

Buy (old: Buy)

18.07.2024

EUR 8.50 (old: EUR 9.00)

H1 turnover up by 370% yoy // FY23 figures out; chg

Topic: Rubean published an H1 trading statement that showed ongoing dynamic topline growth. Further, the company published final FY23, in line with estimates. Lastly, Rubean announced that Commerz Globalpay went live with Rubean's SoftPOS solution in Germany. In detail:

Final FY23 figures in line with estimates. Sales came in at € 1.0m (21% yoy) and EBIT at € -3.8m (vs FY22: € -4.0m) both in line with our estimates (eNuW: € 1.0m sales; € -3.6m EBIT). Lower personnel expenses (-12% yoy); € 2.9m vs eNuW: € 3.2m) partially compensating for slightly higher other OpEx of € 1.3m (16% yoy) and material expenses of € 0.4m (58% yoy). Still, the negative net income of € -3.9m resulted in a deficit uncovered by the equity of € 3.8m, thus requiring a strong FY24 .

Strong H1 '24 with dynamic sequential improvements. With a turnover of € c.839k in H1 (370% yoy), after € 493k in Q1 (incl. a € 250-300k one-off, eNuW), Rubean kicked off the year really strong. The growth was mainly driven by the newly won partners that are starting to materialize. Still, the product roll-out and thus the sales ramp-up was slower than initially expected (eNuW: € 1.2m in H1 '24).

Yet, the product roll-out remains in full swing despite minor delays. Rubean has signed a whole series of **important strategic partnerships within a short period of time** (i.e. SEUR, Global Payments, Correos, emerchantpay), that all show very clearly that Rubean's **leading softPOS product** is ready and that the **roll-out is in full swing**. The go-live of Commerz Globalpay (joint venture between Global Payments and Commerzbank) with Rubean's Soft-POS solution underlines this once more. Consequently, management still expects for FY24 to grow sales by 135% at mid-point to € 2.2-2.5m. On the back of the recently announced cooperations, paired with further likely customer wins, we consider this as achievable, but reduce our estimates to € 2.5m in order to reflect certain delays which resulted in a softer than anticipated H1 '24.

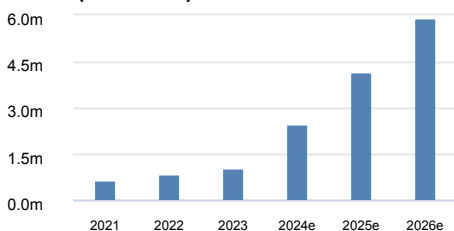
Nevertheless, we see Rubean at the forefront of the **rapidly growing market for mobile payment acceptance systems** and hence expect the company to achieve profitability within FY25 but consider managements mid-term vision of **€ 10+m in sales and 40+% EBIT-margin by FY27 as ambitious**.

BUY with a reduced **PT of € 8.50 (old: € 9.00)**, based on our DCF.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	0.7	0.8	1.0	2.5	4.2	5.9
Sales growth	10.3%	26.0%	21.3%	143.4%	69.0%	42.4%
EBITDA	-3.9	-3.8	-3.6	-2.0	-0.4	1.0
Net debt (if net cash=0)	-0.1	4.1	4.1	4.0	4.1	2.7
FCF	-3.3	-4.3	-3.4	-1.9	-0.2	1.4
Net Debt/EBITDA	0.0	-1.1	-1.1	-2.0	-9.5	2.6
EPS pro forma	-1.53	-1.54	-1.20	-0.66	-0.22	0.18
EBITDA margin	-590.9%	-458.9%	-355.7%	-79.9%	-10.5%	17.5%
ROCE	-302.2%	-118.4%	-81.1%	-38.2%	-9.6%	16.1%
EV/sales	24.1	24.1	23.1	10.2	6.1	4.0
EV/EBITDA	-4.1	-5.3	-6.5	-12.8	-58.3	23.1
PER	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted FCF yield	-31.9%	-19.9%	-16.1%	-8.5%	-2.4%	3.6%

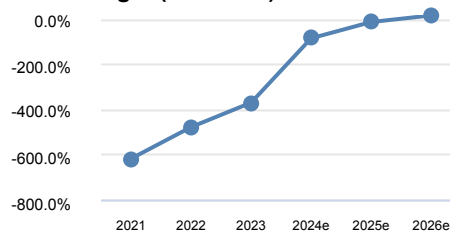
Source: Company data, NuWays, Close price as of 11.07.2024

Sales (2021-26e)



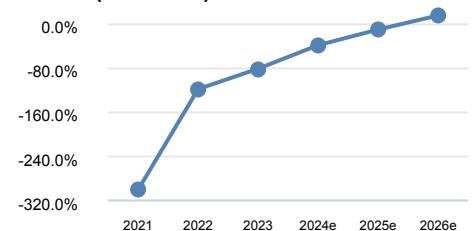
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

ROCE (2021-26e)



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	-1.4%
6m rel. performance	-17.1%
12m rel. performance	-13.6%

Market data

Share price (in €)	5.90
Market cap (in € m)	21.3
Number of shares (in m pcs)	3.6
Enterprise value (in € m)	25.2
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

	2024e	2025e	2026e
Sales	-18%	-15%	-15%
EBIT	-52%	-310%	-60%
EPS	-44%	-983%	-66%

Comment on changes

- We reduced sales estimates for FY23 and beyond to reflect FY23 figures and softer H1 '24 turnover
- We lower EBIT for FY23 and beyond in order to reflect final FY23 OPEX

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	0.7	0.8	1.0	2.5	4.2	5.9
<i>Sales growth</i>	10.3%	26.0%	21.3%	143.4%	69.0%	42.4%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.7	0.8	1.0	2.5	4.2	5.9
Other operating income	0.0	0.1	0.0	0.0	0.1	0.1
Material expenses	0.3	0.2	0.4	0.4	0.5	0.5
Personnel expenses	2.6	3.3	2.9	2.8	2.9	3.1
Other operating expenses	1.7	1.1	1.3	1.3	1.3	1.4
Total operating expenses	4.6	4.7	4.6	4.4	4.6	4.9
EBITDA	-3.9	-3.8	-3.6	-2.0	-0.4	1.0
Depreciation	0.2	0.2	0.2	0.2	0.2	0.2
EBITA	-4.1	-4.0	-3.8	-2.1	-0.6	0.9
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
EBIT (inc revaluation net)	-4.1	-4.0	-3.8	-2.1	-0.6	0.9
Interest income	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.1	0.2	0.2	0.2	0.2	0.2
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
Recurring pretax income from continuing operations	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Income tax expense	0.0	0.0	0.0	0.0	0.0	0.0
Net income from continuing operations	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Average number of shares	2.2	2.7	3.3	3.6	3.6	3.6
EPS reported	-1.91	-1.54	-1.20	-0.66	-0.22	0.18

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	10.3%	26.0%	21.3%	143.4%	69.0%	42.4%
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	3.9%	7.1%	4.1%	1.9%	1.8%	1.7%
Material expenses	43.8%	28.9%	37.6%	17.0%	11.1%	8.5%
Personnel expenses	397.0%	399.5%	290.7%	113.5%	70.5%	52.0%
Other operating expenses	254.0%	137.7%	131.4%	51.3%	30.7%	23.7%
Total operating expenses	690.9%	558.9%	455.7%	179.9%	110.5%	82.5%
EBITDA	-590.9%	-458.9%	-355.7%	-79.9%	-10.5%	17.5%
Depreciation	28.3%	20.6%	15.6%	6.7%	4.2%	3.1%
EBITA	-619.1%	-479.5%	-371.3%	-86.6%	-14.6%	14.4%
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%
EBIT (inc revaluation net)	-619.1%	-479.5%	-371.3%	-86.6%	-14.6%	14.4%
Interest income	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%
Interest expenses	10.0%	22.8%	16.0%	10.1%	4.8%	3.4%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	-629.1%	-502.1%	-387.2%	-96.7%	-19.4%	11.0%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-629.1%	-502.1%	-387.2%	-96.7%	-19.4%	11.0%
Tax rate	-0.0%	-0.0%	-0.0%	0.0%	0.0%	0.0%
Net income from continuing operations	-629.1%	-502.2%	-387.2%	-96.7%	-19.4%	11.0%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-629.1%	-502.2%	-387.2%	-96.7%	-19.4%	11.0%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	-629.1%	-502.2%	-387.2%	-96.7%	-19.4%	11.0%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	0.5	0.4	0.4	0.4	0.4	0.4
Property, plant and equipment	0.1	0.0	0.0	0.0	0.1	0.1
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	0.6	0.4	0.4	0.4	0.4	0.4
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.1	0.4	0.3	0.7	1.1	1.5
Other assets and short-term financial assets	0.2	0.2	0.1	0.1	0.1	0.1
Liquid assets	1.2	0.3	0.3	0.6	0.4	0.9
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.1	0.1	0.1	0.1	0.1
CURRENT ASSETS	1.6	0.8	0.7	1.4	1.7	2.5
TOTAL ASSETS	2.1	4.8	4.9	7.5	7.7	6.8

SHAREHOLDERS EQUITY	0.7	0.0	0.0	1.5	0.7	-0.5
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	0.2	0.3	0.2	0.6	0.9	1.3
Short-term liabilities to banks	0.0	0.5	0.1	0.1	0.1	0.1
Accounts payable	0.1	0.1	0.3	0.9	1.6	2.4
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
CURRENT LIABILITIES	0.1	0.1	0.3	0.9	1.6	2.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2.1	4.8	4.9	7.5	7.7	6.8

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	24.1%	7.8%	7.1%	4.7%	4.5%	5.1%
Property, plant and equipment	2.6%	0.8%	0.9%	0.6%	0.7%	0.9%
Financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FIXED ASSETS	26.8%	8.6%	8.0%	5.3%	5.2%	6.0%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	6.7%	7.7%	5.7%	8.8%	14.0%	21.8%
Other assets and short-term financial assets	7.9%	3.2%	1.7%	1.2%	1.1%	1.3%
Liquid assets	58.2%	5.5%	5.7%	8.2%	5.5%	12.8%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	0.5%	1.1%	1.2%	0.8%	0.8%	0.9%
CURRENT ASSETS	73.2%	17.4%	14.4%	18.9%	21.4%	36.8%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	30.4%	0.0%	0.0%	19.8%	8.7%	-6.7%
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	11.3%	6.2%	4.6%	7.4%	12.0%	19.3%
Short-term liabilities to banks	0.0%	9.5%	2.6%	1.7%	1.7%	1.9%
Accounts payable	3.1%	2.2%	6.5%	11.6%	20.2%	35.1%
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)	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%	0.5%	0.3%	0.2%	0.2%	0.2%
CURRENT LIABILITIES	3.1%	2.2%	6.5%	11.6%	20.2%	35.1%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Depreciation of fixed assets (incl. leases)	0.1	0.2	0.2	0.2	0.2	0.2
Amortisation of goodwill & intangible assets	1.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	0.1	0.2	0.3	0.4	0.4
Cash flow from operating activities	-4.3	-4.3	-3.4	-1.9	-0.2	1.5
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.1	-0.2	0.1	-0.4	-0.4	-0.4
Increase/decrease in accounts payable	-0.1	0.0	0.2	0.5	0.7	0.8
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.2	-0.2	0.3	0.2	0.3	0.4
Cash flow from operating activities	-3.1	-4.1	-3.3	-1.7	0.0	1.6
CAPEX	0.2	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
Cash flow from investing activities	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Cash flow before financing	-3.3	-4.3	-3.4	-1.9	-0.2	1.4
Increase/decrease in debt position	-0.2	3.2	-0.0	0.2	0.0	-1.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	3.7	2.0	0.0	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
Cash flow from financing activities	-0.2	3.2	3.7	2.2	0.0	-1.0
Increase/decrease in liquid assets	-3.5	-1.1	0.3	0.3	-0.2	0.4
Liquid assets at end of period	1.2	0.1	0.3	0.6	0.4	0.9

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	10.3%	26.0%	21.3%	143.4%	69.0%	42.4%
EBITDA growth	328.7%	182.1%	-7.9%	-48.6%	-87.9%	-152.6%
EBIT growth	235.8%	144.6%	-8.3%	-46.6%	-83.8%	-140.0%
EPS growth	76.6%	26.4%	-37.3%	-57.1%	-81.2%	-127.4%
Efficiency						
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
Balance sheet analysis						
Avg. working capital / sales	6.1%	11.4%	1.7%	1.2%	-6.4%	-9.4%
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable turnover	79.0	161.3	100.8	97.7	94.8	92.0
Accounts payable turnover	36.3	45.7	116.2	127.9	137.4	147.8
Cash flow analysis						
Free cash flow	-3.3	-4.3	-3.4	-1.9	-0.2	1.4
Free cash flow/sales	-501.3%	-512.6%	-337.1%	-77.7%	-4.4%	24.4%
FCF / net profit	79.7%	102.1%	87.1%	80.3%	22.4%	221.6%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-0.1	4.1	4.1	4.0	4.1	2.7
Net Debt/EBITDA	0.0	-1.1	-1.1	-2.0	-9.5	2.6
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	5.0%	6.6%	5.8%	5.6%	4.5%	4.9%
Returns						
ROCE	-302.2%	-118.4%	-81.1%	-38.2%	-9.6%	16.1%
ROE	-638.0%	n.a.	-391983241.6%	61.2%	-120.5%	-142.7%
Adjusted FCF yield	-31.9%	-19.9%	-16.1%	-8.5%	-2.4%	3.6%
Dividend yield						
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-1.91	-1.54	-1.20	-0.66	-0.22	0.18
Average number of shares	2.2	2.7	3.3	3.6	3.6	3.6
Valuation ratios						
P/BV	0.0	n.a.	0.0	0.0	0.0	0.0
EV/sales	24.1	24.1	23.1	10.2	6.1	4.0
EV/EBITDA	-4.1	-5.3	-6.5	-12.8	-58.3	23.1
EV/EBIT	-3.9	-5.0	-6.2	-11.8	-41.7	28.1

Source: Company data, NuWays

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

Indication of conflict of interest

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 analysed company. A conflict of interest is presumed to exist in particular if NuWays AG

- (1) or any other person belonging to the same group with it was part of a consortium within the past twelve months that issued the financial instruments of the analysed company by way of a public offer.
- (2) or any other person belonging to the same group with it has entered into an agreement on the production of the research report with the analysed company.
- (3) or any other person belonging to the same group with it has been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement within the past twelve month.
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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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