

Buy (old: Buy)

06.08.2024

EUR 9.10 (old: EUR 8.70)

LAIC token placed & mVBRB cooperation intensified; chg. PT

Last week, LAIQON successfully placed the LAIC-Token 24 as well as a capital increase subscribed by meine Volksbank Raiffeisenbank eG, Rosenheim (mVBRB) in its subsidiary LAIC Capital GmbH (LAIC), leading to **total gross proceeds of € 7.2m**. Furthermore, mVBRB and LAIQON signed an LOI to intensify their existing cooperation. In detail:

(A) LAIC Token 24 placed: following the successful placement of the Token 21 three years back, LAIQON sold another 5,250 GmbH shares of LAIC (tokenized) to the Token 24 investor group, which comprises institutional investors, but also key employees of LAIQON (or LAIC). Additionally, 849 new GmbH shares have been created, serving as a capital increase of LAIC. On the basis of a € 65m valuation for LAIC (based on a pwc assessment per 31st Dec. '23), this should have led to **€ 3.2m gross proceeds for LAIQON** (eNuW; sale of existing 5,250 shares) as well as **€ 0.5m gross proceeds for LAIC** (eNuW; sale of 849 new shares). - see p. 2

(B) Capital increase by mVBRB at LAIC: also based on the € 65m valuation of LAIC, mVBRB) solely subscribed a 5.04% cash capital increase in return for 5,353 new shares (or 5.04%), leading to **gross proceeds of € 3.3m** (eNuW) for LAIC. - see p. 2 for details

(C) Merger of LAC with BV: in order to decomplex the shareholder structure and remove dual costs for e.g. audit (eNuW: € 0.2m in savings), Lange Assets & Consulting GmbH (LAC; 90% subsidiary) should be merged into BV GmbH.

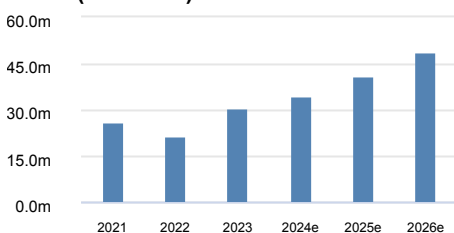
(D) Letter of Intent with mVBRB signed: outside of LAIC transactions described above, the mVBRB and LAIQON want to intensify their cooperation within their current JV "meine BV GmbH" (mBV). Specifically, it comprises the sale of 25% of BV Bayerische Vermögen GmbH (BV; a 100% LAIQON subsidiary which directly holds 25% of the joint venture mBV, see p. 2 for overview) to mVBRB. The transaction price is not disclosed. Nevertheless, we regard the **sale as strategic for both sides:** a) mVBRB increases its ties to LAIQON, which serves as the platform and white label solution provider for mVBRB's wealth management and b) LAIQON benefits from one of their largest customer and partner deepening its commitment to LAIQON's products and services.

- continued on p. 2 -

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	26.1	21.6	30.7	34.5	41.0	48.8
Sales growth	-5.8%	-17.4%	42.5%	12.2%	18.9%	19.0%
EBITDA	4.6	-9.9	-4.7	-2.2	3.4	9.7
Net debt (if net cash=0)	6.7	12.8	37.2	28.9	29.9	27.9
FCF	18.8	-4.0	-12.1	-4.5	-1.0	2.0
Net Debt/EBITDA	1.4	-1.3	-7.9	-13.2	8.8	2.9
EPS pro forma	0.40	-0.58	-0.70	-0.44	-0.25	-0.02
EBITDA margin	17.6%	-46.1%	-15.2%	-6.3%	8.2%	19.8%
ROCE	1.0%	-18.3%	-12.8%	-8.7%	-3.0%	4.2%
EV/sales	2.7	4.5	4.0	3.5	3.0	2.5
EV/EBITDA	15.5	-9.9	-26.1	-55.9	36.3	12.5
PER	12.3	-8.5	-7.0	-11.2	-19.4	-223.8
Adjusted FCF yield	-1.0%	-8.9%	-2.8%	-3.0%	0.0%	3.8%

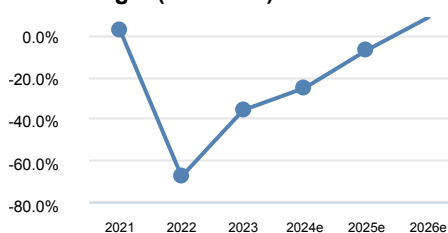
Source: Company data, NuWays, Close price as of 31.07.2024

Sales (2021-26e)



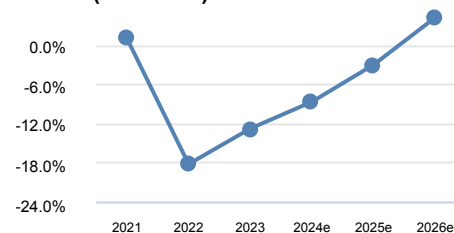
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

ROCE (2021-26e)



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 €)	4.87
Market cap (in € m)	92.9
Number of shares (in m pcs)	19.0
Enterprise value (in € m)	121.8
Ø trading volume (6 months)	9,333

Identifier

Bloomberg	LQAG GR
Reuters	L10GK
WKN	A12UP2
ISIN	DE000A12UP29

Key shareholders

DEWB	17.0%
SPSW Shareholder	8.0%
Plate Family Office	9.0%
Lange Asset & Consulting	8.0%
Shareholder	
Free Float	58.0%

Estimates changes

	2024e	2025e	2026e
Sales	0%	0%	0%
EBIT	0%	11%	49%
EPS	0%	4%	67%

Comment on changes

- FY'25/26e EBIT and EPS changes stem from revised D&A assumptions.

Guidance

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

Use of proceeds: in addition to the € 7.2m gross proceeds from (A) and (B), LAIQON should receive another undisclosed payment from (D). All of which should be invested into 1) the **enhancement of the DAP 4.0** in order to set the basis for further cooperations as well as 2) **personnel and project expenses** for the development of the LAIC:GPT solution but also into new and existing cooperations.

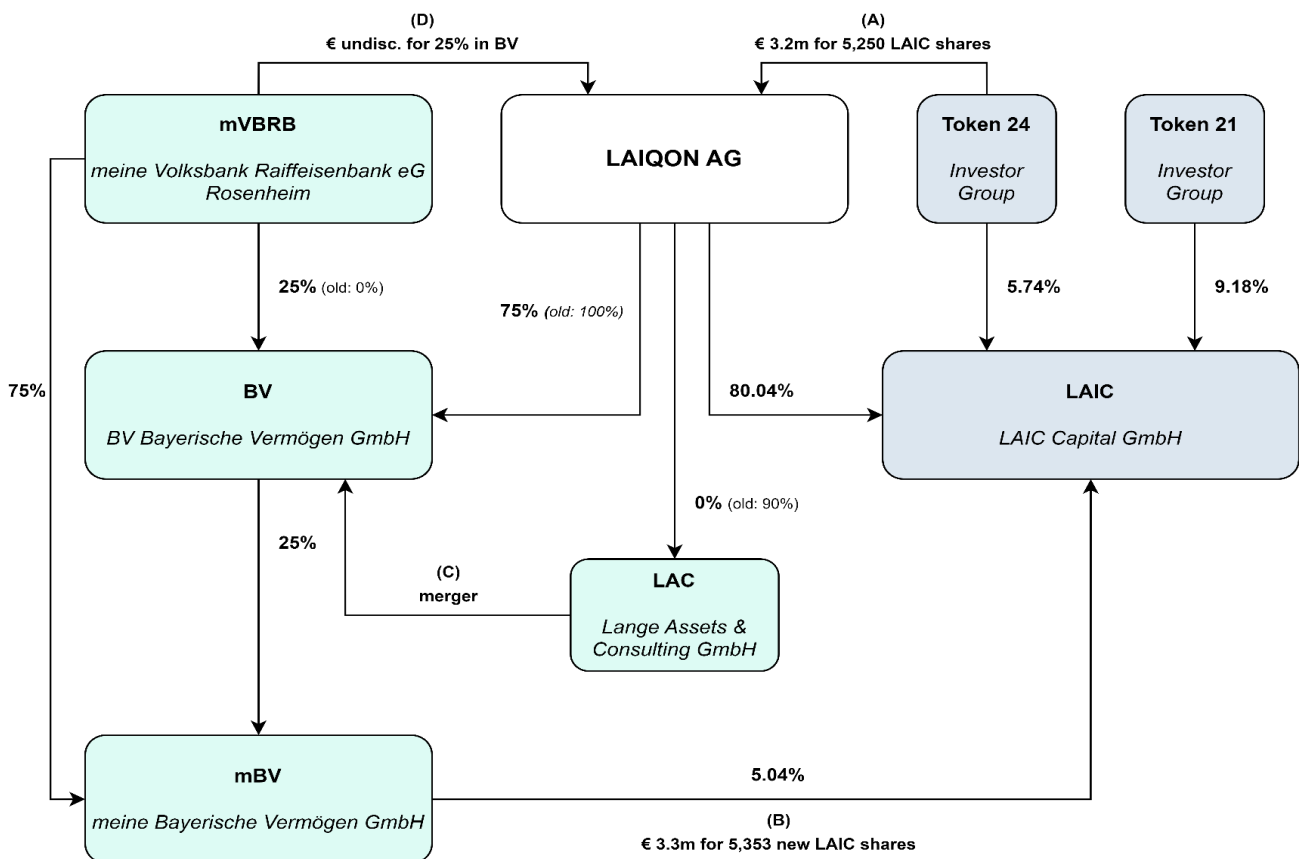
As of H1'24, LAIQON's AuMs stood at € 6.5bn (+8% yoy), implying a current valuation of 1.3% of AuM, while other asset managers are typically valued between 1.5% and 4% of AuM. On top of that, the € 65m standalone value of LAIC (i.e., € 52m for 80% ownership) explains 57% of the current market capitalization, while accounting for less than 9% of AuM.

Therefore, we **regard LAIQON as undervalued** and reiterate our **BUY recommendation**. As a result of the decreased net debt position by € 7m (€ 0.38 per share), our DCF-based **PT increases slightly to € 9.10** (old: € 8.70).

LAIC Capital GmbH Ownership Structure	post Capital Increase today		pre Capital Increase 07.05.2024		post Token 24 07.05.2024		pre Token 24 19.08.2021	
	GmbH shares	in %	GmbH shares	in %	GmbH shares	in %	GmbH shares	in %
mVBRB	5,353	5.04%						
LAIQON AG	85,000	80.0%	85,000	84.3%	85,000	84.3%	90,250	90.3%
Token 21 Investors	9,750	9.2%	9,750	9.7%	9,750	9.7%	9,750	9.8%
Token 24 Investors	6,099	5.7%	6,099	6.0%	6,099	6.0%		
Sum	106,202	100.0%	100,849	100.0%	100,849	100.0%	100,000	100.0%

Source: Handelsregister, NuWays

Overview



Source: Company data, Handelsregister, NuWays

Change in Ownership Summary	LAIC Capital GmbH (in)direct Ownership		BV GmbH (in)direct Ownership		mBV GmbH (in)direct Ownership		LAC GmbH (in)direct Ownership	
	LAIQON	mVBRB	LAIQON	mVBRB	LAIQON	mVBRB	LAIQON	mVBRB
Old ownership (direct / indirect)	84.3%	0.0%	100.0%	0.0%	25.0%	75.0%	90.0%	0.0%
New ownership (direct / indirect)	80.0%	5.0%	75.0%	25.0%	18.8%	81.3%	75.0%	25.0%
Delta	-4.3%	5.0%	-25.0%	25.0%	-6.3%	6.3%	-15.0%	25.0%

Source: Handelsregister, NuWays / * acquisition of the remaining 10% of LAC before the merger

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	26.1	21.6	30.7	34.5	41.0	48.8
<i>Sales growth</i>	-5.8%	-17.4%	42.5%	12.2%	18.9%	19.0%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	26.1	21.6	30.7	34.5	41.0	48.8
Other operating income	1.7	3.4	4.7	5.1	5.9	6.2
Material expenses	2.7	3.7	5.9	7.6	8.7	9.6
Personnel expenses	11.3	17.1	20.2	21.3	21.8	22.4
Other operating expenses	9.2	14.1	13.9	12.8	13.1	13.3
Total operating expenses	21.5	31.5	35.4	36.7	37.6	39.1
EBITDA	4.6	-9.9	-4.7	-2.2	3.4	9.7
Depreciation	1.6	2.0	2.5	2.6	2.5	2.4
EBITA	3.0	-11.9	-7.2	-4.7	0.9	7.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.3	2.7	3.9	4.0	3.9	3.1
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	0.7	-14.7	-11.1	-8.7	-3.0	4.2
Interest income	0.1	0.1	0.1	0.1	0.1	0.2
Interest expenses	9.8	3.9	10.9	6.9	7.0	7.2
Investment income	15.6	2.3	2.0	2.0	2.1	2.1
Financial result	5.8	-1.5	-8.8	-4.7	-4.8	-4.9
Recurring pretax income from continuing operations	6.5	-16.2	-19.8	-13.4	-7.8	-0.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	6.5	-16.2	-19.8	-13.4	-7.8	-0.8
Income tax expense	-0.2	-5.7	-7.1	-4.8	-2.8	-0.3
Net income from continuing operations	6.7	-10.4	-12.7	-8.7	-5.0	-0.4
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	6.7	-10.4	-12.7	-8.7	-5.0	-0.4
Minority interest	1.5	-0.4	-0.6	-0.4	-0.2	-0.0
Net profit (reported)	5.3	-10.1	-12.2	-8.3	-4.8	-0.4
Average number of shares	13.3	15.4	17.5	18.3	19.0	19.0
EPS reported	0.40	-0.65	-0.70	-0.46	-0.25	-0.02

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>	-5.8%	-17.4%	42.5%	12.2%	18.9%	19.0%
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	6.7%	15.7%	15.2%	14.7%	14.5%	12.7%
Material expenses	10.3%	17.0%	19.3%	22.2%	21.1%	19.7%
Personnel expenses	43.4%	79.3%	65.8%	61.7%	53.2%	45.8%
Other operating expenses	35.3%	65.5%	45.4%	37.2%	31.9%	27.4%
Total operating expenses	82.4%	146.1%	115.2%	106.3%	91.8%	80.2%
EBITDA	17.6%	-46.1%	-15.2%	-6.3%	8.2%	19.8%
Depreciation	6.2%	9.2%	8.2%	7.4%	6.1%	5.0%
EBITA	11.4%	-55.3%	-23.4%	-13.8%	2.2%	14.9%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	8.8%	12.6%	12.6%	11.5%	9.4%	6.3%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	2.6%	-67.9%	-36.0%	-25.3%	-7.2%	8.5%
Interest income	0.4%	0.5%	0.4%	0.4%	0.4%	0.3%
Interest expenses	37.7%	18.0%	35.3%	19.9%	17.2%	14.8%
Investment income	59.7%	10.5%	6.4%	5.9%	5.1%	4.4%
Financial result	22.4%	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	25.0%	-75.0%	-64.5%	-39.0%	-19.0%	-1.6%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	25.0%	-75.0%	-64.5%	-39.0%	-19.0%	-1.6%
Tax rate	-3.3%	35.5%	35.8%	35.3%	35.7%	42.4%
Net income from continuing operations	25.8%	-48.3%	-41.5%	-25.2%	-12.2%	-0.9%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	25.8%	-48.3%	-41.5%	-25.2%	-12.2%	-0.9%
Minority interest	5.7%	-1.7%	-1.8%	-1.1%	-0.5%	-0.1%
Net profit (reported)	20.1%	-46.6%	-39.7%	-24.1%	-11.7%	-0.9%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	54.8	90.3	87.2	83.2	79.4	76.3
Property, plant and equipment	9.9	10.4	13.2	13.2	13.2	13.2
Financial assets	9.1	1.8	1.7	1.7	1.7	1.7
FIXED ASSETS	73.8	102.5	102.2	98.2	94.3	91.2
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	6.2	9.9	11.1	11.1	11.1	12.7
Other assets and short-term financial assets	9.9	0.9	0.8	0.8	0.8	0.8
Liquid assets	16.3	10.4	7.1	15.0	14.0	16.0
Deferred taxes	10.7	16.1	23.3	23.3	23.3	23.3
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	43.2	37.4	42.5	50.3	49.4	53.0
TOTAL ASSETS	117.0	139.8	144.6	148.5	143.7	144.2
SHAREHOLDERS EQUITY	43.3	66.6	55.6	60.2	55.7	56.4
MINORITY INTEREST	5.1	5.5	-0.9	-1.4	-1.8	-2.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.3	0.3	0.2	0.2	0.2	0.2
Short-term liabilities to banks	7.2	2.3	2.0	2.0	1.8	1.6
Accounts payable	25.3	21.7	24.8	25.0	25.0	25.0
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)	6.1	3.5	2.7	2.7	2.7	2.7
Deferred taxes	12.2	17.1	17.7	17.7	17.7	17.7
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	31.4	25.2	27.4	27.7	27.7	27.7
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	117.0	139.8	144.6	148.5	143.7	144.2
Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	46.8%	64.6%	60.3%	56.0%	55.2%	52.9%
Property, plant and equipment	8.5%	7.5%	9.1%	8.9%	9.2%	9.2%
Financial assets	7.8%	1.3%	1.2%	1.2%	1.2%	1.2%
FIXED ASSETS	63.1%	73.3%	70.6%	66.1%	65.7%	63.3%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	5.3%	7.1%	7.7%	7.5%	7.7%	8.8%
Other assets and short-term financial assets	8.5%	0.6%	0.6%	0.6%	0.6%	0.6%
Liquid assets	14.0%	7.4%	4.9%	10.1%	9.8%	11.1%
Deferred taxes	9.2%	11.5%	16.1%	15.7%	16.2%	16.2%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	36.9%	26.7%	29.4%	33.9%	34.3%	36.7%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SHAREHOLDERS EQUITY	37.0%	47.6%	38.4%	40.5%	38.8%	39.1%
MINORITY INTEREST	4.4%	3.9%	-0.6%	-1.0%	-1.3%	-1.4%
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%	0.1%	0.1%	0.1%	0.1%
Short-term liabilities to banks	6.2%	1.7%	1.4%	1.3%	1.2%	1.1%
Accounts payable	21.7%	15.5%	17.1%	16.8%	17.4%	17.4%
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)	5.2%	2.5%	1.8%	1.8%	1.9%	1.8%
Deferred taxes	10.4%	12.2%	12.2%	11.9%	12.3%	12.3%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	26.8%	18.0%	19.0%	18.6%	19.3%	19.2%
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	6.6	-10.5	-12.7	-8.7	-5.0	-0.4
Depreciation of fixed assets (incl. leases)	1.6	2.0	2.5	2.6	2.5	2.4
Amortisation of goodwill & intangible assets	2.3	2.7	3.9	4.0	3.9	3.1
Other costs affecting income / expenses	5.7	7.4	-6.3	0.0	4.0	4.0
Cash flow from operating activities	16.0	-7.5	-17.1	-8.5	-1.0	2.0
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	2.4	-5.3	-1.2	0.0	0.0	-1.6
Increase/decrease in accounts payable	1.2	1.4	3.1	0.2	0.0	0.0
Increase/decrease in other working capital positions	0.0	-0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	3.6	-3.9	2.0	0.2	0.0	-1.6
Cash flow from operating activities	20.0	-2.8	-10.7	-1.9	5.3	7.5
CAPEX	1.2	1.2	1.4	2.6	6.3	5.5
Payments for acquisitions	0.0	5.0	0.0	0.0	0.0	0.0
Financial investments	-0.5	2.2	0.0	0.0	0.0	0.0
Income from asset disposals	-0.4	0.0	0.1	0.0	0.0	0.0
Cash flow from investing activities	-1.1	-8.5	-1.3	-2.6	-6.3	-5.5
Cash flow before financing	18.8	-11.2	-12.0	-4.5	-1.0	2.0
Increase/decrease in debt position	-2.9	4.5	17.4	-0.4	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	12.0	0.0	12.8	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-6.1	-11.3	-8.6	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	-9.0	5.3	8.8	12.4	0.0	0.0
Increase/decrease in liquid assets	9.8	-6.0	-3.2	7.9	-1.0	2.0
Liquid assets at end of period	16.3	10.4	7.1	15.0	14.0	16.0

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	-5.8%	-17.4%	42.5%	12.2%	18.9%	19.0%
EBITDA growth	-147.6%	-242.9%	-201.6%	-78.1%	-172.1%	-197.2%
EBIT growth	-106.1%	-556.9%	-1747.6%	-40.5%	-73.2%	-128.4%
EPS growth	-4429.0%	1137.3%	-276.2%	-30.4%	-63.9%	-96.7%
Efficiency						
Sales per employee	389.9	293.5	401.9	428.5	482.4	1,283.9
EBITDA per employee	68.8	-135.3	-61.3	-27.1	39.8	254.5
No. employees (average)	67	74	76	80	85	38
Balance sheet analysis						
Avg. working capital / sales	-77.1%	-50.6%	-53.3%	-37.0%	-33.5%	-24.6%
Inventory turnover (sales/inventory)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Accounts receivable turnover	86.3	168.2	131.9	117.5	98.9	95.0
Accounts payable turnover	353.9	366.4	294.3	264.8	222.8	187.2
Cash flow analysis						
Free cash flow	18.8	-4.0	-12.1	-4.5	-1.0	2.0
Free cash flow/sales	71.8%	-18.4%	-39.4%	-13.0%	-2.5%	4.0%
FCF / net profit	282.8%	37.7%	95.1%	51.5%	20.2%	neg.
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	6.7	12.8	37.2	28.9	29.9	27.9
Net Debt/EBITDA	1.4	-1.3	-7.9	-13.2	8.8	2.9
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	52.0%	18.5%	32.3%	20.5%	16.0%	21.5%
Returns						
ROCE	1.0%	-18.3%	-12.8%	-8.7%	-3.0%	4.2%
ROE	12.1%	-15.1%	-21.9%	-13.8%	-8.6%	-0.7%
Adjusted FCF yield	-1.0%	-8.9%	-2.8%	-3.0%	0.0%	3.8%
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	0.40	-0.65	-0.70	-0.46	-0.25	-0.02
Average number of shares	13.3	15.4	17.5	18.3	19.0	19.0
Valuation ratios						
P/BV	1.5	1.3	1.5	1.5	1.7	1.6
EV/sales	2.7	4.5	4.0	3.5	3.0	2.5
EV/EBITDA	15.5	-9.9	-26.1	-55.9	36.3	12.5
EV/EBIT	106.2	-6.7	-11.1	-14.0	-41.3	29.0

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	19.06.2024	Jarchow, Frederik	Buy	EUR 8.70	EUR 4.87
	18.02.2024	Jarchow, Frederik	Buy	EUR 10.00	EUR 5.86

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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-

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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

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