mVISE AG

Software - Germany

NuWays by Hauck Aufhäuser Lampe

Buy (Initiation) 22.11.2024

EUR 1.40 (Initiation)

Transformation fully on track – Initiate with BUY

Following the appointment of Ralf Thomas as CEO in 2022, mVISE performed a remarkable transformation, in which the company restructured into a **manufactory with a focus on software development** while significantly reducing workforce to improve utilization and thus efficiency. Here, management has implemented a **one-stop-shop experience** for customers, catering the entire value chain from the initial development until the operation of the software. On top of this, mVISE **acquired Workforce Management** (WFM) **expert opcyc GmbH** in late 2023, a company with a staggering **60% EBITDA margin** and **90+% recurring revenue ratio**.

The general beauty of the transformation lies in the **positive impact on visibility and profitability** (EBITDA margin +20.7pp from 2023-'27) as both the development business as well as the WFM software are yielding **scalable and recurring revenues** (70% by FY '27e) thanks to long-term contracts with customers.

In our view, the secret of success going forward lies in the company's **holistic development approach**, offering numerous advantages for customers as it focusses on the entire software lifecycle, allowing for a more efficient, user-oriented and flexible process, ultimately improving quality and thus **driving customers value**. In addition, mVISE has a **proven sector expertise**, especially in the telecommunication and industrial segment, which marks a **competitive edge** compared to larger, more sector-agnostic peers, in our view.

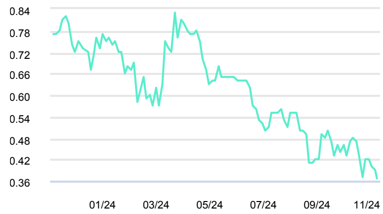
Going forward, mVISE is further seen to benefit from **several structural growth trends** regarding both software development and WFM. Here, especially the ongoing digitalization of German SMEs as well as the increasing cloudification should enhance the prospects of custom software developers like mVISE. Moreover, the intensifying labour shortage as well as flexible work models are seen to drive demand for WFM solutions. Thanks to probably the **most configurable tool in the market**, opcyc should be able to even compete with larger peers, in our view.

Along with several growth opportunities and operating a highly scalable business model, the stock looks undervalued trading at 5.8x EV/EBITDA 2024e (4.1x '26e). We hence i**nitiate with BUY and a € 1.40 PT** based on DCF.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	15.6	15.6	14.0	9.4	8.8	9.3
Sales growth	-17.8%	0.2%	-10.5%	-32.9%	-6.4%	6.1%
EBITDA	1.5	-0.0	1.1	1.2	2.1	2.4
Net debt (if net cash=0)	9.1	5.5	6.2	5.3	3.5	1.4
FCF	-0.9	3.1	0.3	0.9	1.7	2.1
Net Debt/EBITDA	6.0	-1847.7	5.6	4.3	1.7	0.6
EPS pro forma	-0.03	-0.23	-0.35	-0.06	0.01	0.04
EBITDA margin	9.7%	-0.0%	7.8%	13.0%	23.5%	26.0%
ROCE	0.1%	-7.7%	-24.0%	-6.9%	4.8%	6.2%
EV/sales	0.8	0.6	0.7	1.5	1.4	1.1
EV/EBITDA	8.6	-3168.4	9.3	11.3	5.8	4.1
PER	-13.5	-1.8	-1.2	-6.6	30.9	10.6
Adjusted FCF yield	10.6%	-14.0%	17.1%	8.9%	17.1%	24.1%

Source: Company data, NuWays, Close price as of 20.11.2024

Share Performance



High/low 52 weeks (€)	0.83 / 0.37
3m rel. performance	-28.9%
6m rel. performance	-30.2%
12m rel. performance	-47.7%

Market data

Share price (in €)	0.37
Market cap (in € m)	8.5
Number of shares (in m pcs)	21.3
Enterprise value (in € m)	13.8
Ø trading volume (6 months)	2,305

Identifier

Bloomberg	C1V GR
Reuters	C1VG
WKN	620458
ISIN	DE0006204589

Key shareholders

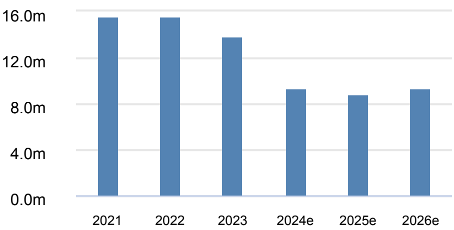
Ralf Thomas	53.6%
VC GmbH & Co. KGaA	5.3%
Free Float	39.7%

Estimates changes

	2024e	2025e	2026e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS	0.0	0.0	0.0

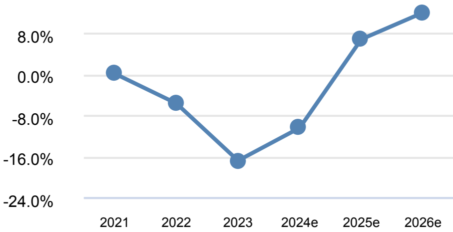
Comment on changes

Sales (2021-26e)



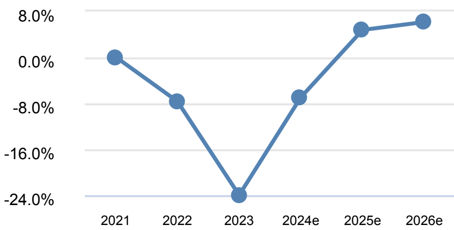
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

ROCE (2021-26e)



Source: NuWays Research

Company description

mVISE is a German software development company with a holistic development approach. In addition, the company has two proprietary software solutions in the portfolio, which both yiel a high share of recurring revenues.

Guidance

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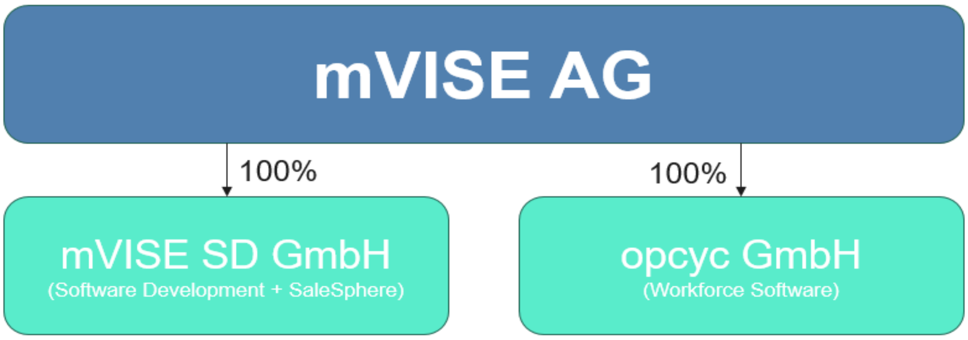
mVISE AG in a nutshell

- **Tailor-made software development**
- **Proprietary software with high share of recurring revenues**

mVISE, founded in 2000, provides **tailor-made integrated software development** for small- to enterprise-size customers. Moreover, the company has two proprietary software products in its portfolio, which both have a strong recurring revenues ratio.

In this context, it is noteworthy, that mVISE performed a remarkable transformation since 2022. Only a few years ago, the company was known as a sole IT consulting boutique with only a small software share, which even declined following the disposal of subsidiary elastic.io (iPaaS platform) to Cogia AG in September 2021. After the departures of former board members Götz and Becuwe at the end of 2022, the new management under CEO Thomas then began to realign the company and implemented significant organizational changes. The focus here was on the structural reorganization of mVISE into a manufactory with a focus on software development. Besides this, the new management imposed notable cost saving measures, particularly in personnel, as staff was reduced from over 100 employees to around 20 employees in the area of software development. This also minimized the risk of underutilization and brought the commissioning risk into a healthy balance with the personnel risk. Another important milestone on the road to realignment was the **acquisition of opcyc gmbh** in Q4 '23, a provider of workforce management software, which further strengthened the company's software expertise. With this, the company's highly skilled team of software developers is now accompanied with two proprietary software products (SaleSphere & opcyc).

Business Structure



Source: NuWays Research, Company data

Against this backdrop and with more than 20 years of experience, mVISE is in our view **well-positioned to grab the promising opportunities in the German IT/ Software market**, which is continuously driven by SME's automating their business processes to improve efficiency. Especially, customized software solutions, as provided by mVISE, are perceived by a majority of German companies as a driver of innovation as well as a competitive advantage. Almost 100% of mVISE' revenues are generated in Germany, where the company has a **proven sector expertise**, especially in the telecommunication and industrial segment, which marks a **competitive edge** compared to larger, more sector-agnostic peers. Above all, the fact that the software solutions cover a wide range of applications is well perceived by the company's customers

Within the software development business (82% of FY '24e sales), mVISE pursues a **holistic development approach.** In contrast to traditional methods, which often only focus on individual development stages, holistic software development offers an end-to-end support. In fact, it includes the strategic planning, design, development, quality control and ongoing maintenance in order to ensure consistently high software quality. In addition to project implementation, management last year also started to put a stronger emphasis on maintenance & support as well as the operation of the software going forward. Here, the company is mainly partnering with

AWS, but also Azure and GCP, to ensure the highest security standards and broadest business case offering. Currently, around 20% of customers of the development business are already using the "full" mVISE service, allowing for sound visibility given the recurring nature of these software operating sales. Yet, we expect this figure to significantly increase going forward, as recurring revenues in the software development business are seen to reach 75% by FY' 29e. Mind you, recurring revenues at the level of mVISE SD are subject to quarterly commissions. Although these have been renewed over and over again for years, there is no obligation to extend them into the next quarter, they cannot be derived from the previous orders and can therefore be terminated at any time, even with a short lead time.

In contrast to this, we already see a high share of recurring revenues in the software business, comprising opcyc and SaleSphere (18% of FY '24e sales). With opcyc, mVISE has a hig**hly flexible and configurable Workforce Management software** (WFM) in its portfolio. Although, the company is still comparatively small with € 1.5m sales in FY '23, of which **92% are recurring revenues**, it is **highly profitable and cash generative**. In FY '23, opcyc generated an EBITDA of € 0.9m, translating into an EBITDA margin of 61%, while achieving an FCF of € 0.9m. Despite its size, opcyc provides a strong customer base, including companies like Bosch, Ströer or Check24. Going forward, we expect **stable growth driven by strong synergy effects**, especially regarding the go-to-market. Mind you that WFM software demands a rather high integration effort, which is now supported by the integration experts from mVISE' software development business, thus increasing the attractiveness of the product for potential new customers. Further, we regard the joint utilisation of the software development expertise available as a further potential to create synergies.

SaleSphere (still part of mVISE SD) on the other hand is a **mobile sales and field service solution** that digitises and simplifies service processes for its sales representatives. The company has been part of the mVISE group for several years, but struggled to gain traction with only a handful of customers and annual sales of € 0.1m (100% recurring). This is mainly due to the fact, that former management put a higher emphasis on the IT service segment, while not further developing the SaleSphere software nor reacting to employee churn, resulting in a reduction of the workforce to only 2 at one point. However, under the current management, the software was completely overhauled by the mVISE SD software development team. Moreover, the company hired a new sales manager for the product in order to gain new accounts. Going forward, we conservatively estimate 4-5 new customers per year, resulting in c. € 100k additional revenues, given an average of € 20k sales per customer, thus further increasing visibility at mVISE and creating cross- and up-selling opportunities.

	mVISE SD	opcyc	Group
	mVISE Software Development GmbH	opcyc brain up your operation cycle	
Description	Tailor-made software development and IT integration for small- to enterprise size customers. Also comprises subsidiary SaleSphere, a provider of salesforce software.	Provider of Workforce Management Software. "opcycWFM" helps customers plan and control custumer service centers, including forecasts, shift planning, operational control, etc.	
Sites	2		**2**
Headcount	44	5	**49**
Target Sectors	Telecommunication & Media, Finance & Insurance, Automotive & Industrials		
End markets	mVISE markets its services and products to a **widely diversified customer base** consisting of small to enterprise-sized customers and public-sector clients.		
Customers	BAUER, KVWL Kassenärztliche Vereinigung Westfalen-Lippe, L'ORÉAL, BOSCH, AOK Die Gesundheitskasse., STRÖER DIALOG GROUP, RheinEnergie, HUK-COBURG, ONLINEPRINTERS, FABER, T, vodafone, WIEN ENERGIE, COMMERZ DIREKTSERVICE Commerzbank Gruppe		> 100
Market position	Niche player targeting the German Mittelstand		
Competitors	AVAYA	NICE®, Five9	
Sales FY-23 (€ m)	14.0	1.5*	**14.0**
Sales share	100%		
EBIT FY-23 (€ m)	-1.0	0.9	**-1.0**
EBIT-margin	n.a.	60.0%	**n.a.**

Source: NuWays Research, Company data; *not consolidated in FY '23

Competitive Quality

- **One-stop-shop for software development**
- **Knowledge advantage over more generalist peers as USP**
- **Strong customer base enables for cross- and up selling**
- **High share of recurring revenues**
- **opcyc - flexible solution for all business cases and applications**

With 20+ years of experience and expertise in the software and IT market, mVISE has a proven record **of** providing value for its customers with its highly flexible software solutions.

One of the integral points of the business model is, that mVISE is applying a **holistic software development approach**, which is **offering numerous advantages for its customers**. A central aspect is the stronger focus on the entire lifecycle of the software. In a holistic approach, not only coding is considered, but also planning, implementation and decommissioning of the software. This comprehensive perspective allows for early identification and resolution of issues, significantly enhancing the quality of the final product.

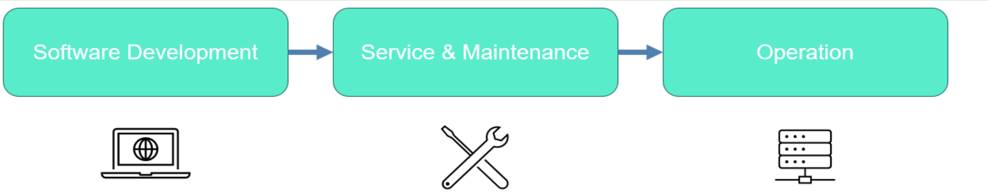
Another advantage is the improved collaboration between different teams, such as developers, designers, and testers. In a holistic approach, interdisciplinary teams are formed to work together on solutions. This fosters the exchange of ideas and leads to more creative and innovative outcomes. In contrast, conventional software development often involves isolated departments, which hinders communication and knowledge sharing.

Overall, holistic software development provides an efficient, user-oriented, and flexible method that significantly improves software quality and optimizes the development process. It is thus in most cases **creating higher value for customers.**

One-stop-shop experience for customers

In addition to this, mVISE is offering its customers a one-stop-shop experience, starting with the **software development**, continuing with the **service and maintenance** for the respective software as well as the **operation of the software**. Here, the company collaborates with hyperscalers like AWS, Azure or Google Cloud in order to allow for maximum security as well as flexibility.

mVISE' value chain



Source: NuWays Research, Company data

While mVISE is relatively new to the operating business, this opens up significant cross-selling potential, as today only 20% of the company's customers use the full service. It moreover increases the attractiveness of mVISE' development services for potential new customers, as the one-stop-shop experience is offering numerous advantages like…

…**cost efficiency:** Bundling all services at one provider leads to substantial cost advantages for customers. Moreover, it reduces the administrative efforts thus lowering overall expenses.

…**flexibility and adaptivity:** An integrated approach allows companies to be more flexible and adaptable, enabling quicker responses to changes in requirements or the business environment, as all services are delivered from a single source.

…**faster problem resolution:** If development and operations are handled by the same provider, issues can be identified and addressed more swiftly, with shorter response times due to the lack of external coordination.

…**consistent quality:** A provider that covers all phases of software development can also ensure consistent quality. Since the developers are already familiar with the software and its requirements from the development phase, this familiarity simplifies maintenance and operations.

We hence regard the strategic decisions to put an increased emphasis on the whole software lifecycle as highly sensible, as it is seen to **significantly contribute to top-line growth as well as profitability** going forward.

Sector expertise allows for competitive edge

With its software development services, mVISE has developed in-depth sector expertise in recent years, especially in telecommunication, manufacturing and insurance. Thanks to this sector knowledge mVISE is able to develop tailored software solutions that directly address the unique needs and challenges faced by its customers. This adaptability not only enhances the efficiency of their applications but also boosts customer satisfaction, as clients receive solutions specifically designed for their requirements.

Moreover, it allows for quicker identification of emerging trends and changes in the respective markets, fostering continuous innovation. This empowers mVISE to offer proactive suggestions for improving processes and products, which builds strong trust with clients.

Additionally, the companies pronounced sector expertise enhances credibility and reputation within the respective sectors. As recommendations and positive word-of-mouth from satisfied clients serve as valuable marketing tools, this is opening up new business opportunities. Overall, mVISE achieved a differentiated market position, in our view, providing them with a competitive advantage over more generalist peers and secure long-term success in the evolving landscape of custom software development.

Strong customer base enables for cross-selling

mVISE boasts a strong portfolio of customers, especially in the telecommunication industry with the likes of Vodafone and Deutsche Telekom, manufacturing (Bosch) or insurance (HUK). Please note, mVISE is not catering its software development services for the entire customer but rather for single business divisions. At Vodafone for example, there are currently 10 divisions that rely on the services of mVISE, which is offering significant further upselling potential.

Thanks to the long-standing relationships with most of its customers, mVISE has developed a unique understanding of the clients' needs, enabling them to offer tailored solutions and actively addressing multiple needs. For instance, a client utilizing a custom CRM solution might benefit from additional modules for project management or data analytics, enhancing their overall operational efficiency, thus increasing customer value. This is well perceived by customers, as mVISE does not only act as a pure contractor but is actively working to maximize the value-add for the client.

By leveraging these strong relationships, mVISE regularly demonstrates how effective cross-selling can transform a small customer into a powerful engine for long-term success, which is visible in cases like Vodafone. Here, mVISE only served one department at first. However, thanks to the excellent work and service provided by the company, it was able to get a foot into further, larger departments, even outperforming larger competitors.

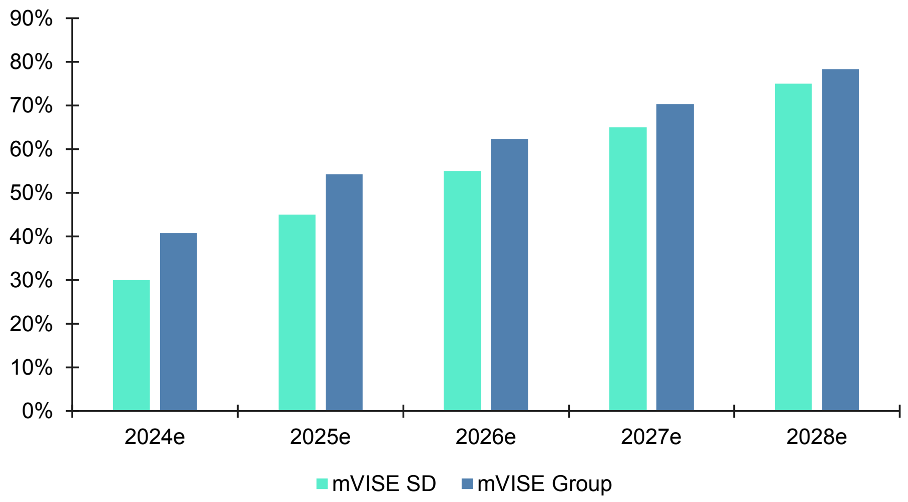
Going forward, we expect mVISE to continuously capitalize on these partnerships, especially with regards to the new offering of operating the software, which should serve as a top-line catalyst in the mid-term.

High share off recurring software revenues

mVISE' subsidiary opcyc as well as SaleSphere (still part of mVISE SD), are characterized by a higher share of recurring revenues of >90% based on a subscription business model including service, maintenance and operation. This is a critical growth pillar for a software company, as it does not only allow for visibility and predictability of cash flows given churn rates of <5%, but also allows the company to build strong, lasting relationships with its clients. In turn, this provides valuable cross- und up-selling opportunities given changing and expanding customers' needs.

In addition to this, the new management under CEO Thomas undertook significant changes to the strategic alignment of mVISE SD, i.e. targeting to expand the development offering by also providing service, maintenance and operation of the software, thus creating recurring revenues. Those changes, which were implemented 18 months ago, are already starting to bear fruit, which becomes visible in a c. 30% recurring revenue ratio at SD level already today. Going forward, management aims to increase the share of recurring revenues in the SD to 75% across the next 5 years. This should bring the recurring revenue ratio at the group level to c. 80% and ultimately improve visibility but also increase lock-in effects with existing customers.

Development of recurring revenues at mVISE



Source: NuWays Research, Company data

opcyc – the most flexible WFM tool

After taking over as CEO at opcyc in 2018, Ralf Thomas transformed the company's product *opcycWFM* into probably the most configurable WFM tool in the market and thus a proven solution for digitising employee-related processes in customer service.

To give you a couple of examples for this, let's first look at the products home office module. Here, the standard solution already includes a so-called carpooling tool, which automatically excludes the possibility that members of a carpool have to work in the office on different days. Another example is the included *Logic of Justice.* This tool ensures that employees do not get too few shifts and thus avoids the risk of termination. It also prevents employees from being assigned too many extra shifts which would otherwise block them for further extra shifts in the same year

The fact that these and many other eventualities are already included as standard in opcyc offers a number of advantages for customers. It improves cost efficiency, as it reduces the need for extensive customization and ongoing support associated with the solution. Moreover, it allows for faster deployment, as no additional customizations take place in the process, allowing clients to realize benefits sooner. It also improves integration, as configurable software integrates better with existing systems and tools, thus facilitating a more cohesive IT environment.

Against this backdrop, opcyc looks well equipped to even compete with larger peers, who often only apply fully custom solutions, in our view. Especially the increasing pressure on German SMEs to increase efficiency to optimize personnel planning, also due to the shortage of resources, as well as the general increase in digitalization and the elimination of manual solutions should further **accelerate future growth**.

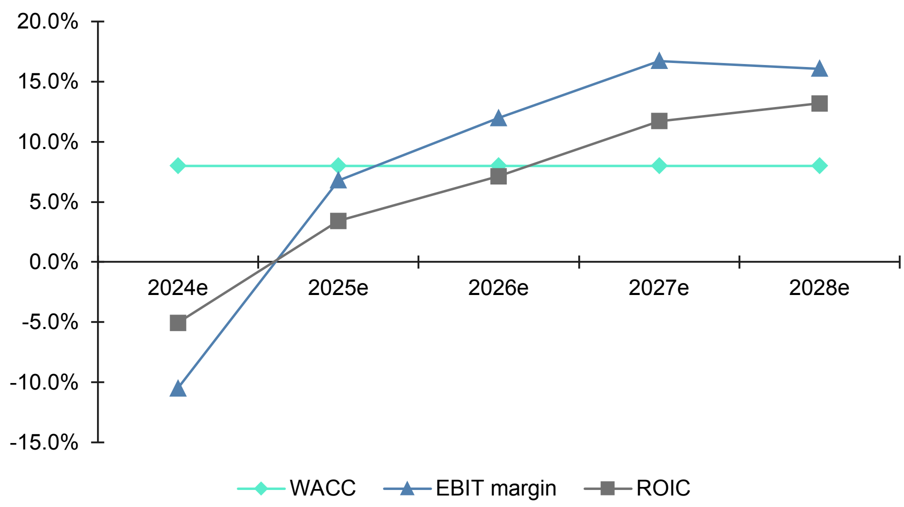
Business Quality

- **Increasing returns as scalability is bearing fruit**
- **FCF to reach € 2.3m by 2027e compared to € 0.3m in 2023**

mVISE business quality looks set to thrive on the basis of organic growth as well as scale effects. Going forward, ROICs (NOPAT/Invested Capital) are seen to reach a strong level of 12.7% by 2028e (vs -5.1% in 2024e), translating into a ROIC-WACC-spread of 3.7pp. This should be mainly driven by an **improving profitability** (EBIT margin forecasted to improve from -10.5% in 2024e to 15.8% in 2028e).

Moreover, we expect mVISE to achieve substantial efficiency gains as well as learning curve effects are seen to improve profitability going forward as the company is consistently optimizing its processes to reduce OpEx. Moreover, the utilization rate looks set to reach a level of 80+% going forward, compared to 63% currently.

Development of returns

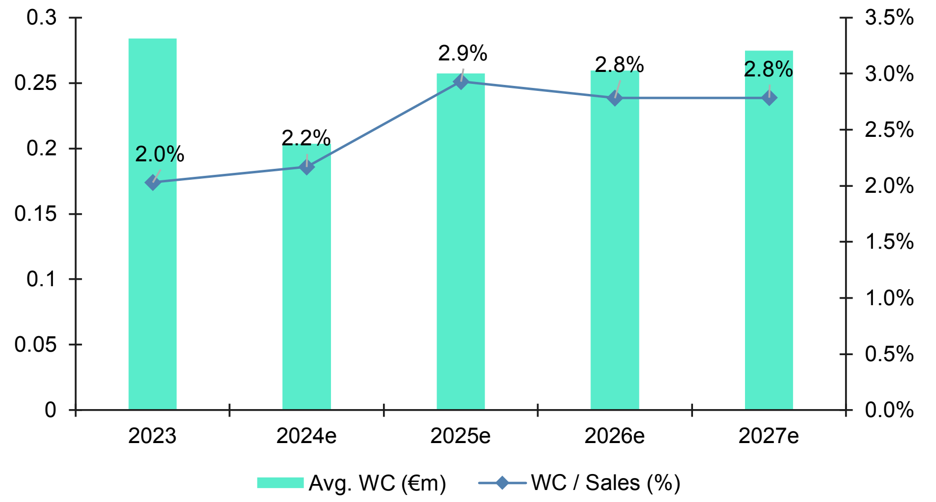


Source: NuWays Research

Stable WC intensity

mVISE runs its business model on a relatively low working capital intensity of around 2-3%. Being a provider of software related services, inventories play de facto no role for the company. Going forward, we model stable turnovers for payables and receivables. Hence, the WC turnover (WC/sales) should remain stable reaching 2.8% by FY ‘27e.

WC development



Source: NuWays Research

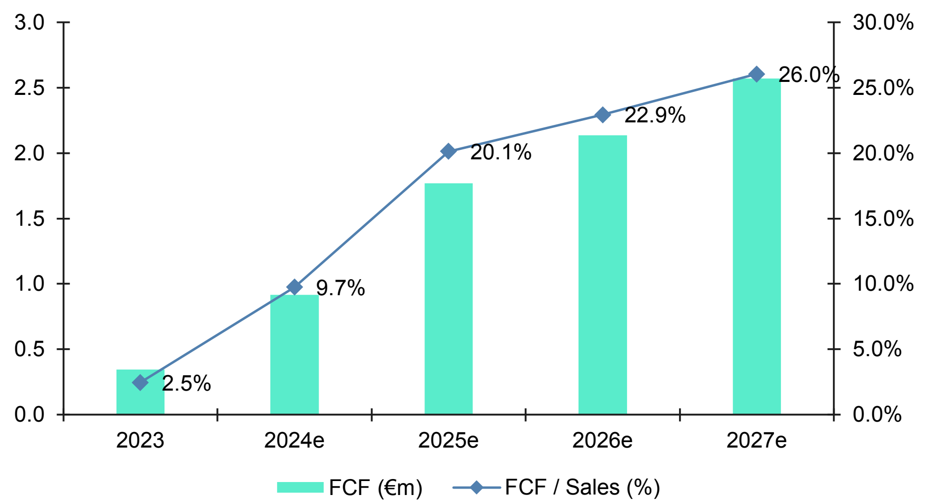
Strongly improving free cash flows

mVISE is expected to strongly increase its FCF generation going forward, mainly driven by profitability improvements but also scalability coming into effect from FY ‘26e onwards

Notably, the company does not capitalize any development costs. The only D&A refers to the goodwill, which is written off over 15 years according to HGB, and a minor part to PP&E (28k as of H1 ‘24). Thanks to this, CFO is equivalent to FCF at mVISE.

In fact, the company looks set to generate **FCF of € 2.3m by 2027e** (vs 0.3m in 2023) thanks to ongoing efficiency gains as well as a higher utilisation going forward.

FCF development



Source: NuWays Research

Growth

- **Structurally growing market** driven by digitalisation and cloudification
- **WFM market set to be driven by flexible work models and labour shortage**
- **EBITDA to grow at a 26% CAGR '23-'27e**

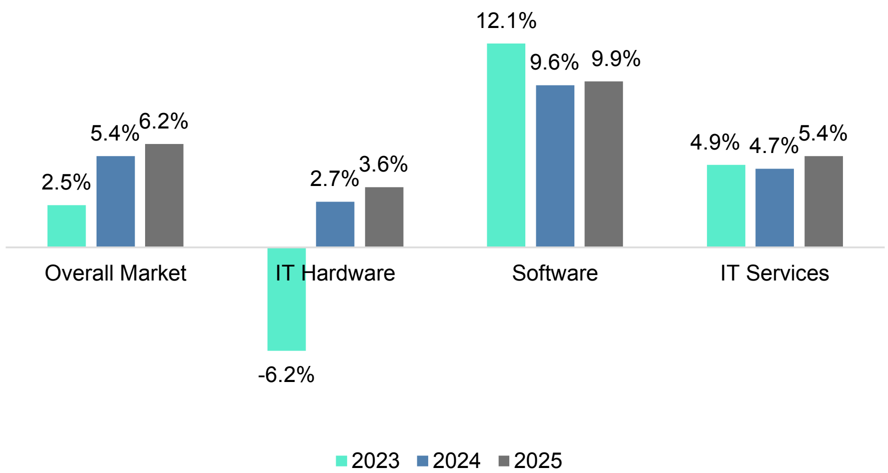
Market growth

As a provider of customized software, mVISE is in the midst of a highly attractive market which is forecasted to show strong growth rates going forward, driven by several structural growth trends as businesses increasingly focus on digital transformation.

Digitalization

In order to improve profitability, companies are becoming increasingly under pressure to operate their business more efficiently. Automation often yields these efficiency gains. Despite that, only 40% of German SME's have a specific digitalization strategy according to a 2023 study conducted by the German Association for Small and Medium-sized Businesses (BVMW). This does not come as a surprise, as Germany's economy ranks only 13th in the EU regarding digitalization and is seen especially weak in the fields of digital business transformation and digital skill according to the DESI 2023 report. However, this also implicates a **large untapped potential to be realized in the coming years.**

German ICT market growth rates 2023-2025e



Source: NuWays Research, Bitkom

Unsurprisingly, the biggest growth area within the German ICT market is seen to be software, with a forecasted growth of c. 10% in the coming years, according to Bitkom.

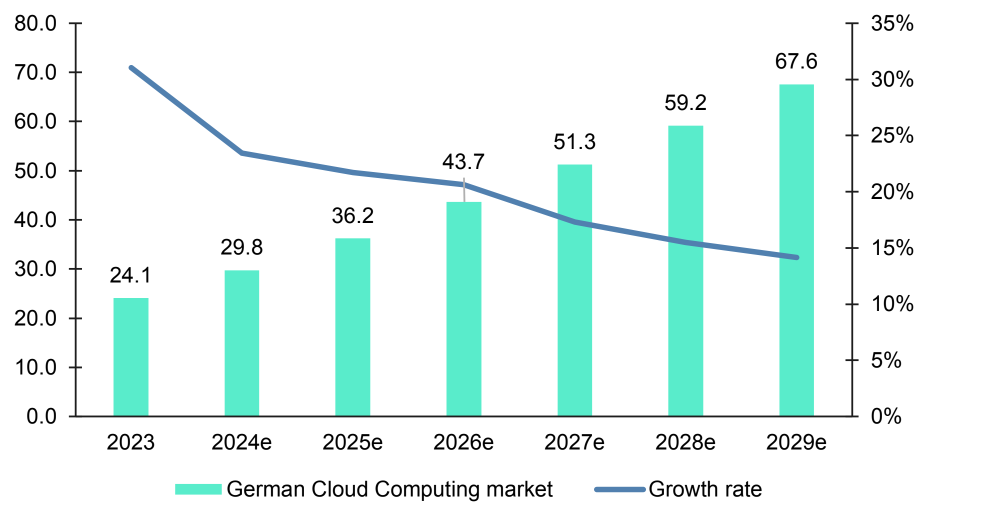
In our view, customized software is even set to outperform those growth rates. Especially, as companies from diverse sectors such as telecommunication, healthcare, manufacturing or retail are adopting customized software to modernize their operations and improve efficiency. Here, off-the-shelf software often cannot address the specific needs of these industries, which creates demand for more adaptable and industry-specific solutions.

Cloud computing and hybrid infrastructures

According to the 2023 Bitkom survey on cloud adoption in Germany, businesses are increasingly turning to cloud computing as well as hybrid IT infrastructures. Here, custom software like provided by mVISE that integrates seamlessly with cloud infrastructure (e.g., AWS, Microsoft Azure, Google Cloud) is essential for businesses that require bespoke solutions that can scale with their growth.

One of the core benefits of cloud computing is its ability to provide **scalable** and **flexible** solutions. Companies can expand or reduce their IT resources based on demand, allowing for greater **cost efficiency.** Yet, to make the best possible use of it, businesses need custom software that is able to scale dynamically based on the customers' needs and usage patterns and optimizes performance and resource utilization.

German Cloud Computing market 2022-2029e (€ bn)



Source: NuWays Research, Statista Market Insights

Overall, customized software allows businesses to harness the benefits of the cloud in a way that is uniquely suited to their operational requirements, ensuring the only pay for the resources they need without sacrificing performance.

Data protection increases demand for customized software

Germany has been of the strictest enforcers of the European *General Data Protection Regulation* (GDPR) since it came into effect in 2018. What does this mean for businesses? Businesses need to ensure that customer data is securely processed, stored, and transmitted (i.e. data encryption, user consent management or data access control), which has led to an increased demand for customized software that not only meets the specific needs of the business in this regard but also complies with data protection laws. On the other hand, standard software packages often do not meet the stringent GDPR requirements in terms of data handling, encryption or user rights management.

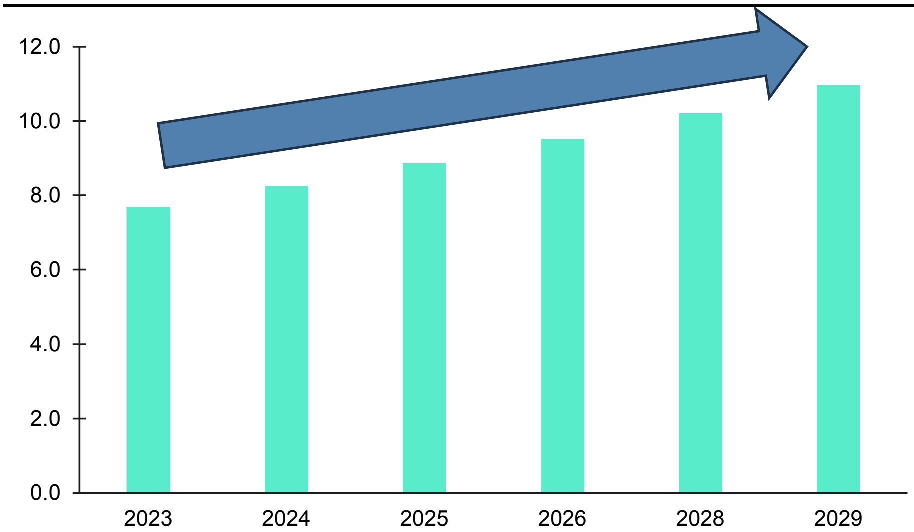
The continuous and accelerating digitization in Germany should also present more and more companies with the challenge of complying with these guidelines. In our view, this should facilitate the growth prospects of customized software developers like mVISE und should hence positively benefit top-line development going forward.

German WFM market to show strong growth

With its subsidiary opcyc, mVISE is positioned in the strongly growing market for Workforce Management software. The market growth is set to be driven by several factors.

As outlined above, the digital transformation is one of the key drivers for the growth of software providers. The same holds true for WFM software, as companies are increasingly moving away from manual processes and legacy systems and instead relying on automated, integrated platforms that can manage a variety of tasks like time tracking, scheduling, compliance, payroll or reporting. Automation is key for businesses in order to reduce errors and improve efficiency, especially as workforce management becomes more complex.

Global WFM market growth (€ bn)



Source: NuWays Research, Verified Market Research

Moreover, flexible work models, i.e. the shift towards hybrid and remote work models, which has been accelerated by the COVID-19 pandemic, has caused increased investments into WFM solutions that support flexible work arrangements. As outlined before, this is one of the key strengths of *opcycWFM*. According to Statista, 56% of German companies were using WFM in 2023 to support hybrid and remote work.

Another driver is the significant labour shortage, which German companies are facing at the moment, with 74% of German business citing talent management to be one of the key business challenges at the moment according to a PwC study from 2023. This is forcing companies to invest into WFM to optimize staff scheduling, improve labour productivity and better match available workforce to business needs. Overall, WFM tools help businesses to ensure they recruit, train and retain employees more effectively in a competitive labour market.

Against this backdrop, we expect opcyc to gain more and more traction going forward, especially given the high degree of configuration of the product. Hence, **opcyc, should become a main revenue and profitability driver at mVISE going forward.**

Growth at mVISE

Inorganic growth opportunities

In an industry with comparably low churn rates and high entry barriers, M&A is a way for growth. In fact, mVISE announced with its FY '23 report, that management aims to pursue a Buy & Build strategy going forward, also to become a serious competitor to large, mostly anglophile peers like Avaya, Genesis, Five9 or NICE in the DACH market over the coming years. The starting point of this was the acquisition of opcyc in November 2023. Potential targets would have to strengthen one of the following verticals: (1) the customer base, (2) regional presence, or (3) the breadth of the portfolio.

In general, we expect mVISE to target companies with a similar profile to opcyc – growing software company and highly profitable. Possible takeovers will probably be financed initially in the form of capital increases in kind and later out of the operating cash flows.

Note, that we do not include any future acquisitions into our calculations. Hence, upcoming transactions would provide upside to our estimates.

Top-line burdened by staff reduction in the short term…

As cited before, mVISE performed a significant reduction of the workforce at mVISE SD in recent years, as the company was struggling with underutilization reaching levels of <60%. Hence management decided to apply a different strategy and positioned the company as software development manufactory, catering the entire value chain and thus applying remuneration models that are significantly more independent of staff and expenses. Yet, the reduction in workforce is seen to cause declining sales at mVISE SD, especially as former employees are going to take parts of revenues with them to their new employers. However, the software development business should return to growth in FY '26e driven by the aforementioned effects.

Moreover, opcyc is seen to continue its growth path with a 10.7% CAGR '23-27e. This should be predominantly driven by the market dynamics described above leading to further key customer wins as well as up- and cross-selling with existing clients.

	in € m	2023	2024e	2025e	2026e	2027e
Group sales		**14.0**	**9.4**	**8.8**	**9.3**	**9.9**
	yoy	*-10.5%*	*-32.9%*	*-6.4%*	*6.1%*	*5.9%*
mVISE SD		**14.0**	**7.7**	**7.1**	**7.5**	**7.9**
	yoy	*-10.5%*	*-44.6%*	*-9.0%*	*6.1%*	*5.9%*
opcyc		**1.5**	**1.7**	**1.9**	**2.1**	**2.2**
	yoy	*n.a.*	*13.3%*	*10.0%*	*10.0%*	*9.0%*

Source: NuWays Research

… but profitability strongly improves (27% EBITDA CAGR 23-27e)

Despite the muted top-line development in the short-term, the new management put significant **cost saving and efficiency measures** into place during the past 18 months, which are already bearing fruit. In fact, the company was able to lift the gross profit margin in H1 by 5pp yoy. Moreover, the adjusted EBTIDA margin (adjustments referring to restructuring costs), also significantly improved to 9.9% (+2.1pp vs FY '23). Moreover, utilization rates are already reaching levels of 80+% in busy periods, clearly indicating that the strategic shift is paying off.

in € m	2023	2024e	2025e	2026e	2027e	CAGR '23-27e
Sales	**14.0**	**9.4**	**8.8**	**9.3**	**9.9**	-8%
yoy	-11%	-33%	-6%	6%	6%	
+/- finished foods	0.0	0.0	0.0	0.0	0.0	
in % of sales	0%	0%	0%	0%	0%	
Capitalized goods	0.0	0.0	0.0	0.0	0.0	
in % of sales	0%	0%	0%	0%	0%	
Total sales	**14.0**	**9.4**	**8.8**	**9.3**	**9.9**	-8%
yoy	-11%	-33%	-7%	6%	6%	
Material expenses	5.2	3.3	3.1	3.2	3.3	
in % of sales	37%	36%	35%	34%	33%	
Gross Profit	**8.8**	**6.1**	**5.7**	**6.2**	**6.6**	-7%
Gross margin	63%	65%	65%	66%	67%	
Personnel expenses	6.4	4.0	2.6	2.7	2.8	
in % of sales	46%	42%	30%	29%	28%	
Other operating expenses	1.8	1.3	1.2	1.2	1.2	
in % of sales	13%	14%	14%	13%	13%	
Other operating income	0.4	0.4	0.2	0.2	0.2	
in % of sales	3%	5%	2%	2%	2%	
EBITDA	**1.1**	**1.2**	**2.1**	**2.4**	**2.8**	27%
EBITDA margin	8%	13%	24%	26%	29%	
D&A	3.5	2.2	1.5	1.3	1.2	
in % of sales	25%	24%	17%	14%	12%	
EBIT	**-2.4**	**-1.0**	**0.6**	**1.1**	**1.6**	
EBIT margin	-17%	-10%	7%	12%	17%	
Financial result	-0.3	-0.3	-0.3	-0.3	-0.2	
in % of sales	-2%	-3%	-3%	-3%	-2%	
EBT	**-2.6**	**-1.3**	**0.3**	**0.9**	**1.4**	
EBT margin	-19%	-14%	3%	9%	15%	
Taxes	0.8	0.0	0.0	0.0	0.0	
Tax rate	-30%	0%	0%	3%	2%	
Net income	**-3.4**	**-1.3**	**0.3**	**0.8**	**1.4**	
Net income margin	-24%	-14%	3%	9%	14%	

Source: NuWays Research

Going forward, **gross margins are seen to even improve continuously driven by an increasing share of high margin recurring revenues**. To improve bottom-line profitability, we further expect the company to benefit from **efficiency gains and scale effects** in:

- **Personnel expenses:** As outlined before, mVISE significantly reduced its workforce over recent years in order to optimize utilization rates. As we expect the current workforce to be fully sufficient to cope with the projected top line development, the **personnel expense ratio is seen to significantly decline** compared to FY '23 (46%) to 28% by FY '27e.

- **Other operating expenses:** The same is seen to hold true for other OpEx such as leases, travelling expenses as well as capital market and legal costs. The sales share of overall other OpEx is seen to decline by 1.5pp to 12.5% until FY '27e.

- **D&A:** At mVISE, D&A is mainly related to amortization of goodwill as well depreciation of equipment. We thus expect scale effects to also come through on the D&A level as we do not include any further M&A in our model and the company does not capitalize any development costs.

NuWays
by Hauck Aufhäuser Lampe

Valuation

- DCF yields a price target per share of € 1.40.

DCF valuation

Our DCF valuation derives a **price target of € 1.40** per share for mVISE AG. The key assumptions for our model are:

- **Terminal EBIT margin of 16%**: mVISE does not capitalize any development costs anymore, which will lead to declining D&A going forward, which will benefit EBIT alongside improving utilization rates.
- **Terminal growth of 2.5%**: The mid-term growth rate is seen at a moderate 5.7% (2026-31e) as mVISE should continue to penetrate the high potentials in the software development as well as WFM markhigh-quality high quality solutions.
- The **WACC of 7.0%** is derived from a beta of 1.5x, a 4.6% risk premium and a 2.4% risk free rate.

DCF (EUR m) (except per share data and beta)	2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	Terminal value
NOPAT	-1.0	0.6	0.8	1.2	1.2	1.4	1.6	1.8	1.4
Depreciation	2.2	1.5	1.3	1.2	1.0	0.8	0.8	0.7	0.0
Increase/decrease in working capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	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
Cash flow	**1**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**1**
Present value	1	2	2	2	2	2	2	2	22
WACC	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

DCF per share derived from	
Total present value	36
thereof terminal value	62%
Net debt (net cash) at start of year	6
Financial assets	0
Provisions and off balance sheet debt	0
Equity value	29
No. of shares outstanding	21.3
Discounted cash flow per share	**1.4**
upside/(downside)	**241%**
Share price	**0.40**

DCF avg. growth and earnings assumptions	
Short term growth (2024-2026)	-0.4%
Medium term growth (2026 - 2031)	5.7%
Long term growth (2031 - infinity)	2.5%
Terminal year EBIT margin	16.0%

WACC derived from	
Cost of borrowings before taxes	6.0%
Tax rate	30.0%
Cost of borrowings after taxes	4.4%
Required return on invested capital	9.3%
Risk premium	4.6%
Risk-free rate	2.4%
Beta	1.5

Sensitivity analysis DCF

WACC \ Long term growth	1.5%	2.0%	2.5%	3.0%	3.5%
11.0%	0.7	0.7	0.7	0.7	0.8
10.0%	0.7	0.8	0.8	0.9	0.9
7.0%	1.2	1.3	1.4	1.5	1.7
8.0%	1.0	1.0	1.1	1.2	1.3
7.0%	1.2	1.3	1.4	1.5	1.7

Sensitivity analysis DCF

WACC \ EBIT margin terminal year	12.0%	14.0%	16.0%	18.0%	20.0%
11.0%	0.6	0.7	0.7	0.8	0.8
10.0%	0.7	0.7	0.8	0.9	0.9
7.0%	1.1	1.2	1.4	1.5	1.6
8.0%	0.9	1.0	1.1	1.2	1.3
7.0%	1.1	1.2	1.4	1.5	1.6

Source: NuWays Research

Theme

- **Strong H2 '24e** expected
- **M&A** to supplement strong organic growth

Strong second half of the year in the making

After a strong start into the year has seen adj. EBITDA come in to € 0.5m, implying a 9.9% margin, we expect the company to continue this trend in H2. Although sales are seen to decrease by 41% yoy to € 4.6m (eNuW), we expect **EBITDA to strongly increase** by 160% yoy to € 0.9m with a 12% margin (+14pp yoy. This should be predominantly driven by (1) the acquisition of opcyc, which boasts an impressive 60% EBITDA (=EBIT) margin, as well as (2) operational improvements on the level of mVISE SD, where utilization is set to improve on the back of the imposed efficiency measures.

Overall, FY '24e EBTIDA is seen to increase by 12% yoy to € 1.2m, implying a margin of 11.6% despite a declining top-line (eNuW: -32.9% to € 9.4m). Notably, this should more or less translate into FCF generation given that the company does not capitalize any costs nor has significant WC movements (€ 0.9m FCF at FY '24e). Overall, this should clearly demonstrate that the imposed measures are bearing fruit and that mVISE is on track for profitable growth in the mid-term.

M&A is seen as a likely growth contributor

As outlined in the growth part, management aims for a Buy & Build strategy going forward in order to accelerate growth. With the acquisition of opcyc in Q4'23, the company performed a first highly margin accretive deal, as the company boasts a strong 60% EBITDA margin, which is equal to EBIT given that like mVISE, opcyc is not capitalizing any development costs. While we do not expect a further transaction in this or the next quarter, we certainly see the possibility of 1 or maybe 2 M&A deals in FY '25e. Besides existing funds and the cash inflows from the recent convertible placement (950k volume, 8.5% coupon, maturity 03/26, strike at € 1.00,), the company could also use shares as a form of payment during a transaction. Mind you, we do not consider future M&A in our model. Hence, this is leading upside to our estimates. Regarding possible targets, management is seen to screen the market for software solutions with a subscription model and a high share of recurring revenues , which is also offering high cross-selling potentials with the existing portfolio to facilitate the integration.

Company Background

- More than 20 years of experience in the IT/software market
- Strong management

History

2000: Founded as conVISUAL AG

- Business model: mobile solutions provider for mobile marketing, mobile internet and mobile apps

2006: IPO

2015: Change of name to mVISE AG

- Change of business model towards IT- and software services

2015 – 2017: Implementation of Strategy 2015+

- Focus on mobility, virtualization and security
- Strong inorganic growth driven by acquisitions of elastic.io, Just Intelligence, SHS Viveon as well as the foundation of SaleSphere

2021: Divestiture of elastic.io

2022: Ralf Thomas appointed as new CEO

2023:

- Acquisition of opcyc GmbH by ways of capital increase in kind
- Focus on business models with a high share of recurring revenues and no more body leasing business

2024:

- Spin-off of IT services from mVISE AG to the wholly owned subsidiary mVISE Software Development GmbH
- mVISE AG from now on as a pure holding company with two subsidiaries:
  - opcyc GmbH (WFM Software)
  - mVISE SD (Software development & IT Services; also includes SaleSphere)

Business Model & Products

mVISE is a provider of customized software development as well as workforce management software (opcyc) and salesforce software (SaleSphere). For FY ‘24e, SaleSphere is still reported under mVISE SD.

mVISE SD (78% of FY ‘24e sales)

mVISE SD is the company’s software development department. Here, mVISE is applying a a **holistic development approach**, which distinguishes from traditional approaches, which often only focus on individual development stages. In contrast to this, holistic development development offers an end-to-end support. In fact, it includes the strategic planning, design, development, quality control and ongoing maintenance in order to ensure consistently high software quality. In addition to project implementation, management also started last year to put a stronger emphasis on maintenance & support as well as the operation of the software going forward, which should allow for increased margins going forward (eNuW: +20.7ppts EBITDA margin until FY ‘27e). While recurring sales today only account for 30% of revenues, management targets a level of 75% in the mid-term.

Next to the development business, SaleSphere (€ 100k sales in FY ’23) is currently also still part of mVISE SD. SaleSphere is a mobile sales and field service solution that digitises service processes for sales representatives. While the product did not perform well under the old management, which rather focussed on the legacy business, new management imposed significant updates, thus increasing the attractiveness of SaleSphere. The sweet thing about the product is, that it runs on a subscription model allowing for a high share (+90%) of recurring revenues. Going forward we hence expect new key customer wins, which should enable for disproportionate growth (eNuW: 137% sales CAGR ‘24e-27e), yet remaining on comparably low levels.

opcyc (22% of FY ‘24e sales)

opcyc is a provider of workforce management software (WFM). Its product *opcycWFM* is regarded as one of the most configurable tools in the market, as many special cases are already included in the standard product. In FY ’23, the company generated sales of € 1.5m, of which 92% were recurring. While opcyc is not capitalizing any expenses, it achieved a whopping 61% EBITDA margin, which is equal to the EBIT given the absence of D&A. The company further boasts an impressive customer base including the likes of Bosch, Ströer or Check24. Going forward, sales should especially be driven by the increasing demand for WFM solutions given labour shortage and increasing digitalization as well as synergy effects translating into cross-selling with mVISE’ existing client base.

SaleSphere (still part of mVISE SD) on the other hand is a **mobile sales and field service solution** that digitises and simplifies service processes for its sales representatives. The company has been part of the mVISE group for several years, but struggled to gain traction with only a handful of customers and annual sales of € 0.1m (100% recurring). This is mainly due to the fact, that former management put a higher emphasis on the IT service segment, while not further developing the SaleSphere software nor reacting to employee churn, resulting in a reduction of the workforce to only 2 at one point. However, under the current management, the software was completely overhauled by the mVISE SD software development team. Moreover, the company hired a new sales manager for the product in order to gain new accounts. Going forward, we conservatively estimate 4-5 new customers per year, resulting in c. € 100k additional revenues, given an average of € 20k sales per customer, thus further increasing visibility at mVISE and creating cross- and up-selling opportunities.

Management Board

Ralf Thomas – Chief Executive Officer

Ralf Thomas has been a successful entrepreneur for many years and is currently Managing Director of opcyc GmbH, a provider of workforce management software, and Managing Partner of Catinedo GmbH, a consultancy firm for end-customer-relevant processes. Prior to this, he was Divisional Director for Corporate Development at Germany's largest listed BPM/BPO provider between 2002 and 2007. Ralf Thomas therefore brings with him a broad spectrum of management expertise and entrepreneurial experience.

Cedric Balzar – Chief Financial Officer

As a member of the mVISE AG Management Board, Cedric Balzar is responsible for "Finance", "Administration" and "SaleSphere". As an authorised signatory of mVISE AG, he was responsible for Operational Finance until May 2019. He has several years of experience as interim CFO and Head of Controlling at a medium-sized public limited company in the IT sector. In the latter role, Cedric Balzar was primarily responsible for setting up a new controlling department and oversaw the introduction of an ERP system, including the implementation of comprehensive and transparent company reporting.

Supervisory Board

Franziska Oelte – Chairman of the Supervisory Board

Franziska Oelte has been part of the supervisory board since 2010 and acts is its Chairman since 2022. She currently works independently as a transformative and executive coach. Before that, she gained experience in management positions at various medium-sized companies.

Malte von der Ropp – Vice Chairman of the Supervisory Board

Mr. von der Ropp is managing director of the Frankfurt based BC fundmanager VCDE Venture Partners. Prior to this, he as Senior VP at Corporate Finance Partner CFP Beratungs-GmbH. He is member of the mVISE Supervisorsy Board since 2015.

Henning Soltau

Henning Soltau is co-founder of the SPSW Capital GmbH, an owner-managed and independent investment company. Prior to this, he was the CFO of D+S Europe AG, a provider of solutions for sales and service in contact management. He is a member of the mVISE Supervisory Board since 2017.

Stefan Träumer

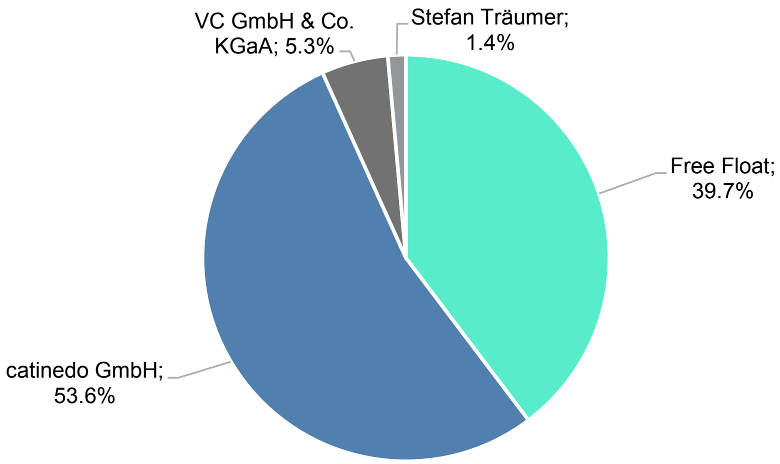
Mr. Träumer is a tax consultant and auditor and has worked as a partner and managing director of Falk GmbH for 25 years since 1994. Since then, he has been working as an independent tax consultant and auditor. Mr. Täumer is part of the mVISE Supervisory Board since 2023.

Shareholder structure

mVISE has currently 21.3m shares outstanding. The shares are listed on the open market at the Frankfurt Stock Exchange and are part of the Scale segment.

Currently, the shares are held by catinedo GmbH (53.6%), which is owned by the CEO Ralf Thomas, by VC GmbH & Co. KgaA (5.3%), attributable to Supervisory Board member Malte von der Ropp, and Supervisory Board member Stefan Träumer (1.4%). The remaining 40% is Free Float.

Shareholder Structure (21,283,619 shares)



Source: NuWays Research, Company data

Investment Risks

- **Competition:** High competition could lead to lower price pressure and lower margins in the mid-term.
- **Market Risk:** One risk factor is the development of the global economy, which will have an effect on the development of mVISE. A significant deterioration of the global economy hence could have negative implications on the demand for customized software and WFM solutions.
- **Share price volatility:** Disruptions on the capital market could come with notable share price movements, which can be unrelated to operational performance. Limited liquidity could cause additional volatility during eventful periods

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	**15.6**	**15.6**	**14.0**	**9.4**	**8.8**	**9.3**
Sales growth	*-17.8%*	*0.2%*	*-10.5%*	*-32.9%*	*-6.4%*	*6.1%*
Increase/decrease in finished goods and work-in-process	0.3	0.0	-0.0	0.0	0.0	0.0
Total sales	**15.9**	**15.6**	**14.0**	**9.4**	**8.8**	**9.3**
Other operating income	1.3	0.2	0.4	0.4	0.2	0.2
Material expenses	5.5	5.6	5.2	3.3	3.1	3.2
Personnel expenses	8.1	8.0	6.4	4.0	2.6	2.7
Other operating expenses	2.1	2.2	1.8	1.3	1.2	1.2
Total operating expenses	**14.4**	**15.7**	**12.9**	**8.2**	**6.7**	**6.9**
EBITDA	**1.5**	**-0.0**	**1.1**	**1.2**	**2.1**	**2.4**
Depreciation	0.1	0.1	0.0	0.0	0.0	0.0
EBITA	**1.4**	**-0.1**	**1.1**	**1.2**	**2.1**	**2.4**
Amortisation of goodwill	0.6	0.4	0.4	0.0	0.0	0.0
Amortisation of intangible assets	0.9	0.4	3.0	2.2	1.5	1.3
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	**0.0**	**-0.9**	**-2.4**	**-1.0**	**0.6**	**1.1**
Interest income	0.0	0.0	0.1	0.0	0.0	0.1
Interest expenses	0.5	1.2	0.4	0.3	0.4	0.4
Investment income	0.1	0.0	0.0	0.0	0.0	0.0
Financial result	-0.3	-1.2	-0.3	-0.3	-0.3	-0.3
Recurring pretax income from continuing operations	**-0.3**	**-2.1**	**-2.6**	**-1.3**	**0.3**	**0.8**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	**-0.3**	**-2.1**	**-2.6**	**-1.3**	**0.3**	**0.8**
Income tax expense	-0.0	0.1	0.0	0.0	0.0	0.0
Net income from continuing operations	**-0.3**	**-2.2**	**-3.4**	**-1.3**	**0.3**	**0.8**
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**-0.3**	**-2.2**	**-3.4**	**-1.3**	**0.3**	**0.8**
Minority interest	-0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	**-0.3**	**-2.2**	**-3.4**	**-1.3**	**0.3**	**0.8**
Average number of shares	9.8	9.9	9.9	21.3	21.3	21.3
EPS reported	**-0.03**	**-0.23**	**-0.35**	**-0.06**	**0.01**	**0.04**

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%**
Sales growth	*-17.8%*	*0.2%*	*-10.5%*	*-32.9%*	*-6.4%*	*6.1%*
Increase/decrease in finished goods and work-in-process	2.2%	0.1%	-0.0%	0.1%	0.0%	0.0%
Total sales	**102.2%**	**100.1%**	**100.0%**	**100.1%**	**100.0%**	**100.0%**
Other operating income	8.6%	1.3%	3.0%	4.7%	2.0%	2.0%
Material expenses	35.4%	36.1%	37.1%	35.5%	35.0%	34.0%
Personnel expenses	52.0%	51.2%	45.5%	42.4%	30.0%	29.0%
Other operating expenses	13.7%	14.1%	12.6%	13.9%	13.5%	13.0%
Total operating expenses	**92.5%**	**100.1%**	**92.1%**	**87.1%**	**76.5%**	**74.0%**
EBITDA	**9.7%**	**-0.0%**	**7.8%**	**13.0%**	**23.5%**	**26.0%**
Depreciation	0.5%	0.4%	0.3%	0.1%	0.1%	0.0%
EBITA	**9.2%**	**-0.4%**	**7.5%**	**12.9%**	**23.4%**	**26.0%**
Amortisation of goodwill	3.6%	2.8%	3.1%	0.0%	0.0%	0.0%
Amortisation of intangible assets	5.5%	2.6%	21.4%	23.4%	16.7%	14.0%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	**0.1%**	**-5.7%**	**-16.9%**	**-10.5%**	**6.8%**	**12.0%**
Interest income	0.0%	0.1%	0.7%	0.0%	0.4%	0.8%
Interest expenses	3.1%	7.9%	2.6%	3.3%	4.1%	3.8%
Investment income	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	**-2.0%**	**-13.6%**	**-18.8%**	**-13.8%**	**3.1%**	**8.9%**
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	**-2.0%**	**-13.6%**	**-18.8%**	**-13.8%**	**3.1%**	**8.9%**
Tax rate	3.2%	-4.7%	-29.8%	0.0%	0.2%	3.6%
Net income from continuing operations	**-2.0%**	**-14.3%**	**-24.5%**	**-13.8%**	**3.1%**	**8.6%**
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	**-2.0%**	**-14.3%**	**-24.5%**	**-13.8%**	**3.1%**	**8.6%**
Minority interest	-0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	**-1.9%**	**-14.3%**	**-24.5%**	**-13.8%**	**3.1%**	**8.6%**

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	3.9	2.2	1.7	13.3	11.8	10.5
Property, plant and equipment	0.1	0.1	0.0	0.0	0.0	0.0
Financial assets	1.1	2.4	3.7	0.0	0.0	0.0
FIXED ASSETS	**5.1**	**4.7**	**5.5**	**13.3**	**11.9**	**10.6**
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	2.3	1.4	0.9	0.8	0.7	0.8
Other assets and short-term financial assets	1.1	0.6	0.6	0.8	0.8	0.8
Liquid assets	0.3	1.0	0.0	1.9	3.6	5.7
Deferred taxes	2.7	2.4	1.6	1.8	1.8	1.8
Deferred charges and prepaid expenses	0.2	0.4	0.1	0.1	0.1	0.1
CURRENT ASSETS	**9.2**	**10.1**	**3.3**	**5.4**	**7.1**	**9.2**
TOTAL ASSETS	**14.2**	**14.8**	**8.7**	**18.7**	**18.9**	**19.8**
SHAREHOLDERS EQUITY	**2.8**	**3.4**	**0.0**	**10.0**	**10.3**	**11.1**
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	3.6	2.7	2.3	2.3	2.3	2.3
Bonds (long-term)	5.8	3.8	3.8	4.8	4.8	4.8
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	0.6	0.9	0.8	0.4	0.4	0.4
NON-CURRENT LIABILITIES	**10.0**	**7.4**	**7.0**	**7.5**	**7.5**	**7.5**
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	1.1	1.0	0.8	0.5	0.5	0.5
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)	0.3	2.6	0.8	0.5	0.5	0.5
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.2	0.3	0.1	0.1	0.1	0.1
CURRENT LIABILITIES	**1.5**	**3.9**	**1.7**	**1.2**	**1.1**	**1.2**
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	**14.2**	**14.8**	**8.7**	**18.7**	**18.9**	**19.8**

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	27.6%	14.7%	19.6%	71.1%	62.5%	53.3%
Property, plant and equipment	0.5%	0.6%	0.4%	0.2%	0.1%	0.1%
Financial assets	7.5%	16.3%	42.7%	0.0%	0.0%	0.0%
FIXED ASSETS	**35.6%**	**31.6%**	**62.7%**	**71.3%**	**62.7%**	**53.4%**
Inventories	0.0%	0.1%	0.1%	0.0%	0.1%	0.1%
Accounts receivable	16.1%	9.7%	10.1%	4.1%	3.8%	3.9%
Other assets and short-term financial assets	7.7%	3.8%	6.9%	4.3%	4.2%	4.0%
Liquid assets	2.2%	6.8%	0.0%	10.0%	19.0%	28.9%
Deferred taxes	18.7%	16.3%	18.7%	9.6%	9.5%	9.1%
Deferred charges and prepaid expenses	1.3%	2.6%	1.5%	0.7%	0.7%	0.7%
CURRENT ASSETS	**64.4%**	**68.4%**	**37.3%**	**28.7%**	**37.3%**	**46.6%**
TOTAL ASSETS	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
SHAREHOLDERS EQUITY	**19.4%**	**23.2%**	**0.2%**	**53.6%**	**54.3%**	**56.1%**
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	25.2%	18.3%	26.8%	12.5%	12.4%	11.9%
Bonds (long-term)	40.8%	26.0%	43.9%	25.6%	25.3%	24.2%
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	3.9%	6.1%	9.3%	2.1%	2.1%	2.0%
NON-CURRENT LIABILITIES	**69.9%**	**50.3%**	**80.0%**	**40.3%**	**39.8%**	**38.1%**
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	7.6%	6.9%	8.6%	2.7%	2.5%	2.6%
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)	1.8%	17.3%	9.7%	2.7%	2.6%	2.5%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred income	1.2%	2.3%	1.6%	0.7%	0.7%	0.7%
CURRENT LIABILITIES	**10.6%**	**26.5%**	**19.8%**	**6.2%**	**5.9%**	**5.8%**
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	-0.3	-2.2	-3.4	-1.3	0.3	0.8
Depreciation of fixed assets (incl. leases)	0.1	0.1	0.0	0.0	0.0	0.0
Amortisation of goodwill & intangible assets	1.4	0.8	3.4	2.2	1.5	1.3
Other costs affecting income / expenses	-1.7	4.5	0.3	0.0	0.0	0.0
Cash flow from operating activities	-0.7	2.2	0.4	0.9	1.7	2.1
Increase/decrease in inventory	0.0	-0.0	0.0	0.0	-0.0	-0.0
Increase/decrease in accounts receivable	0.6	-0.9	-0.5	-0.1	-0.0	0.0
Increase/decrease in accounts payable	-0.6	0.9	0.5	0.1	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	0.0	-0.0	0.0	0.0	-0.0	-0.0
Cash flow from operating activities	**-0.5**	**3.1**	**0.4**	**0.9**	**1.7**	**2.1**
CAPEX	0.4	0.1	0.0	0.0	0.0	0.0
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	1.0	0.0	0.1	0.0	0.0	0.0
Cash flow from investing activities	**0.6**	**-0.1**	**0.1**	**0.0**	**0.0**	**0.0**
Cash flow before financing	0.1	3.1	0.4	0.9	1.7	2.1
Increase/decrease in debt position	-0.9	-2.0	-1.1	1.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	1.8	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.8	-0.4	-0.4	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	**0.1**	**-2.4**	**-1.4**	**1.0**	**0.0**	**0.0**
Increase/decrease in liquid assets	0.2	0.7	-1.0	1.9	1.7	2.1
Liquid assets at end of period	**0.3**	**1.0**	**0.0**	**1.9**	**3.6**	**5.7**

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	-17.8%	0.2%	-10.5%	-32.9%	-6.4%	6.1%
EBITDA growth	-253.8%	-100.2%	-36600.0%	11.6%	69.0%	17.3%
EBIT growth	-100.4%	-7583.3%	163.5%	-58.4%	-160.5%	87.4%
EPS growth	-93.3%	659.0%	53.6%	-82.4%	-121.3%	190.6%
Efficiency						
Sales per employee	15.3	13.9	12.6	8.4	7.8	8.0
EBITDA per employee	1.5	-0.0	1.0	1.1	1.8	2.1
No. employees (average)	1,018	1,125	1,112	1,112	1,129	1,163
Balance sheet analysis						
Avg. working capital / sales	22.3%	1.5%	2.0%	2.2%	2.9%	2.8%
Inventory turnover (sales/inventory)	3,900.5	1,203.2	1,749.5	1,600.0	800.0	800.0
Accounts receivable turnover	53.5	33.4	23.1	30.0	30.0	30.0
Accounts payable turnover	25.4	23.8	19.6	20.0	20.0	20.0
Cash flow analysis						
Free cash flow	-0.9	3.1	0.3	0.9	1.7	2.1
Free cash flow/sales	-5.5%	19.6%	2.5%	9.7%	19.8%	22.6%
FCF / net profit	279.1%	neg.	neg.	neg.	631.0%	263.0%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	9.1	5.5	6.2	5.3	3.5	1.4
Net Debt/EBITDA	6.0	-1847.7	5.6	4.3	1.7	0.6
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	5.0%	14.8%	4.7%	4.5%	5.4%	5.0%
Returns						
ROCE	0.1%	-7.7%	-24.0%	-6.9%	4.8%	6.2%
ROE	-10.6%	-64.9%	-22820.0%	-12.9%	2.7%	7.2%
Adjusted FCF yield	10.6%	-14.0%	17.1%	8.9%	17.1%	24.1%
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	-0.03	-0.23	-0.35	-0.06	0.01	0.04
Average number of shares	9.8	9.9	9.9	21.3	21.3	21.3
Valuation ratios						
P/BV	1.4	1.2	264.1	0.8	0.8	0.8
EV/sales	0.8	0.6	0.7	1.5	1.4	1.1
EV/EBITDA	8.6	-3168.4	9.3	11.3	5.8	4.1
EV/EBIT	1085.1	-10.6	-4.3	-14.0	20.2	8.9

Source: Company data, NuWays

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Company	Disclosures
mVISE AG	2,8

Historical target price and rating changes for mVISE AG

Company	Date	Analyst	Rating	Target Price	Close

NuWays
by Hauck Aufhäuser Lampe

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Date of publication creation: 22/11/2024 07:51 AM

Date of publication dissemination: 22/11/2024 07:51 AM

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