

**Buy** (old: Buy)

26.08.2024

**CHF 4.30** (old: CHF 4.30)

## H1 in the books, preparing for strategic shift in H2; chg. est.

Last Friday, ASW reported H1 results with muted profitability, as expected, due to P&L effective investments into R&D, setting the grounds for positive inflections in FY'25e.

**Slow sales growth against a strong comparable base:** Sales grew by 2% yoy to CHF 11.8m, as H1'23 saw a strong recovery post COVID (+55% yoy), serving as a tough comparable base. Nevertheless, ASW showed the ability to sustain the elevated levels. The strong demand for First Class and More (FCAM) has weakened, but has been compensated by upselling customers to travel services (e.g. hotel bookings up 34% yoy), indicating a shift within the Services segment (overall: +2% yoy; 35% of sales). Also, ASW's legacy business (Subscription segment) grew slightly by 3% yoy (65% of sales) due to unchanged demand for Prestige and Signature Memberships.

**EBITDA muted due to P&L effective investments:** as expected, EBITDA came in muted at CHF 0.9m (-10% yoy; 8% margin) due to the weak segment EBITDA in the Subscriptions segment of CHF 0.3m (-48% yoy). This is due to (1) increasing R&D expenses (i.e., investments) into a rebranding and the platform preparations for the free membership starting in Nov' 24e and (2) increased competition for the miles packages. On the other hand, the Service segment has improved profitability substantially by 55% yoy to CHF 0.6m segment EBITDA, which is due to the improved mix mentioned above, thus partially offsetting the decline in the Subscriptions segment.

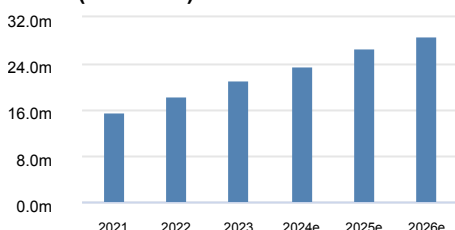
**Weak H2 ahead:** Although ASW reached already 90% of its FY'24e EBITDA guidance of CHF 1.0-1.2m in H1, we do not expect H2 profitability at this runway, but an even more muted H2 EBITDA of only CHF 0.1m due to increased investments (R&D expenses), implying a FY'24e EBITDA estimate of CHF 1m (4% margin).

**Light at the end of the tunnel:** The strategic rationale of offering low entry barriers to the ASW ecosystems should start to bear fruit in FY'25e. By adding a free membership (start in Nov'24), more mass-affluent ASW members are prone to the higher margin Service segment which offers all kinds of luxury travel services. Moreover, upselling potential to the premium memberships (Subscription segment) also increases with a greater community. Therefore, we expect a strong EBITDA (and FCF) rebound in FY'25e due to a higher margin product mix and lower R&D expenses. - *continued* -

Y/E 31.12 (CHF m)	2021	2022	2023	2024e	2025e	2026e
Sales	15.6	18.5	21.2	23.5	26.8	28.9
Sales growth	30.1%	18.1%	15.1%	10.8%	13.8%	8.0%
EBITDA	2.4	2.5	2.1	1.0	2.7	3.8
Net debt (if net cash=0)	0.1	5.1	1.1	-0.2	-1.9	-4.6
FCF	4.2	1.9	1.3	0.2	1.7	2.7
Net Debt/EBITDA	0.0	2.1	0.5	0.0	0.0	0.0
EPS pro forma	0.14	0.12	0.11	0.02	0.11	0.16
EBITDA margin	15.4%	13.4%	9.8%	4.4%	10.0%	13.0%
ROCE	141.7%	43.1%	38.7%	6.2%	25.5%	34.3%
EV/sales	2.3	1.9	1.3	1.0	0.8	0.6
EV/EBITDA	14.8	14.0	13.2	21.9	7.8	4.9
PER	11.5	12.7	14.9	84.4	14.5	9.6
Adjusted FCF yield	4.3%	7.4%	8.4%	4.6%	13.4%	22.7%

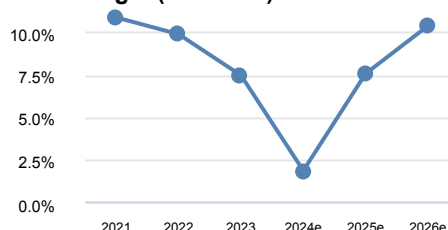
Source: Company data, NuWays, Close price as of 22.08.2024

### Sales (2021-26e)



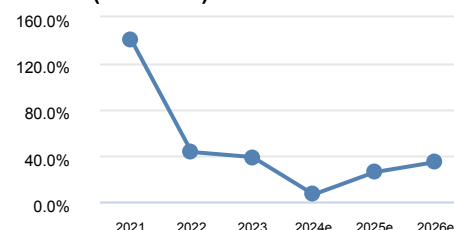
Source: NuWays Research

### EBIT margin (2021-26e)



Source: NuWays Research

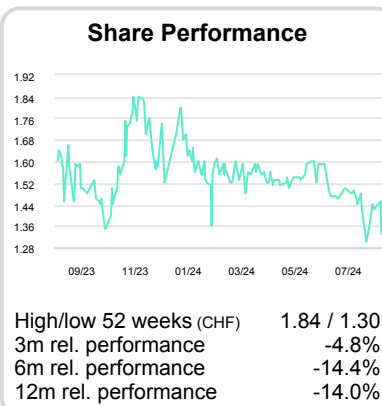
### ROCE (2021-26e)



Source: NuWays Research

### Company description

ASMALLWORLD operates a private social lifestyle platform connecting people with a shared passion for the good life. Next to its online platform, it offers real-life events and travel arrangements for paying members.



### Market data

Share price (in CHF)	1.33
Market cap (in CHF m)	22.8
Number of shares (in m pcs)	14.5
Enterprise value (in CHF m)	22.6
Ø trading volume (6 months)	3,731

### Identifier

Bloomberg	ASWN SIX
Reuters	ASWN
WKN	A2JE3W
ISIN	CH0404880129

### Key shareholders

Patrick Liotard-Vogt	69.0%
Alexander Koenig	7.7%
HANSAINVEST	6.3%
GHA Holdings	2.4%
Free Float	14.5%

### Estimates changes

	2024e	2025e	2026e
Sales	-4%	-0%	-0%
EBIT	-14%	-7%	-5%
EPS	-24%	-15%	-14%

### Comment on changes

- EPS change reflects higher tax rate due to introduction of corporate taxes in UAE.

### Guidance

- FY23e Sales: CHF 20-22m
- FY23e EBITDA: CHF 2.2-2.4m
- FY23e Members: 70-72k

**Cash flow down only temporarily:** H1's CFO of CHF -0.6m was burdened by an unfavorable timing of WC swings (CHF -1.7m), as a high build up in receivables towards end of June tied up cash. However, this should have already reverted back, supporting a positive CFO of 1.8m (eNuW) in H2 and thus CHF 1.2m for FY'24e.

**Debt level substantially decreased:** Following last year's debt-to-equity swap, ASW continued to decrease debt by CHF 1m to CHF 3.2m in H1. As FCF was negative in H1 (described above), the disposal of obsolete financial assets (CHF 1.2m cash inflow) has been used to repay COVID related government loans of CHF 0.8m. Consequently, net debt remained stable at CHF 1.2m per H1 vs. CHF 1.1m Y/E'23 and the **equity ratio increased by 4pp to 32.6%** per H1.

While we regard FY'24 as a transitional year burdened by the strategic change in business model, we expect **positive inflections to stem from this as early as FY'25e**. Consequently, on FY'24 financials, ASW shares do not seem to be attractive, however, on a FY'25e basis, ASW shares offer an attractive **FCF yield of 13.5%**.

Against this backdrop, we reiterate our **BUY recommendation** with **unchanged PT of CHF 4.30**, based on DCF.

ASMALLWORLD AG (in CHF m)	H1 2024	H1 2023	yoy
Subscriptions	7.7	7.5	3%
Services	4.1	4.0	2%
<b>Sales</b>	<b>11.8</b>	<b>11.5</b>	<b>3%</b>
Subscriptions	0.3	0.7	-48%
Services	0.6	0.4	55%
<b>EBITDA</b>	<b>0.9</b>	<b>1.0</b>	<b>-10%</b>
Subscriptions - EBITDA margin	4.4%	8.7%	- 4.3 pp
Services - EBITDA margin	14.5%	9.6%	+ 4.9 pp
<b>EBITDA margin</b>	<b>7.9%</b>	<b>9.0%</b>	<b>- 1.1 pp</b>
<b>Members</b>	<b>71.6k</b>	<b>67.5k</b>	<b>6%</b>
<b>ARPU (in CHF)</b>	<b>164.3</b>	<b>170.1</b>	<b>-3%</b>

Source: NuWays

## Financials

Profit and loss (CHF m)	2021	2022	2023	2024e	2025e	2026e
<b>Net sales</b>	<b>15.6</b>	<b>18.5</b>	<b>21.2</b>	<b>23.5</b>	<b>26.8</b>	<b>28.9</b>
<i>Sales growth</i>	30.1%	18.1%	15.1%	10.8%	13.8%	8.0%
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>15.6</b>	<b>18.5</b>	<b>21.2</b>	<b>23.5</b>	<b>26.8</b>	<b>28.9</b>
Other operating income	-0.2	-0.2	0.1	0.0	0.0	0.0
Material expenses	8.4	10.7	13.5	15.4	16.6	17.3
Personnel expenses	2.0	2.2	2.2	2.5	2.9	3.2
Other operating expenses	2.6	2.8	3.5	4.6	4.6	4.6
<b>Total operating expenses</b>	<b>13.2</b>	<b>16.0</b>	<b>19.2</b>	<b>22.5</b>	<b>24.1</b>	<b>25.2</b>
<b>EBITDA</b>	<b>2.4</b>	<b>2.5</b>	<b>2.1</b>	<b>1.0</b>	<b>2.7</b>	<b>3.8</b>
Depreciation	0.0	0.0	0.0	0.1	0.1	0.1
<b>EBITA</b>	<b>2.4</b>	<b>2.4</b>	<b>2.1</b>	<b>1.0</b>	<b>2.6</b>	<b>3.7</b>
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.7	0.6	0.5	0.6	0.6	0.7
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>1.7</b>	<b>1.8</b>	<b>1.6</b>	<b>0.4</b>	<b>2.0</b>	<b>3.0</b>
Interest income	0.3	0.1	0.6	0.2	0.2	0.2
Interest expenses	0.2	0.3	0.5	0.3	0.3	0.3
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.1	-0.2	0.1	-0.1	-0.1	-0.1
<b>Recurring pretax income from continuing operations</b>	<b>1.8</b>	<b>1.6</b>	<b>1.7</b>	<b>0.3</b>	<b>1.9</b>	<b>2.9</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>1.8</b>	<b>1.6</b>	<b>1.7</b>	<b>0.3</b>	<b>1.9</b>	<b>2.9</b>
Income tax expense	0.2	0.1	0.2	0.1	0.3	0.5
<b>Net income from continuing operations</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>0.3</b>	<b>1.6</b>	<b>2.4</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>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>0.3</b>	<b>1.6</b>	<b>2.4</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>1.6</b>	<b>1.5</b>	<b>1.5</b>	<b>0.3</b>	<b>1.6</b>	<b>2.4</b>
Average number of shares	11.4	11.5	14.5	14.5	14.5	14.5
<b>EPS reported</b>	<b>0.14</b>	<b>0.13</b>	<b>0.11</b>	<b>0.02</b>	<b>0.11</b>	<b>0.16</b>

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
<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>	30.1%	18.1%	15.1%	10.8%	13.8%	8.0%
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	-1.3%	-1.4%	0.2%	0.0%	0.0%	0.0%
Material expenses	53.6%	58.1%	63.5%	65.4%	62.0%	60.0%
Personnel expenses	13.1%	11.8%	10.5%	10.6%	11.0%	11.0%
Other operating expenses	16.7%	15.3%	16.4%	19.5%	17.0%	16.0%
<b>Total operating expenses</b>	<b>84.6%</b>	<b>86.6%</b>	<b>90.2%</b>	<b>95.6%</b>	<b>90.0%</b>	<b>87.0%</b>
<b>EBITDA</b>	<b>15.4%</b>	<b>13.4%</b>	<b>9.8%</b>	<b>4.4%</b>	<b>10.0%</b>	<b>13.0%</b>
Depreciation	0.1%	0.1%	0.0%	0.2%	0.2%	0.2%
<b>EBITA</b>	<b>15.2%</b>	<b>13.3%</b>	<b>9.8%</b>	<b>4.2%</b>	<b>9.8%</b>	<b>12.8%</b>
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	4.4%	3.4%	2.3%	2.3%	2.2%	2.4%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT (inc revaluation net)</b>	<b>10.9%</b>	<b>9.9%</b>	<b>7.5%</b>	<b>1.8%</b>	<b>7.6%</b>	<b>10.4%</b>
Interest income	1.8%	0.5%	3.0%	0.8%	0.7%	0.7%
Interest expenses	1.3%	1.8%	2.5%	1.3%	1.1%	1.0%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	0.5%	neg.	0.5%	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>11.4%</b>	<b>8.6%</b>	<b>8.0%</b>	<b>1.4%</b>	<b>7.2%</b>	<b>10.0%</b>
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Earnings before taxes</b>	<b>11.4%</b>	<b>8.6%</b>	<b>8.0%</b>	<b>1.4%</b>	<b>7.2%</b>	<b>10.0%</b>
Tax rate	11.4%	8.9%	9.6%	18.0%	18.0%	18.0%
<b>Net income from continuing operations</b>	<b>10.1%</b>	<b>7.9%</b>	<b>7.2%</b>	<b>1.1%</b>	<b>5.9%</b>	<b>8.2%</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>10.1%</b>	<b>7.9%</b>	<b>7.2%</b>	<b>1.1%</b>	<b>5.9%</b>	<b>8.2%</b>
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit (reported)</b>	<b>10.1%</b>	<b>7.9%</b>	<b>7.2%</b>	<b>1.1%</b>	<b>5.9%</b>	<b>8.2%</b>

Source: Company data, NuWays

Balance sheet (CHF m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	1.4	1.1	1.3	1.7	1.8	1.7
Property, plant and equipment	0.1	0.0	0.0	0.0	-0.0	-0.1
Financial assets	0.4	4.7	5.8	4.7	4.7	4.7
<b>FIXED ASSETS</b>	<b>1.8</b>	<b>5.8</b>	<b>7.1</b>	<b>6.4</b>	<b>6.5</b>	<b>6.3</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.6	1.4	0.2	0.2	0.3	0.3
Other assets and short-term financial assets	0.3	0.2	0.2	0.2	0.2	0.2
Liquid assets	5.2	4.0	3.0	3.4	4.8	7.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.2	0.8	1.3	1.3	1.3	1.3
<b>CURRENT ASSETS</b>	<b>6.3</b>	<b>6.5</b>	<b>4.7</b>	<b>5.1</b>	<b>6.5</b>	<b>9.2</b>
<b>TOTAL ASSETS</b>	<b>8.1</b>	<b>12.3</b>	<b>11.8</b>	<b>11.5</b>	<b>12.9</b>	<b>15.5</b>
<b>SHAREHOLDERS EQUITY</b>	<b>-4.8</b>	<b>-2.2</b>	<b>3.4</b>	<b>3.6</b>	<b>5.2</b>	<b>7.6</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	5.1	8.6	3.6	3.2	2.8	2.8
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	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	0.0	0.0	0.1	0.1	0.1	0.1
<b>NON-CURRENT LIABILITIES</b>	<b>5.1</b>	<b>8.6</b>	<b>3.8</b>	<b>3.4</b>	<b>3.0</b>	<b>3.0</b>
Short-term liabilities to banks	0.1	0.5	0.5	0.0	0.0	0.0
Accounts payable	0.6	1.5	1.2	1.6	1.8	2.0
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	3.9	0.1	0.2	0.2	0.2	0.2
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	3.1	3.6	2.7	2.7	2.7	2.7
<b>CURRENT LIABILITIES</b>	<b>7.8</b>	<b>5.9</b>	<b>4.7</b>	<b>4.5</b>	<b>4.8</b>	<b>4.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>8.1</b>	<b>12.3</b>	<b>11.8</b>	<b>11.5</b>	<b>12.9</b>	<b>15.5</b>
<b>Balance sheet (common size)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Intangible assets	16.6%	9.0%	10.6%	14.7%	13.9%	11.0%
Property, plant and equipment	0.7%	0.2%	0.2%	0.2%	-0.2%	-0.5%
Financial assets	5.1%	38.0%	49.4%	40.7%	36.3%	30.4%
<b>FIXED ASSETS</b>	<b>22.4%</b>	<b>47.3%</b>	<b>60.2%</b>	<b>55.7%</b>	<b>50.0%</b>	<b>40.8%</b>
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	7.1%	11.4%	1.8%	2.0%	2.0%	1.8%
Other assets and short-term financial assets	3.6%	1.8%	1.4%	1.4%	1.3%	1.1%
Liquid assets	64.3%	32.6%	25.7%	29.7%	36.7%	47.9%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	2.6%	6.8%	11.0%	11.2%	10.0%	8.4%
<b>CURRENT ASSETS</b>	<b>77.6%</b>	<b>52.7%</b>	<b>39.8%</b>	<b>44.3%</b>	<b>50.0%</b>	<b>59.2%</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>-58.6%</b>	<b>-18.0%</b>	<b>28.6%</b>	<b>31.5%</b>	<b>40.3%</b>	<b>49.1%</b>
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	63.2%	70.0%	30.8%	28.0%	21.9%	18.3%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	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	0.0%	0.0%	1.1%	1.1%	1.0%	0.8%
<b>NON-CURRENT LIABILITIES</b>	<b>63.2%</b>	<b>70.0%</b>	<b>31.9%</b>	<b>29.1%</b>	<b>22.9%</b>	<b>19.1%</b>
Short-term liabilities to banks	1.8%	4.4%	4.6%	0.0%	0.0%	0.0%
Accounts payable	7.7%	12.6%	10.1%	14.0%	14.2%	12.8%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	47.6%	1.2%	1.6%	1.7%	1.5%	1.3%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred income	38.4%	29.7%	23.2%	23.7%	21.2%	17.7%
<b>CURRENT LIABILITIES</b>	<b>95.4%</b>	<b>47.9%</b>	<b>39.5%</b>	<b>39.4%</b>	<b>36.8%</b>	<b>31.7%</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 (CHF m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	1.6	1.5	1.5	0.3	1.6	2.4
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.1	0.1
Amortisation of goodwill & intangible assets	0.7	0.6	0.5	0.6	0.6	0.7
Other costs affecting income / expenses	0.4	-0.1	0.0	0.0	0.0	0.0
Cash flow from operating activities	3.9	2.2	1.8	1.1	2.3	3.1
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.0	-0.8	1.2	-0.0	-0.0	-0.0
Increase/decrease in accounts payable	1.0	0.9	-0.4	0.4	0.2	0.1
Increase/decrease in other working capital positions	0.9	0.0	-1.2	0.0	0.0	0.0
Increase/decrease in working capital	1.9	0.1	-0.4	0.4	0.2	0.1
<b>Cash flow from operating activities</b>	<b>4.6</b>	<b>2.3</b>	<b>1.9</b>	<b>1.2</b>	<b>2.4</b>	<b>3.3</b>
CAPEX	0.4	0.4	0.6	1.0	0.7	0.6
Payments for acquisitions	2.0	3.5	0.0	0.0	0.0	0.0
Financial investments	0.2	3.3	1.3	-1.1	0.0	0.0
Income from asset disposals	0.1	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-2.5</b>	<b>-7.2</b>	<b>-1.9</b>	<b>0.1</b>	<b>-0.7</b>	<b>-0.6</b>
Cash flow before financing	2.1	-4.9	0.0	1.3	1.7	2.7
Increase/decrease in debt position	0.7	3.7	-1.2	-0.9	-0.4	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.3	0.0	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	-0.1	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>0.7</b>	<b>3.7</b>	<b>-0.9</b>	<b>-0.9</b>	<b>-0.4</b>	<b>0.0</b>
Increase/decrease in liquid assets	2.8	-1.2	-1.0	0.4	1.3	2.7
<b>Liquid assets at end of period</b>	<b>5.2</b>	<b>4.0</b>	<b>3.0</b>	<b>3.4</b>	<b>4.8</b>	<b>7.4</b>

Key ratios (CHF m)	2021	2022	2023	2024e	2025e	2026e
<b>P&amp;L growth analysis</b>						
Sales growth	30.1%	18.1%	15.1%	10.8%	13.8%	8.0%
EBITDA growth	61.2%	2.8%	-15.7%	-50.5%	159.4%	40.4%
EBIT growth	130.3%	7.4%	-13.2%	-72.8%	370.5%	48.4%
EPS growth	140.2%	-9.2%	-15.8%	-82.3%	482.7%	50.9%
<b>Efficiency</b>						
Sales per employee	300.5	341.8	379.3	412.8	461.6	490.0
EBITDA per employee	46.2	45.7	37.2	18.1	46.2	63.7
No. employees (average)	52	54	56	57	58	59
<b>Balance sheet analysis</b>						
Avg. working capital / sales	-1.5%	0.8%	-2.4%	-3.3%	-4.8%	-3.2%
Inventory turnover (sales/inventory)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Accounts receivable turnover	13.4	27.7	3.6	3.6	3.6	3.6
Accounts payable turnover	14.7	30.6	25.0	25.0	25.0	25.0
<b>Cash flow analysis</b>						
Free cash flow	4.2	1.9	1.3	0.2	1.7	2.7
Free cash flow/sales	26.9%	10.6%	5.9%	0.9%	6.4%	9.2%
FCF / net profit	267.1%	134.1%	82.1%	81.8%	109.2%	111.8%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Solvency</b>						
Net debt	0.1	5.1	1.1	-0.2	-1.9	-4.6
Net Debt/EBITDA	0.0	2.1	0.5	0.0	0.0	0.0
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	4.9%	4.8%	11.0%	4.9%	8.6%	5.0%
<b>Returns</b>						
ROCE	141.7%	43.1%	38.7%	6.2%	25.5%	34.3%
ROE	-33.1%	-65.9%	45.5%	7.4%	30.2%	31.3%
Adjusted FCF yield	4.3%	7.4%	8.4%	4.6%	13.4%	22.7%
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	0.14	0.13	0.11	0.02	0.11	0.16
Average number of shares	11.4	11.5	14.5	14.5	14.5	14.5
<b>Valuation ratios</b>						
P/BV	-3.8	-8.4	6.8	6.3	4.4	3.0
EV/sales	2.3	1.9	1.3	1.0	0.8	0.6
EV/EBITDA	14.8	14.0	13.2	21.9	7.8	4.9
EV/EBIT	20.9	19.0	17.3	52.7	10.3	6.1

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.
- (4) The analysed company holds 5% or more of the share capital of NuWays AG.
- (5) holds (a) a net short position or (b) a net long position of 0.5% of the outstanding share capital of the analysed company.
- (6) or any other person belonging to the same group with it 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 analysed company such as, for example, exercising mandates in the interest of the analysed company.
- (8) The research report has been made available to the analysed 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	Disclosures
ASMALLWORLD AG	2

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

Company	Date	Analyst	Rating	Target Price	Close
ASMALLWORLD AG	14.03.2024	Wendisch, Henry	Buy	CHF 4.30	CHF 1.58
	01.11.2023	Wendisch, Henry	Buy	CHF 4.90	CHF 1.58

## 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 NuWays AG exclusively to selected recipients in the European Union (EU) or, in individual cases, also in other countries. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of NuWays AG. Reproduction of this document, in whole or in part, is not permitted without prior permission NuWays AG. All rights reserved.

Under no circumstances shall NuWays 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 analysed 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. Organisational Requirements

NuWays AG took internal organisational 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 NuWays 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 relevant 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 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.

NuWays AG uses the following three-step rating system for the analysed companies:

**Buy:** Sustainable upside potential of more than 20% within 12 months

**Sell:** Sustainable downside potential of more than 20% within 12 months.

**Hold:** Upside/downside potential is limited. No immediate catalyst visible.

The decision on the choice of the financial instruments analysed in this document was solely made by NuWays AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of NuWays 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. 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. NuWays AG has checked the information for plausibility but not for accuracy or completeness.

## 6. Competent Supervisory Authority

NuWays AG is an affiliated company of Hauck Aufhäuser Lampe Privatbank AG which is 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.

## 7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany and the European Union (EU). 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. If this communication is distributed in the United Kingdom it is solely directed at (i) investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO") or (ii) high net-worth entities as defined in article 49 of the FPO. This document should not be distributed or forwarded, either directly or indirectly, to any other individuals.

## 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)

Date of publication creation: 26/08/2024 07:41 AM

Date of publication dissemination: 26/08/2024 07:47 AM



## 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

## Find us on Social Media

Instagram



Twitter/X



LinkedIn

