

**Buy** (old: Buy)

05.06.2024

**EUR 9.00** (old: EUR 9.00)

## Capital increase to secure growth financing; chg.

**Topic:** Rubean successfully placed a 10% capital increase. Further, it agreed with Cyclebit to convert the outstanding convertible bond into a regular bond that is now due in three tranches. Both initiatives should ease the liquidity situation. In detail:

**Capital increase secures growth ambitions.** By using the existing authorized capital, all 327,626 shares were placed at an average share price of € 6.06 per share, increasing Rubean's share capital from € 3.276m to € 3.604m. The proceeds from the capital increase amounts to € ~2m and should be i.e. used to finance the ramp-up of closed and upcoming partnerships that should fuel the company's topline, ones up and running.

**Agreement with cyclebit relaxes liquidity situation.** Rubean and Cyclebit reached an agreement on the modalities of the expiring convertible loan of € 3.4m from 2022. Cyclebit waives the option to convert the loan into shares and agreed on the repayment in three stages together with interest. We expect the repayment of the first tranche (eNuW: 1/3 of the total amount) including interest within the next weeks and the next tranches not before FY25. This should ease the liquidity situation and let room to finance the growth of the company.

**Product roll-out in full swing.** Rubean has signed a whole series of **important strategic partnerships within a short period of time** (i.e. SEUR, Global Payments, Correos, emerchantpay), all that indicate that Rubean's **leading softPOS product** is ready and that the **roll-out is in full swing**. Consequently, management expects for FY24 to grow sales by 135% at mid-point to € 2.2-2.5m. On the back of the recently announced cooperations (i.e. with Global Payment), paired with further likely customer wins, we consider this guidance as achievable, anticipating sequential improvements and € 3.0m sales (eNuW).

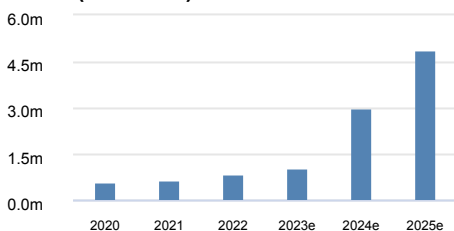
As we see Rubean at the forefront of the **rapidly growing market for mobile payment acceptance systems**, we expect Rubean to achieve profitability by FY25 and consider managements mid-term vision of **€ 10+m in sales and 40+% EBIT-margin by FY27 as reasonable**. However, in light of the expected steep growth trajectory resulting from partnerships starting to materialize, delays in execution could have a huge impact on estimates.

**BUY** with an unchanged **PT of € 9.00**, based on our DCF.

Y/E 31.12 (EUR m)	2020	2021	2022	2023e	2024e	2025e
Sales	0.6	0.7	0.8	1.0	3.0	4.9
Sales growth	11.1%	10.3%	26.0%	22.8%	193.8%	61.9%
EBITDA	-1.4	-3.9	-3.8	-3.4	-1.2	0.5
Net debt (if net cash=0)	0.8	-0.1	4.1	4.3	3.7	3.4
FCF	-4.3	-3.3	-4.3	-3.7	-1.4	0.3
Net Debt/EBITDA	-0.6	0.0	-1.1	-1.3	-3.1	7.0
EPS pro forma	-1.04	-1.53	-1.54	-1.19	-0.46	0.03
EBITDA margin	-226.2%	-590.9%	-458.9%	-333.3%	-40.4%	10.0%
ROCE	-338.4%	-302.2%	-118.4%	-72.1%	-20.5%	3.6%
EV/sales	18.1	24.9	24.8	23.7	8.5	5.2
EV/EBITDA	-8.0	-4.2	-5.4	-7.1	-21.2	51.9
PER	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted FCF yield	-23.6%	-30.9%	-19.3%	-14.8%	-5.5%	1.1%

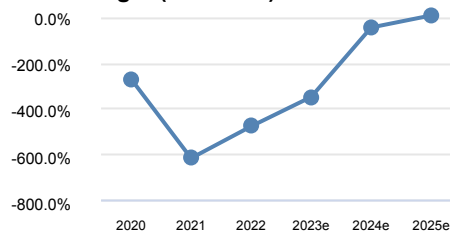
Source: Company data, NuWays, Close price as of 30.05.2024

### Sales (2020-25e)



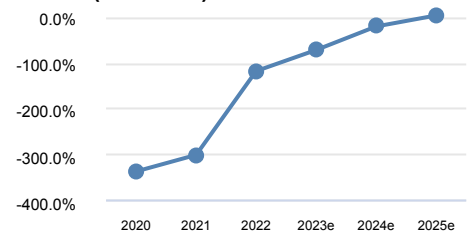
Source: NuWays Research

### EBIT margin (2020-25e)



Source: NuWays Research

### ROCE (2020-25e)



Source: NuWays Research

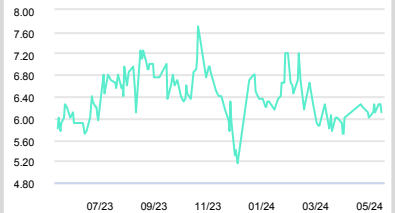
### Company description

Rubean is a leading provider of software for contactless POS/mPOS payment solutions for banks, acquirers and merchants. Rubean is headquartered in Germany.

### Guidance

- FY24: € 2.2-2.5m sales
- FY27: € 10+m sales; 40+% EBIT margin

### Share Performance



High/low 52 weeks (€)	7.70 / 5.15
3m rel. performance	-17.8%
6m rel. performance	-20.1%
12m rel. performance	-4.9%

### Market data

Share price (in €)	6.10
Market cap (in € m)	22.0
Number of shares (in m pcs)	3.6
Enterprise value (in € m)	25.7
Ø trading volume (6 months)	690

### Identifier

Bloomberg	R1B GR
Reuters	R1B.GAT
WKN	512080
ISIN	DE0005120802

### Key shareholders

Free Float	37.0%
CCV	30.0%
BMK Holding GmbH	15.0%
Founders	11.0%
Management	7.0%

### Estimates changes

	2023e	2024e	2025e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	9%	-9%

### Comment on changes

- Reflecting the capital increase and adjusted modalities of the Cyclebit convertible in the model

## Financials

Profit and loss (EUR m)	2020	2021	2022	2023e	2024e	2025e
<b>Net sales</b>	<b>0.6</b>	<b>0.7</b>	<b>0.8</b>	<b>1.0</b>	<b>3.0</b>	<b>4.9</b>
<i>Sales growth</i>	11.1%	10.3%	26.0%	22.8%	193.8%	61.9%
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>0.6</b>	<b>0.7</b>	<b>0.8</b>	<b>1.0</b>	<b>3.0</b>	<b>4.9</b>
Other operating income	0.2	0.0	0.1	0.0	0.1	0.1
Material expenses	0.2	0.3	0.2	0.3	0.3	0.3
Personnel expenses	0.9	2.6	3.3	3.2	3.0	3.2
Other operating expenses	1.0	1.7	1.1	1.0	1.0	1.0
<b>Total operating expenses</b>	<b>2.0</b>	<b>4.6</b>	<b>4.7</b>	<b>4.4</b>	<b>4.2</b>	<b>4.4</b>
<b>EBITDA</b>	<b>-1.4</b>	<b>-3.9</b>	<b>-3.8</b>	<b>-3.4</b>	<b>-1.2</b>	<b>0.5</b>
Depreciation	0.3	0.2	0.2	0.2	0.2	0.2
<b>EBITA</b>	<b>-1.6</b>	<b>-4.1</b>	<b>-4.0</b>	<b>-3.6</b>	<b>-1.4</b>	<b>0.3</b>
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	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>-1.6</b>	<b>-4.1</b>	<b>-4.0</b>	<b>-3.6</b>	<b>-1.4</b>	<b>0.3</b>
Interest income	0.1	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.2	0.1	0.2	0.3	0.2	0.2
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.1	-0.1	-0.2	-0.3	-0.2	-0.2
<b>Recurring pretax income from continuing operations</b>	<b>-1.7</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-3.9</b>	<b>-1.7</b>	<b>0.1</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-1.7</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-3.9</b>	<b>-1.7</b>	<b>0.1</b>
Income tax expense	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income from continuing operations</b>	<b>-1.7</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-3.9</b>	<b>-1.7</b>	<b>0.1</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>-1.7</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-3.9</b>	<b>-1.7</b>	<b>0.1</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>-1.7</b>	<b>-4.2</b>	<b>-4.2</b>	<b>-3.9</b>	<b>-1.7</b>	<b>0.1</b>
Average number of shares	1.4	2.2	2.7	3.3	3.6	3.6
<b>EPS reported</b>	<b>-1.22</b>	<b>-1.91</b>	<b>-1.54</b>	<b>-1.19</b>	<b>-0.46</b>	<b>0.03</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>	11.1%	10.3%	26.0%	22.8%	193.8%	61.9%
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	26.5%	3.9%	7.1%	2.5%	1.9%	1.8%
Material expenses	32.9%	43.8%	28.9%	25.9%	9.7%	6.6%
Personnel expenses	154.9%	397.0%	399.5%	309.1%	99.9%	64.8%
Other operating expenses	164.9%	254.0%	137.7%	100.9%	32.6%	20.4%
<b>Total operating expenses</b>	<b>326.2%</b>	<b>690.9%</b>	<b>558.9%</b>	<b>433.3%</b>	<b>140.4%</b>	<b>90.0%</b>
<b>EBITDA</b>	<b>-226.2%</b>	<b>-590.9%</b>	<b>-458.9%</b>	<b>-333.3%</b>	<b>-40.4%</b>	<b>10.0%</b>
Depreciation	46.3%	28.3%	20.6%	17.6%	6.3%	4.1%
<b>EBITA</b>	<b>-272.5%</b>	<b>-619.1%</b>	<b>-479.5%</b>	<b>-350.9%</b>	<b>-46.7%</b>	<b>6.0%</b>
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%	0.0%	0.0%	0.0%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT (inc revaluation net)</b>	<b>-272.5%</b>	<b>-619.1%</b>	<b>-479.5%</b>	<b>-350.9%</b>	<b>-46.7%</b>	<b>6.0%</b>
Interest income	11.8%	0.0%	0.2%	0.1%	0.0%	0.0%
Interest expenses	26.2%	10.0%	22.8%	29.3%	8.3%	4.1%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>-286.9%</b>	<b>-629.1%</b>	<b>-502.1%</b>	<b>-380.1%</b>	<b>-54.9%</b>	<b>1.9%</b>
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Earnings before taxes</b>	<b>-286.9%</b>	<b>-629.1%</b>	<b>-502.1%</b>	<b>-380.1%</b>	<b>-54.9%</b>	<b>1.9%</b>
Tax rate	-0.0%	-0.0%	-0.0%	0.0%	0.0%	0.0%
<b>Net income from continuing operations</b>	<b>-286.9%</b>	<b>-629.1%</b>	<b>-502.2%</b>	<b>-380.1%</b>	<b>-54.9%</b>	<b>1.9%</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>-286.9%</b>	<b>-629.1%</b>	<b>-502.2%</b>	<b>-380.1%</b>	<b>-54.9%</b>	<b>1.9%</b>
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit (reported)</b>	<b>-286.9%</b>	<b>-629.1%</b>	<b>-502.2%</b>	<b>-380.1%</b>	<b>-54.9%</b>	<b>1.9%</b>

Source: Company data, NuWays

Balance sheet (EUR m)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	0.0	0.5	0.4	0.4	0.4	0.4
Property, plant and equipment	0.0	0.1	0.0	0.0	0.0	0.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>0.1</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.1	0.1	0.4	0.4	1.3	2.0
Other assets and short-term financial assets	0.0	0.2	0.2	0.2	0.2	0.2
Liquid assets	0.6	1.2	0.3	0.5	1.3	0.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.1	0.1	0.1	0.1
<b>CURRENT ASSETS</b>	<b>0.7</b>	<b>1.6</b>	<b>0.8</b>	<b>1.2</b>	<b>2.8</b>	<b>2.5</b>
<b>TOTAL ASSETS</b>	<b>0.8</b>	<b>2.1</b>	<b>4.8</b>	<b>5.5</b>	<b>8.9</b>	<b>8.7</b>

<b>SHAREHOLDERS EQUITY</b>	<b>-0.9</b>	<b>0.7</b>	<b>0.0</b>	<b>0.0</b>	<b>2.2</b>	<b>2.3</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.1	0.2	0.3	0.4	1.1	1.7
Short-term liabilities to banks	0.0	0.0	0.5	0.5	0.5	0.5
Accounts payable	0.1	0.1	0.1	0.1	0.5	0.8
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)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT LIABILITIES</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.5</b>	<b>0.8</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>0.8</b>	<b>2.1</b>	<b>4.8</b>	<b>5.5</b>	<b>8.9</b>	<b>8.7</b>

Balance sheet (common size)	2020	2021	2022	2023e	2024e	2025e
Intangible assets	5.9%	24.1%	7.8%	6.9%	4.3%	4.4%
Property, plant and equipment	4.7%	2.6%	0.8%	0.7%	0.4%	0.5%
Financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>FIXED ASSETS</b>	<b>10.6%</b>	<b>26.8%</b>	<b>8.6%</b>	<b>7.6%</b>	<b>4.7%</b>	<b>4.9%</b>
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	7.8%	6.7%	7.7%	8.1%	14.1%	22.7%
Other assets and short-term financial assets	6.2%	7.9%	3.2%	2.8%	1.7%	1.8%
Liquid assets	75.3%	58.2%	5.5%	10.0%	15.0%	4.4%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	0.1%	0.5%	1.1%	0.9%	0.6%	0.6%
<b>CURRENT ASSETS</b>	<b>89.4%</b>	<b>73.2%</b>	<b>17.4%</b>	<b>21.8%</b>	<b>31.4%</b>	<b>29.4%</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>-115.2%</b>	<b>30.4%</b>	<b>0.0%</b>	<b>0.8%</b>	<b>25.1%</b>	<b>26.8%</b>
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	16.0%	11.3%	6.2%	6.7%	12.1%	20.1%
Short-term liabilities to banks	0.0%	0.0%	9.5%	8.4%	5.2%	5.3%
Accounts payable	17.4%	3.1%	2.2%	2.6%	5.1%	9.2%
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)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred income	0.0%	0.0%	0.5%	0.5%	0.3%	0.3%
<b>CURRENT LIABILITIES</b>	<b>17.4%</b>	<b>3.1%</b>	<b>2.2%</b>	<b>2.6%</b>	<b>5.1%</b>	<b>9.2%</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	-5.3	-4.2	-4.2	-3.9	-1.7	0.1
Depreciation of fixed assets (incl. leases)	0.1	0.1	0.2	0.2	0.2	0.2
Amortisation of goodwill & intangible assets	1.1	1.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	0.0	0.1	0.2	0.8	0.6
Cash flow from operating activities	-5.2	-4.3	-4.3	-3.7	-1.4	0.4
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.0	-0.1	-0.2	-0.1	-0.8	-0.7
Increase/decrease in accounts payable	0.1	-0.1	0.0	0.0	0.3	0.3
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.1	-0.2	-0.2	-0.0	-0.5	-0.4
<b>Cash flow from operating activities</b>	<b>-4.0</b>	<b>-3.1</b>	<b>-4.1</b>	<b>-3.5</b>	<b>-1.2</b>	<b>0.6</b>
CAPEX	0.3	0.2	0.2	0.2	0.2	0.2
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-0.2</b>
Cash flow before financing	-4.3	-3.3	-4.3	-3.7	-1.4	0.3
Increase/decrease in debt position	-0.1	-0.2	3.2	0.5	0.2	-1.3
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	3.7	2.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-0.1</b>	<b>-0.2</b>	<b>3.2</b>	<b>4.2</b>	<b>2.2</b>	<b>-1.3</b>
Increase/decrease in liquid assets	-4.4	-3.5	-1.1	0.5	0.8	-1.0
<b>Liquid assets at end of period</b>	<b>0.5</b>	<b>1.2</b>	<b>0.1</b>	<b>0.5</b>	<b>1.3</b>	<b>0.4</b>

Key ratios (EUR m)	2020	2021	2022	2023e	2024e	2025e
<b>P&amp;L growth analysis</b>						
Sales growth	11.1%	10.3%	26.0%	22.8%	193.8%	61.9%
EBITDA growth	240.2%	328.7%	182.1%	-12.7%	-68.3%	-114.3%
EBIT growth	302.8%	235.8%	144.6%	-12.3%	-64.9%	-108.1%
EPS growth	67.1%	76.6%	26.4%	-37.7%	-70.2%	-102.1%
<b>Efficiency</b>						
Sales per employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA per employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
No. employees (average)	0	0	0	0	0	0
<b>Balance sheet analysis</b>						
Avg. working capital / sales	102.4%	6.1%	11.4%	18.3%	17.6%	15.1%
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable turnover	36.2	79.0	161.3	156.5	151.8	147.3
Accounts payable turnover	81.0	36.3	45.7	50.3	55.3	59.5
<b>Cash flow analysis</b>						
Free cash flow	-4.3	-3.3	-4.3	-3.7	-1.4	0.3
Free cash flow/sales	-718.4%	-501.3%	-512.6%	-363.9%	-46.4%	7.1%
FCF / net profit	80.9%	79.7%	102.1%	95.7%	84.4%	375.9%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Solvency</b>						
Net debt	0.8	-0.1	4.1	4.3	3.7	3.4
Net Debt/EBITDA	-0.6	0.0	-1.1	-1.3	-3.1	7.0
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	11.5%	5.0%	6.6%	9.9%	5.3%	4.6%
<b>Returns</b>						
ROCE	-338.4%	-302.2%	-118.4%	-72.1%	-20.5%	3.6%
ROE	194.9%	-638.0%	n.a.	-9281.5%	-74.2%	3.9%
Adjusted FCF yield	-23.6%	-30.9%	-19.3%	-14.8%	-5.5%	1.1%
Dividend yield						
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-1.22	-1.91	-1.54	-1.19	-0.46	0.03
Average number of shares	1.4	2.2	2.7	3.3	3.6	3.6
<b>Valuation ratios</b>						
P/BV	0.0	0.0	n.a.	0.0	0.0	0.0
EV/sales	18.1	24.9	24.8	23.7	8.5	5.2
EV/EBITDA	-8.0	-4.2	-5.4	-7.1	-21.2	51.9
EV/EBIT	-6.7	-4.0	-5.2	-6.8	-18.3	87.5

Source: Company data, NuWays

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Company	Disclosures
Rubean AG	2

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

Company	Date	Analyst	Rating	Target Price	Close
Rubean AG	28.02.2024	Jarchow, Frederik	Buy	EUR 9.00	EUR 6.70
	27.02.2024	Jarchow, Frederik	Buy	EUR 9.00	EUR 6.45
	17.12.2023	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.95

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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.

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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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Date of publication creation: 05/06/2024 07:30 AM

Date of publication dissemination: 05/06/2024 07:30 AM

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