

# LAIQON AG

Fund Mgt / Germany

Baader Europe

## Improved 2023 figures, set up of milestone cooperations

Earnings/sales releases - 02/04/2024

- Revenues rose by 42% to €30.7m for 2023 compared to 2022
- EBITDA improved from -€9.9m for 2022 to -€4.7m for 2023
- AuM increased by 7% to €6.1bn for 2023
- GROWTH 25 strategy confirmed
- AuM of the LAIC subgroup are expected to increase to around €5.5 – 6.5bn by 2028e

### Fact

Revenues rose by 42% to €30.7m for 2023 compared to 2022. Cost of sales was up by 62% to €5.9m in the same period. Staff expenses increased by 18% to €20.2m for 2023 compared to 2022. The other result was a loss of €8.7m for 2023 down by 21% compared to 2022. EBITDA improved from -€9.9m for 2022 to -€4.7m for 2023. Depreciation and impairments were up by 35% to €6.4m for 2023 compared to 2022. Finance result were expenses of €9.9m for 2023 compared to €1.63m for 2022. Pre-tax loss increased by 23% to €20.0m for 2023 compared to 2022. The tax credit was €7.1m for 2023 compared to €5.7m for 2022. Net loss attributable to shares rose by 21% to €12.3m for 2023 compared to 2022. Shareholders' equity decreased by 17% to €55.6m at the end of 2023 compared to 2022.

AuM increased by 7% to €6.1bn for 2023. Net new money inflow was €0.4bn in 2023 compared to €0.8bn for 2022. The GROWTH 25 strategy was confirmed.

### Analysis

Laiqon was able to improve its 2023 figures compared to 2022. EBITDA was still a loss which was no big surprise as Laiqon is in a growth period wherein it first has to invest before reaping the benefit in future years. Much more important is that Laiqon was able to set up some promising milestone cooperations in 2023 especially with the cooperative banking sector. Nevertheless, Laiqon confirmed its GROWTH 25 strategy. The group is seeking to reach €8bn to €10bn in AuM by 2025, hence achieving a 16% CAGR over 2023-2025. This growth in the AuM base should drive the group's revenue on which the management is looking for an EBITDA margin of above 45%.

All the operating segments of the new segment structure (Asset Management, Wealth Management and Digital Wealth) developed well in 2023. Asset Management increased revenues by 22% to €15.3m and EBITDA by 10% to €3.6m for 2023 compared to 2022. Wealth Management revenues were up by 73% to €7.2m and negative EBITDA up by 4% to a loss of €1.0m in the same period. Digital Wealth increased its revenues from €0.8m for 2022 to €2.2m for 2023 and reduced negative EBITDA from €4.5m for 2022 to €2.9m for 2023.

In 2023, Laiqon succeeded in concluding two collaboration agreements with the cooperative banking sector in the Wealth Management ("meine Bayerische Vermögen" mbV) and Digital Wealth (iFVV) segments. We consider this to be a decisive strategic breakthrough in the realisation of the Growth 25 targets, the full impact of which will only become apparent after 2025. The AuM of the LAIC subgroup are expected to increase to around €5.5 – 6.5bn by 2028e. Additionally,

<b>Buy</b>	<b>Upside: 85.6%</b>
Target Price (6 months)	€ 10.1
Share Price	€ 5.44
Market Cap. €M	99.4
Price Momentum	<b>UNFAVORABLE</b>
Extremes 12Months	4.70 ▶ 8.50
Sustainability score	4.7 /10
Credit Risk	B ↗
Fundamental Strength	0 /10
Bloomberg	LQAG GY Equity
Reuters	LQAG.DE


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PERF	1w	1m	3m	12m
LAIQON AG	3.03%	-9.33%	-15.3%	-24.4%
Other Financials	1.32%	3.36%	8.28%	13.7%
STOXX 600	0.57%	3.29%	7.24%	15.3%

Sector Opinion	<b>Underweight</b>
Strongest upside	Tessengerlo Group
Worst potential	D'leteren Group

[Complete Sector Analysis](#)

Last updated: 11/03/2024	12/22A	12/23E	12/24E	12/25E
Adjusted P/E (x)	-12.8	-44.7	164	17.5
Dividend yield (%)	0.00	0.00	0.00	3.68
EV/EBITDA(R) (x)	-18.7	ns	26.3	9.03
Adjusted EPS (€)	-0.68	-0.17	0.03	0.31
Growth in EPS (%)	n/a	n/a	n/a	836
Dividend (€)	0.00	0.00	0.00	0.20
Sales (€M)	21.6	36.7	43.7	57.0
EBITDA/R margin (%)	-47.4	3.05	11.4	24.6
Attributable net profit (€M)	-10.4	-2.99	0.59	5.67
ROE (after tax) (%)	-19.0	-4.15	0.75	6.77
Gearing (%)	51.1	43.4	40.5	33.6

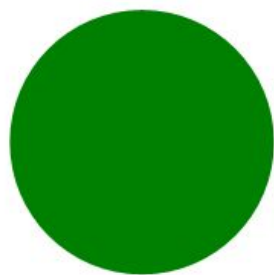
[Company Valuation](#) - [Company Financials](#)

the cooperation with the cooperative banking sector is a kind of lighthouse and door opener project for potential big clients in Germany, like DWS (Deutsche Bank) or AGI (Allianz).

## ■ Impact

Our forecasts are under review.

## Sales by Geography



Germany (100.0%)

## Consolidated P&amp;L Accounts

		12/22A	12/23E	12/24E
Sales	€M	21.6	36.7	43.7
Change in sales	%	-17.4	70.0	19.1
Change in staff costs	%	50.9	28.6	4.55
EBITDA	€M	-10.2	1.12	5.00
<b>EBITDA(R) margin</b>	%	<b>-47.4</b>	<b>3.05</b>	<b>11.4</b>
Depreciation	€M	-1.99	-2.07	-1.09
Underlying operating profit	€M	-14.9	-4.10	0.91
<b>Operating profit (EBIT)</b>	<b>€M</b>	<b>-14.9</b>	<b>-4.10</b>	<b>0.91</b>
Net financial expense	€M	-2.92	-2.39	-4.00
of which related to pensions	€M		0.00	0.00
Exceptional items & other	€M			
Corporate tax	€M	5.75	2.58	1.53
Equity associates	€M	1.29	0.73	2.00
Minority interests	€M	0.38	0.19	0.16
<b>Adjusted attributable net profit</b>	<b>€M</b>	<b>-10.4</b>	<b>-2.99</b>	<b>0.59</b>
NOPAT	€M	-9.92	-2.35	2.68

## Cashflow Statement

EBITDA	€M	-10.2	1.12	5.00
Change in WCR	€M	-3.89	0.08	-0.11
Actual div. received from equity holdi...	€M	5.90	0.73	0.40
Paid taxes	€M	0.00	2.58	1.53
Exceptional items	€M	0.02	0.00	0.00
Other operating cash flows	€M	1.58	0.00	0.00
Total operating cash flows	€M	-6.62	4.51	6.81
Capital expenditure	€M	-1.20	-1.65	-1.46
Total investment flows	€M	-17.0	-1.65	-1.46
Net interest expense	€M	-2.92	-2.39	-4.00
Dividends (parent company)	€M	0.00	0.00	0.00
Dividends to minorities interests	€M	0.00	0.00	0.00
New shareholders' equity	€M	12.0	0.00	0.00
Total financial flows	€M	2.35	-10.8	-5.81
Change in cash position	€M	-26.4	-7.95	-0.45
<b>Free cash flow (pre div.)</b>	<b>€M</b>	<b>-10.7</b>	<b>0.47</b>	<b>1.35</b>

## Per Share Data

No. of shares net of treas. stock (year...	Mio	17.5	17.5	18.3
Number of diluted shares (average)	Mio	15.4	17.5	17.9
<b>Benchmark EPS</b>	<b>€</b>	<b>-0.68</b>	<b>-0.17</b>	<b>0.03</b>
Restated NAV per share	€			
<b>Net dividend per share</b>	<b>€</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 18.7	35%	● Amundi
NAV/SOTP per share	€ 11.7	20%	● DWS
EV/Ebitda	€ 2.35	20%	● Julius Baer
P/E	€ 2.72	10%	● EFG International
Dividend Yield	€ 1.82	10%	● M&G plc
P/Book	€ 6.01	5%	
TARGET PRICE	€ 10.1	100%	

## NAV/SOTP Calculation

## Balance Sheet

		12/22A	12/23E	12/24E
Goodwill	€M	34.3	34.3	34.3
Total intangible	€M	90.3	88.2	89.3
Tangible fixed assets	€M	10.4	13.0	13.3
Financial fixed assets	€M	2.61	4.24	4.32
WCR	€M	5.66	5.58	5.69
Other assets	€M	16.1	19.0	19.4
Total assets (net of short term liab.)	€M	125	130	132
<b>Ordinary shareholders' equity</b>	<b>€M</b>	<b>66.6</b>	<b>77.1</b>	<b>80.3</b>
Quasi Equity & Preferred	€M	0.00	0.00	0.00
Minority interests	€M	5.47	0.41	0.41
Provisions for pensions	€M	0.00	0.00	0.00
Other provisions for risks and liabilities	€M	0.31	0.33	0.00
Total provisions for risks and liabilities	€M	0.31	0.33	0.00
Tax liabilities	€M	19.0	18.9	19.2
Other liabilities	€M	0.00	0.00	0.00
<b>Net debt (cash)</b>	<b>€M</b>	<b>33.7</b>	<b>33.2</b>	<b>31.9</b>
Total liab. and shareholders' equity	€M	125	130	132

## Capital Employed

Capital employed after depreciation	€M	109	111	113
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## Profits &amp; Risks Ratios

<b>ROE (after tax)</b>	%	<b>-19.0</b>	<b>-4.15</b>	<b>0.75</b>
ROCE	%	-9.10	-2.11	2.38
<b>Gearing (at book value)</b>	%	<b>51.1</b>	<b>43.4</b>	<b>40.5</b>
Adj. Net debt/EBITDA(R)	x	-3.30	29.7	6.38
Interest cover (x)	x	-3.10	-1.41	0.33

## Valuation Ratios

<b>Reference P/E (benchmark)</b>	<b>x</b>	<b>-12.8</b>	<b>-44.7</b>	<b>164</b>
Free cash flow yield	%	-7.05	0.35	1.36
P/Book	x	2.29	1.73	1.24
<b>Dividend yield</b>	%	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## EV Calculation

Market cap	€M	152	133	99.4
+ Provisions	€M	0.31	0.33	0.00
+ Unrecognised actuarial losses/(gains)	€M	0.00	0.00	0.00
+ Net debt at year end	€M	33.7	33.2	31.9
+ Leases debt equivalent	€M	0.00	0.00	0.00
- Financial fixed assets (fair value)	€M			
+ Minority interests (fair value)	€M	5.47	0.41	0.41
= EV	€M	192	167	132
<b>EV/EBITDA(R)</b>	<b>x</b>	<b>-18.7</b>	<b>ns</b>	<b>26.3</b>
EV/Sales	x	8.89	4.56	3.01

Analyst : Dieter Hein, Changes to Forecasts : 11/03/2024.

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