (2031 - infinity)	2.5%
Financial assets	0	Terminal year EBIT margin	25.0%
Provisions and off balance sheet debt	0		
Equity value	175		
No. of shares outstanding	17.5		
<b>Discounted cash flow per share</b>	<b>10.0</b>		
<b>upside/(downside)</b>	<b>69%</b>		
		WACC derived from	
		Cost of borrowings before taxes	8.0%
		Tax rate	15.0%
		Cost of borrowings after taxes	6.8%
		Required return on invested capital	8.7%
		Risk premium	4.0%
		Risk-free rate	2.5%
		Beta	1.5
<b>Share price</b>	<b>5.92</b>		

Sensitivity analysis DCF							Sensitivity analysis DCF					
WACC		Long term growth						EBIT margin terminal year				
		2%	2.0%	2.5%	3.0%	3.5%		20.0%	22.5%	25.0%	27.5%	30.0%
11.0%	6.2	6.6	7.0	7.5	8.0	5.9	6.4	7.0	7.6	8.1		
10.0%	7.2	7.7	8.3	8.9	9.6	6.9	7.6	8.3	9.0	9.6		
9.0%	8.6	9.2	10.0	10.9	11.9	8.4	9.2	10.0	10.8	11.6		
8.0%	10.3	11.3	12.3	13.6	15.2	10.3	11.3	12.3	13.3	14.4		
7.0%	12.8	14.1	15.8	17.9	20.5	13.2	14.5	15.8	17.1	18.4		

Source: NuWays Research

## Financials

Profit and loss (EUR m)	2020	2021	2022	2023e	2024e	2025e
<b>Net sales</b>	<b>27.7</b>	<b>26.1</b>	<b>21.6</b>	<b>30.7</b>	<b>34.5</b>	<b>40.8</b>
<i>Sales growth</i>	237.3%	-5.8%	-17.4%	42.3%	12.4%	18.3%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>27.7</b>	<b>26.1</b>	<b>21.6</b>	<b>30.7</b>	<b>34.5</b>	<b>40.8</b>
Other operating income	1.2	1.7	3.4	3.8	4.0	3.9
Material expenses	1.1	2.7	3.7	5.8	7.6	8.7
Personnel expenses	11.7	11.3	17.1	20.7	20.4	19.9
Other operating expenses	9.1	9.2	14.1	12.9	11.6	12.1
<b>Total operating expenses</b>	<b>20.8</b>	<b>21.5</b>	<b>31.5</b>	<b>35.5</b>	<b>35.6</b>	<b>36.9</b>
<b>EBITDA</b>	<b>7.0</b>	<b>4.6</b>	<b>-9.9</b>	<b>-4.8</b>	<b>-1.1</b>	<b>3.9</b>
Depreciation	1.8	1.6	2.0	2.6	2.7	2.7
<b>EBITA</b>	<b>5.2</b>	<b>3.0</b>	<b>-11.9</b>	<b>-7.4</b>	<b>-3.8</b>	<b>1.2</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.0	2.3	2.7	3.8	3.9	4.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>3.2</b>	<b>0.7</b>	<b>-14.7</b>	<b>-11.2</b>	<b>-7.7</b>	<b>-2.8</b>
Interest income	0.0	0.1	0.1	0.1	0.1	0.1
Interest expenses	7.7	9.8	3.9	4.0	4.1	4.2
Investment income	1.5	15.6	2.3	2.3	2.4	2.4
Financial result	-6.2	5.8	-1.5	-1.5	-1.6	-1.6
<b>Recurring pretax income from continuing operations</b>	<b>-2.9</b>	<b>6.5</b>	<b>-16.2</b>	<b>-12.8</b>	<b>-9.3</b>	<b>-4.4</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-2.9</b>	<b>6.5</b>	<b>-16.2</b>	<b>-12.8</b>	<b>-9.3</b>	<b>-4.4</b>
Income tax expense	-4.0	-0.2	-5.7	-2.0	-3.0	-0.6
<b>Net income from continuing operations</b>	<b>1.0</b>	<b>6.7</b>	<b>-10.4</b>	<b>-10.8</b>	<b>-6.3</b>	<b>-3.8</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.0</b>	<b>6.7</b>	<b>-10.4</b>	<b>-10.8</b>	<b>-6.3</b>	<b>-3.8</b>
Minority interest	1.7	1.5	-0.4	0.4	0.4	0.4
<b>Net profit (reported)</b>	<b>-0.7</b>	<b>5.3</b>	<b>-10.1</b>	<b>-11.1</b>	<b>-6.6</b>	<b>-4.1</b>
Average number of shares	13.3	13.3	15.4	17.5	17.5	17.5
<b>EPS reported</b>	<b>-0.05</b>	<b>0.40</b>	<b>-0.65</b>	<b>-0.64</b>	<b>-0.38</b>	<b>-0.24</b>

Profit and loss (common size)	2020	2021	2022	2023e	2024e	2025e
<b>Net sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Sales growth</i>	237.3%	-5.8%	-17.4%	42.3%	12.4%	18.3%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other operating income	4.2%	6.7%	15.7%	12.3%	11.5%	9.5%
Material expenses	3.9%	10.3%	17.0%	18.8%	22.2%	21.2%
Personnel expenses	42.3%	43.4%	79.3%	67.4%	59.1%	48.9%
Other operating expenses	33.0%	35.3%	65.5%	41.9%	33.5%	29.8%
<b>Total operating expenses</b>	<b>74.9%</b>	<b>82.4%</b>	<b>146.1%</b>	<b>115.7%</b>	<b>103.3%</b>	<b>90.4%</b>
<b>EBITDA</b>	<b>25.1%</b>	<b>17.6%</b>	<b>-46.1%</b>	<b>-15.7%</b>	<b>-3.3%</b>	<b>9.6%</b>
Depreciation	6.4%	6.2%	9.2%	8.4%	7.7%	6.7%
<b>EBITA</b>	<b>18.7%</b>	<b>11.4%</b>	<b>-55.3%</b>	<b>-24.2%</b>	<b>-11.0%</b>	<b>2.9%</b>
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	7.2%	8.8%	12.6%	12.4%	11.3%	9.8%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT (inc revaluation net)</b>	<b>11.6%</b>	<b>2.6%</b>	<b>-67.9%</b>	<b>-36.6%</b>	<b>-22.3%</b>	<b>-6.9%</b>
Interest income	0.0%	0.4%	0.5%	0.4%	0.4%	0.4%
Interest expenses	27.7%	37.7%	18.0%	13.0%	11.9%	10.3%
Investment income	5.5%	59.7%	10.5%	7.6%	6.9%	6.0%
Financial result	neg.	22.4%	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>-10.6%</b>	<b>25.0%</b>	<b>-75.0%</b>	<b>-41.6%</b>	<b>-26.9%</b>	<b>-10.8%</b>
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Earnings before taxes</b>	<b>-10.6%</b>	<b>25.0%</b>	<b>-75.0%</b>	<b>-41.6%</b>	<b>-26.9%</b>	<b>-10.8%</b>
Tax rate	134.5%	-3.3%	15.0%	15.0%	15.0%	15.0%
<b>Net income from continuing operations</b>	<b>3.7%</b>	<b>25.8%</b>	<b>-48.3%</b>	<b>-35.1%</b>	<b>-18.2%</b>	<b>-9.3%</b>
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net income</b>	<b>3.7%</b>	<b>25.8%</b>	<b>-48.3%</b>	<b>-35.1%</b>	<b>-18.2%</b>	<b>-9.3%</b>
Minority interest	6.2%	5.7%	-1.7%	1.1%	1.0%	0.9%
<b>Net profit (reported)</b>	<b>-2.5%</b>	<b>20.1%</b>	<b>-46.6%</b>	<b>-36.2%</b>	<b>-19.2%</b>	<b>-10.1%</b>

Source: Company data, NuWays

Balance sheet (EUR m)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	56.2	54.8	90.3	87.1	83.9	80.6
Property, plant and equipment	11.5	9.9	10.4	13.9	17.9	22.4
Financial assets	7.7	9.1	1.8	1.8	1.8	1.8
<b>FIXED ASSETS</b>	<b>75.4</b>	<b>73.8</b>	<b>102.5</b>	<b>102.8</b>	<b>103.6</b>	<b>104.7</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	20.0	6.2	9.9	14.1	15.9	18.8
Other assets and short-term financial assets	2.6	9.9	0.9	0.9	0.9	0.9
Liquid assets	6.5	16.3	10.4	11.7	8.3	9.8
Deferred taxes	9.2	10.7	16.1	16.1	16.1	16.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>38.3</b>	<b>43.2</b>	<b>37.4</b>	<b>42.9</b>	<b>41.2</b>	<b>45.7</b>
<b>TOTAL ASSETS</b>	<b>113.7</b>	<b>117.0</b>	<b>139.8</b>	<b>145.7</b>	<b>144.8</b>	<b>150.4</b>

<b>SHAREHOLDERS EQUITY</b>	<b>37.9</b>	<b>43.3</b>	<b>66.6</b>	<b>55.5</b>	<b>48.8</b>	<b>44.8</b>
MINORITY INTEREST	4.9	5.1	5.5	5.1	5.4	5.8
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.2	0.3	0.3	0.3	0.3	0.3
Short-term liabilities to banks	1.3	7.2	2.3	2.6	2.4	2.1
Accounts payable	30.2	25.3	21.7	18.5	18.7	22.1
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)	7.9	6.1	3.5	4.3	5.2	5.9
Deferred taxes	14.4	12.2	17.1	17.1	17.1	17.1
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT LIABILITIES</b>	<b>38.1</b>	<b>31.4</b>	<b>25.2</b>	<b>22.8</b>	<b>24.0</b>	<b>28.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>115.5</b>	<b>117.0</b>	<b>139.8</b>	<b>145.7</b>	<b>144.8</b>	<b>150.4</b>

Balance sheet (common size)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	49.4%	46.8%	64.6%	59.8%	57.9%	53.5%
Property, plant and equipment	10.1%	8.5%	7.5%	9.6%	12.4%	14.9%
Financial assets	6.7%	7.8%	1.3%	1.2%	1.2%	1.2%
<b>FIXED ASSETS</b>	<b>66.3%</b>	<b>63.1%</b>	<b>73.3%</b>	<b>70.6%</b>	<b>71.5%</b>	<b>69.6%</b>
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	17.6%	5.3%	7.1%	9.7%	11.0%	12.5%
Other assets and short-term financial assets	2.3%	8.5%	0.6%	0.6%	0.6%	0.6%
Liquid assets	5.7%	14.0%	7.4%	8.0%	5.7%	6.5%
Deferred taxes	8.0%	9.2%	11.5%	11.1%	11.2%	10.7%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CURRENT ASSETS</b>	<b>33.7%</b>	<b>36.9%</b>	<b>26.7%</b>	<b>29.4%</b>	<b>28.5%</b>	<b>30.4%</b>
<b>TOTAL ASSETS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>SHAREHOLDERS EQUITY</b>	<b>32.8%</b>	<b>37.0%</b>	<b>47.6%</b>	<b>38.1%</b>	<b>33.7%</b>	<b>29.8%</b>
MINORITY INTEREST	4.2%	4.4%	3.9%	3.5%	3.8%	3.9%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Short-term liabilities to banks	1.1%	6.2%	1.7%	1.8%	1.6%	1.4%
Accounts payable	26.2%	21.7%	15.5%	12.7%	12.9%	14.7%
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)	6.8%	5.2%	2.5%	3.0%	3.6%	4.0%
Deferred taxes	12.5%	10.4%	12.2%	11.7%	11.8%	11.3%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CURRENT LIABILITIES</b>	<b>33.0%</b>	<b>26.8%</b>	<b>18.0%</b>	<b>15.7%</b>	<b>16.5%</b>	<b>18.7%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company data, NuWays

Cash flow statement (EUR m)	2020	2021	2022	2023e	2024e	2025e
Net profit/loss	1.9	6.6	-10.5	-10.8	-6.3	-3.8
Depreciation of fixed assets (incl. leases)	1.8	1.6	2.0	2.6	2.7	2.7
Amortisation of goodwill & intangible assets	2.0	2.3	2.7	3.8	3.9	4.0
Others	-4.7	-6.1	-11.3	-8.4	0.0	0.0
Cash flow from operating activities	-4.7	16.0	-7.5	-12.1	-3.7	0.8
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-14.2	2.4	-5.3	-4.2	-1.8	-2.9
Increase/decrease in accounts payable	2.8	1.2	1.4	-3.2	0.2	3.4
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-11.4	3.6	-3.9	-7.4	-1.5	0.5
<b>Cash flow from operating activities</b>	<b>-0.9</b>	<b>20.0</b>	<b>-2.7</b>	<b>-5.8</b>	<b>2.9</b>	<b>7.6</b>
CAPEX	1.2	1.2	1.2	4.0	6.6	6.7
Payments for acquisitions	0.0	0.0	5.0	3.5	4.0	4.5
Financial investments	0.0	-0.5	2.2	0.0	0.0	0.0
Income from asset disposals	0.3	-0.4	-0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-8.5</b>	<b>-7.5</b>	<b>-10.6</b>	<b>-11.2</b>
Cash flow before financing	-1.9	18.8	-11.2	-13.3	-7.7	-3.7
Increase/decrease in debt position	3.9	-2.9	4.5	23.0	4.3	5.2
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	12.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-4.7	-6.1	-11.3	-8.4	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-0.7</b>	<b>-9.0</b>	<b>5.3</b>	<b>14.6</b>	<b>4.3</b>	<b>5.2</b>
Increase/decrease in liquid assets	-2.6	9.8	-6.0	1.3	-3.4	1.6
<b>Liquid assets at end of period</b>	<b>6.5</b>	<b>16.3</b>	<b>10.4</b>	<b>11.7</b>	<b>8.3</b>	<b>9.8</b>

Key ratios (EUR m)	2020	2021	2022	2023e	2024e	2025e
<b>P&amp;L growth analysis</b>						
Sales growth	237.3%	-5.8%	-17.4%	42.3%	12.4%	18.3%
EBITDA growth	-516.6%	-147.6%	-242.9%	-204.8%	-88.6%	-181.0%
EBIT growth	-280.0%	-106.1%	-556.9%	-1770.8%	-47.6%	-75.0%
EPS growth	-66.8%	-4429.0%	1137.3%	-260.8%	-42.1%	-62.9%
<b>Efficiency</b>						
Sales per employee	538.6	389.9	293.5	401.3	428.6	480.2
EBITDA per employee	135.1	68.8	-135.3	-63.1	-14.0	46.0
No. employees (average)	52	67	74	76	80	85
<b>Balance sheet analysis</b>						
Avg. working capital / sales	-14.8%	-77.1%	-50.6%	-38.2%	-20.9%	-9.3%
Inventory turnover (sales/inventory)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Accounts receivable turnover	263.2	86.3	168.2	168.2	168.2	168.2
Accounts payable turnover	397.5	353.9	366.4	219.8	197.8	197.8
<b>Cash flow analysis</b>						
Free cash flow	-2.1	18.8	-4.0	-9.8	-3.7	0.8
Free cash flow/sales	-7.7%	71.8%	-18.3%	-31.8%	-10.7%	2.0%
FCF / net profit	neg.	282.8%	37.5%	90.5%	59.1%	neg.
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Solvency</b>						
Net debt	12.4	6.7	12.8	31.2	38.9	42.6
Net Debt/EBITDA	1.8	1.4	-1.3	-6.5	-34.4	10.9
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	71.9%	52.0%	18.5%	12.1%	11.6%	8.8%
<b>Returns</b>						
ROCE	7.4%	1.0%	-18.3%	-12.5%	-7.6%	-2.7%
ROE	-1.9%	12.1%	-15.1%	-20.0%	-13.5%	-9.2%
Adjusted FCF yield	6.6%	-0.8%	-7.5%	-7.3%	-3.6%	-1.8%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.05	0.40	-0.65	-0.64	-0.38	-0.24
Average number of shares	13.3	13.3	15.4	17.5	17.5	17.5
<b>Valuation ratios</b>						
P/BV	2.1	1.8	1.5	1.8	2.1	2.3
EV/sales	3.3	3.2	5.3	4.4	4.1	3.6
EV/EBITDA	13.0	18.3	-11.6	-27.7	-125.1	37.1
EV/EBIT	28.1	125.6	-7.9	-11.9	-18.4	-51.6

Source: Company data, NuWays

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Company	Disclosures
LAIQON AG	2,8

### Historical target price and rating changes for LAIQON AG

Company	Date	Analyst	Rating	Target Price	Close
LAIQON AG	06.04.2023	Jarchow, Frederik	n.a.	EUR 9.50	EUR 8.20

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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 of 7.5%. 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 adjust-

ment 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.

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## 8. 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 under: [www.nuways-ag.com](http://www.nuways-ag.com)

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## Contacts

### NuWays AG

Mittelweg 16-17  
20148 Hamburg  
Germany

+49 170 119 8648  
info@nuways-ag.com  
www.nuways-ag.com



**Christian Sandherr**

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



**Frederik Jarchow**

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



**Philipp Sennewald**

Analyst

philipp.sennewald@nuways-ag.com



**Henry Wendisch**

Analyst

henry.wendisch@nuways-ag.com



**Mark Schüssler**

Analyst

mark-hendrik.schuessler@nuways-ag.com



**Konstantin Völk**

Analyst

konstantin.voelk@nuways-ag.com

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