

# LAIQON AG

Germany | Financial Services | MCap EUR 137.6m

4 May 2023

UPDATE



Positive feedback from  
AlsterResearch  
Roundtable; PT up to EUR  
10.75; BUY

**BUY** (BUY)

<b>Target price</b>	<b>EUR 10.75 (9.75)</b>
Current price	EUR 7.86
Up/downside	36.8%

 **ResearchHub** 



## What's it all about?

Achim Plate, CEO of LAIQON AG (LQAG), presented at the AlsterResearch Roundtable. A recording of the roundtable is available [here](#). Mr Plate expects AuM to increase by EUR 1.0bn to EUR 6.7bn in FY23 vs. FY22, driven by a market recovery, more partnerships and distribution channels. LQAG expects EBITDA to break even in FY23 as a result of increased revenues and economies of scale. The subscription period for the convertible bond (CB) 2023/28 starts today and ends on 17 May 2023. The maximum size of the CB is EUR 20m, with a coupon of 7.0% and an initial conversion price of EUR 10.50. Based on its DCF model, AlsterResearch raises its PT from EUR 9.75 to EUR 10.75. The BUY rating is reiterated.

**MAIN AUTHOR**

**Levent Yilmaz**

[l.yilmaz@alsterresearch.com](mailto:l.yilmaz@alsterresearch.com)  
+49 40 309 293-58

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

[alsterresearch.com](https://alsterresearch.com)

This research is the product of AlsterResearch, which is registered with the BaFin in Germany.

# LAIQON AG

Germany | Financial Services | MCap EUR 137.6m | EV EUR 174.1m

**BUY** (BUY)

**Target price** EUR 10.75 (9.75)  
**Current price** EUR 7.86  
**Up/downside** 36.8%

**MAIN AUTHOR**

**Levent Yilmaz**  
l.yilmaz@alsterresearch.com  
+49 40 309 293-58

## Positive feedback from AlsterResearch Roundtable; PT up; BUY

**Positive feedback from AlsterResearch Roundtable** Achim Plate, CEO of LAIQON AG (LQAG), presented at the AlsterResearch Roundtable (a recording is available [here](#)).

**AuM to increase by EUR 1.0bn in FY23 and EBITDA breakeven in FY23.** Mr Plate expects AuM to increase by EUR 1.0bn to EUR 6.7bn in FY23 vs. FY22, driven by the market recovery, more partnerships and distribution channels as well as cross selling of newly developed products. EUR 1bn of additional AuM means EUR 10m of additional net sales with an EBITDA margin of 20%. The CEO also expects AuM to increase to EUR 9-10bn in FY25 compared with its previous guidance of EUR 8-10bn. As LQAG therefore expects EBITDA to break even in FY23, we have increased our EBITDA estimate for FY23 from EUR -4.6m to EUR -0.7m.

**The potential cooperation with Union Invest would be a game changer.** LQAG on April 20 had announced discussions with Union Invest regarding a potential cooperation and joint product development. Management is confident that the cooperation agreement will be signed. If a joint product emerges, it could be in line with similar cooperations or products promoted by Union Invest - i.e. in the EUR billion range. As a back-of-the-envelope calculation: Assuming an additional EUR 1bn AuM and a management fee of 0.5%, results in pro rata revenues of around EUR 2.5m p.a. for LQAG.

**Subscription period for convertible bond starts today.** The subscription period for the convertible bond 2023/28 starts today and ends on 17 May 2023. The maximum size of the convertible bond is EUR 20m, with a coupon of 7.0% and an initial conversion price of EUR 10.50.

**Raising the PT to EUR 10.75 and confirming the BUY recommendation.** Based on the DCF model, we raise the PT from EUR 9.75 to EUR 10.75 due to higher expected AuM, sales and EBITDA. We therefore reiterate our BUY rating.

LAIQON AG	2020	2021	2022	2023E	2024E	2025E
Sales	27.7	26.1	21.6	36.7	48.8	60.5
<i>Growth yoy</i>	237.3%	-5.8%	-17.4%	70.0%	33.0%	24.0%
EBITDA	6.6	4.6	-9.9	-0.7	6.3	12.7
EBIT	2.8	0.7	-14.7	-6.7	0.6	7.3
Net profit	-0.7	5.2	-10.2	-3.2	-0.2	5.1
Net debt (net cash)	10.6	12.7	36.5	30.9	22.8	12.7
Net debt/EBITDA	1.6x	2.8x	-3.7x	-42.1x	3.6x	1.0x
EPS reported	-0.05	0.39	-0.67	-0.18	-0.01	0.29
DPS	0.00	0.00	0.00	0.00	0.00	0.00
<i>Dividend yield</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross profit margin	96.1%	89.7%	83.0%	88.0%	89.0%	90.0%
EBITDA margin	23.6%	17.6%	-46.1%	-2.0%	13.0%	21.0%
EBIT margin	10.1%	2.6%	-67.9%	-18.3%	1.3%	12.0%
ROCE	3.1%	0.9%	-12.3%	-7.1%	0.7%	7.9%
EV/EBITDA	22.6x	32.6x	-17.5x	-229.7x	25.3x	11.8x
EV/EBIT	52.8x	223.6x	-11.9x	-25.1x	249.7x	20.7x
PER	-148.3x	20.3x	-11.8x	-42.7x	-755.8x	26.9x
FCF yield	-2.6%	17.5%	-4.0%	3.8%	5.6%	7.2%

Source: Company data, AlsterResearch



Source: Company data, AlsterResearch

**High/low 52 weeks** 10.40 / 4.98  
**Price/Book Ratio** 1.8x

### Ticker / Symbols

ISIN DE000A12UP29  
WKN A12UP2  
Bloomberg LQAG:GR

### Changes in estimates

		Sales	EBIT	EPS
<b>2023E</b>	old	34.1	-10.6	-0.35
	Δ	7.6%	na%	na%
<b>2024E</b>	old	45.0	-3.9	-0.21
	Δ	8.4%	na%	na%
<b>2025E</b>	old	58.5	-0.7	-0.06
	Δ	3.4%	na%	na%

### Key share data

Number of shares: (in m pcs) 17.50  
Book value per share: (in EUR) 4.38  
Ø trading volume: (12 months) 20,000

### Major shareholders

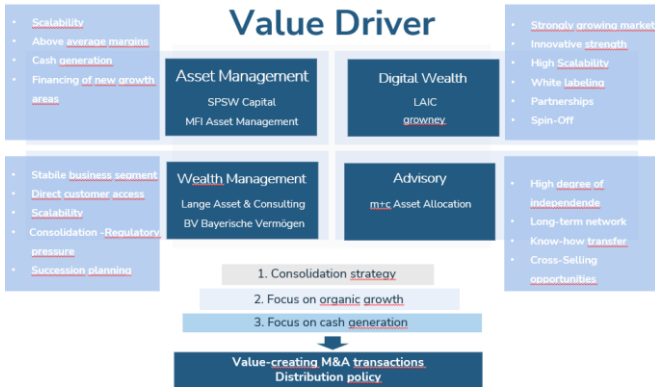
DEWB 19.0%  
SPSW investors 8.0%  
Plate Family Office (CEO) 8.0%  
Free Float 57.0%

### Company description

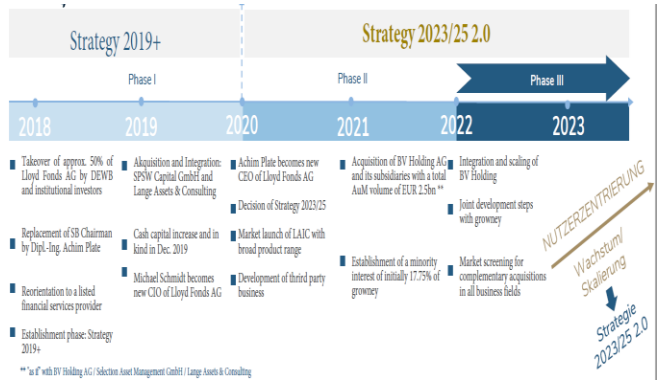
LAIQON (formerly Lloyd Fonds AG) is an independent asset and wealth manager with focus on actively managed non-benchmark funds as well as digitizing wealth management via its LAIC Advisor.

# Investment case in six charts

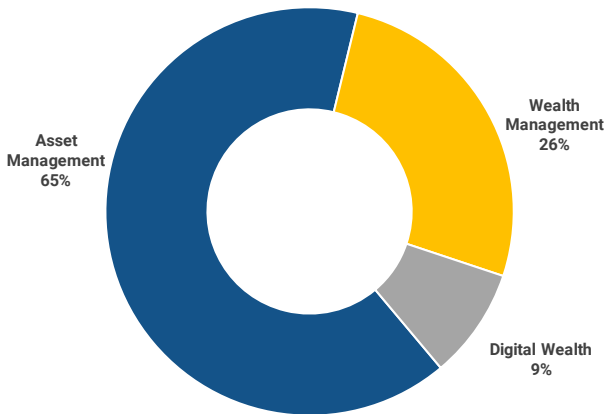
## Industrial logic of a successful acquisition strategy



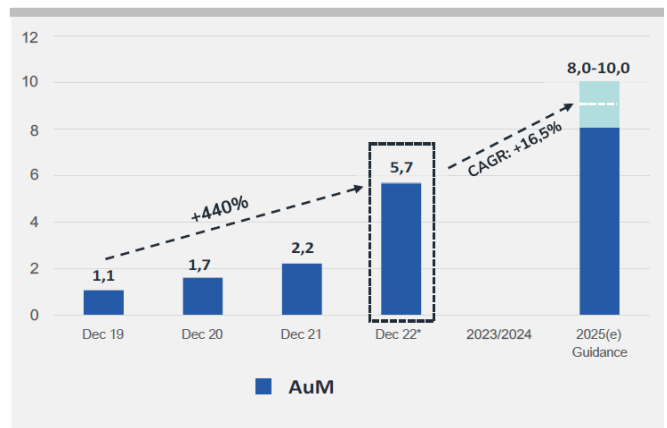
## Group Strategy



## Segments of LAIQON AG after 2023 (% AuM)



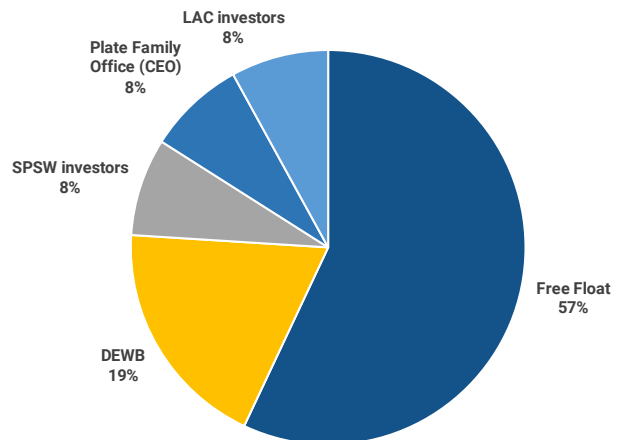
## Medium-term guidance of EUR 8.0bn - 10.0bn



## Platform Strategy - Wealth Experience - UX

<b>Clients</b>	<ul style="list-style-type: none"> <li>Focus on Evolving Customer Needs</li> <li>Focus is on the Client's Wealth Goals</li> <li>Dynamic Customer Segmentation Without Standards</li> <li>Permanent Availability of Modern Reporting Structures</li> <li>Service Excellence Centre and Contact Management</li> </ul>
<b>Wealth Solutions</b>	<ul style="list-style-type: none"> <li>Maximum Transparency in Asset Management</li> <li>Client-Specific Risk-Reward Profiles</li> <li>Product Portfolio Individualised in Article 8/9</li> <li>Focus on Personal Sustainability Preferences</li> <li>Fully Individualised Risk Management</li> </ul>
<b>Wealth Products</b>	<ul style="list-style-type: none"> <li>Positioning as a Full-Service Provider</li> <li>Clear Defined and Scalable Strategies</li> <li>Product Portfolio consisting of Article 8/9 Solutions</li> <li>Optimised Investment Decisions Through Data and AI</li> <li>Forward-Looking Digital Solutions</li> </ul>
<b>Platform Strategy</b>	<ul style="list-style-type: none"> <li>DAP 4.0 Supports All Functions and Areas</li> <li>Digitally Supported Touch Points</li> <li>Data and KPI-Driven Marketing</li> <li>Digital Optimisation and Automation Potential</li> </ul>

## Major shareholder



Source: Company data; AlsterResearch

# SWOT analysis

## Strengths

- Among the largest independent asset and wealth management firms in Germany
- Broad product offering due to platform model
- Strategic management with innovative vision
- Proportion of fixed revenues on the rise
- Scalable business model
- AuM Growth above Industry

## Weaknesses

- Some funds have fallen more than market in the 2022 downturn
- High personal costs in a market downturn
- Relative high cost-income ratio
- Premium to peer group

## Opportunities

- Market recovery could lead to fund inflows
- Outperformance of funds could lead to inflows
- Platform model with cross selling opportunities
- Active management could cushion sell-off
- Company should benefit from latest acquisitions

## Threats

- Prolonged bear market could lead to fund outflows
- Underperformance of funds could lead to outflows
- Weak performance would lead to lower performance fees
- Integration of acquired companies could last longer than expected
- Higher interest rates and taxes likely to lead to lower stock returns in the future

# Valuation

## DCF Model

The DCF model results in a **fair value of EUR 10.76 per share**:

**Top-line growth:** We expect LAIQON AG to continue benefitting from structural growth. Hence our growth estimates for 2023E-2030E is in the range of 12.0% p.a. The long-term growth rate is set at 2.0%.

**EBIT margins.** We expect an improvement of EBIT margins based on our assumption of higher revenues due to acquisitions and the platform strategy. A market recovery should also lead to higher performance fees. Economies of scale of the One-Stop-Shop-model should boost profitability in expectation of more product sales/additional service offering per client.

**WACC.** The averaged 1-, 3- and 5-year historical equity beta is calculated as 1.30. Unlevering and correcting for mean reversion yields an asset beta of 1.11. Combined with a risk-free rate of 2.5% and an equity risk premium of 6.0% this yields cost of equity of 11.3%. With pre-tax cost of borrowing at 5.0%, a tax rate of 35.0% and target debt/equity of 0.5 this results in a long-term WACC of 8.6%.

DCF (EURm) (except per share data and beta)	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal value
NOPAT	-5.5	0.6	5.6	6.4	8.0	9.6	10.3	11.0	
Depreciation & amortization	6.0	5.7	5.4	5.2	5.0	4.8	4.7	4.5	
Change in working capital	3.0	3.0	-0.8	1.4	0.8	0.8	0.8	0.9	
Chg. in long-term provisions	1.5	0.6	0.6	0.3	0.2	0.2	0.2	0.2	
Capex	-1.1	-1.0	-1.2	-1.3	-1.4	-1.5	-1.5	-1.6	
Cash flow	3.9	9.0	9.7	11.9	12.5	13.9	14.4	15.0	231.3
Present value	4.0	8.5	8.3	9.4	9.1	9.2	8.8	8.4	133.3
WACC	9.4%	9.3%	9.3%	9.2%	9.1%	9.1%	9.2%	9.2%	8.6%

DCF per share derived from	
Total present value	199.1
Mid-year adj. total present value	208.0
Net debt / cash at start of year	36.5
Financial assets	16.8
Provisions and off b/s debt	na
Equity value	188.2
No. of shares outstanding	17.5
<b>Discounted cash flow / share upside/(downside)</b>	<b>10.76 / 36.8%</b>

DCF avg. growth and earnings assumptions	
Planning horizon avg. revenue growth (2023E-2030E)	12.0%
Terminal value growth (2030E - infinity)	2.0%
Terminal year ROCE	13.9%
Terminal year WACC	8.6%

Terminal WACC derived from	
Cost of borrowing (before taxes)	5.0%
Long-term tax rate	35.0%
Equity beta	1.30
Unlevered beta (industry or company)	1.11
Target debt / equity	0.5
Relevered beta	1.47
Risk-free rate	2.5%
Equity risk premium	6.0%
Cost of equity	11.3%

<b>Share price</b>	<b>7.86</b>
--------------------	-------------

Sensitivity analysis DCF							Share of present value		
Change in WACC (%-points)		Long term growth					2023E-2026E	2027E-2030E	terminal value
		1.0%	1.5%	2.0%	2.5%	3.0%			
2.0%		7.4	7.7	8.1	8.4	8.8			15.2%
1.0%		8.4	8.8	9.2	9.7	10.3			17.8%
0.0%		9.6	10.2	10.8	11.4	12.3			67.0%
-1.0%		11.2	12.0	12.8	13.8	15.1			
-2.0%		13.4	14.5	15.8	17.4	19.5			

## FCF Yield Model

Due to the fact that companies rarely bear sufficient resemblance to peers in terms of geographical exposure, size or competitive strength and in order to adjust for the pitfalls of weak long-term visibility, an Adjusted Free Cash Flow analysis (Adjusted FCF) has been conducted.

**The adjusted Free Cash Flow Yield results in a fair value between EUR -1.79 per share based on 2023E and EUR 11.29 per share on 2027E estimates.**

The main driver of this model is the level of return available to a controlling investor, influenced by the cost of that investors' capital (opportunity costs) and the purchase price – in this case the enterprise value of the company. Here, the adjusted FCF yield is used as a proxy for the required return and is defined as EBITDA less minority interest, taxes and investments required to maintain existing assets (maintenance capex).

FCF yield in EURm	2023E	2024E	2025E	2026E	2027E
<b>EBITDA</b>	<b>-0.7</b>	<b>6.3</b>	<b>12.7</b>	<b>14.0</b>	<b>17.5</b>
- Maintenance capex	1.5	1.4	1.3	1.3	1.3
- Minorities	-0.6	-0.0	0.9	1.1	1.4
- tax expenses	-0.4	-0.0	0.7	1.3	3.1
<b>= Adjusted FCF</b>	<b>-1.2</b>	<b>5.0</b>	<b>9.8</b>	<b>10.3</b>	<b>11.7</b>
<b>Actual Market Cap</b>	<b>137.6</b>	<b>137.6</b>	<b>137.6</b>	<b>137.6</b>	<b>137.6</b>
+ Net debt (cash)	30.9	22.8	12.7	-0.0	-13.8
+ Pension provisions	0.0	0.0	0.0	0.0	0.0
+ Off B/S financing	0.0	0.0	0.0	0.0	0.0
- Financial assets	16.8	16.8	16.8	16.8	16.8
- Acc. dividend payments	0.0	0.0	0.0	0.0	0.0
<i>EV Reconciliations</i>	14.2	6.0	-4.0	-16.8	-30.5
<b>= Actual EV'</b>	<b>151.7</b>	<b>143.6</b>	<b>133.6</b>	<b>120.8</b>	<b>107.0</b>
<b>Adjusted FCF yield</b>	<b>-0.8%</b>	<b>3.5%</b>	<b>7.3%</b>	<b>8.5%</b>	<b>10.9%</b>
base hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
ESG adjustment	0.0%	0.0%	0.0%	0.0%	0.0%
adjusted hurdle rate	7.0%	7.0%	7.0%	7.0%	7.0%
<b>Fair EV</b>	<b>-17.2</b>	<b>71.2</b>	<b>139.8</b>	<b>146.9</b>	<b>167.0</b>
- <i>EV Reconciliations</i>	14.2	6.0	-4.0	-16.8	-30.5
<b>Fair Market Cap</b>	<b>-31.4</b>	<b>65.2</b>	<b>143.8</b>	<b>163.7</b>	<b>197.5</b>
No. of shares (million)	17.5	17.5	17.5	17.5	17.5
<b>Fair value per share in EUR</b>	<b>-1.79</b>	<b>3.73</b>	<b>8.21</b>	<b>9.35</b>	<b>11.29</b>
<b>Premium (-) / discount (+)</b>	<b>-122.8%</b>	<b>-52.6%</b>	<b>4.5%</b>	<b>19.0%</b>	<b>43.6%</b>

### Sensitivity analysis FV

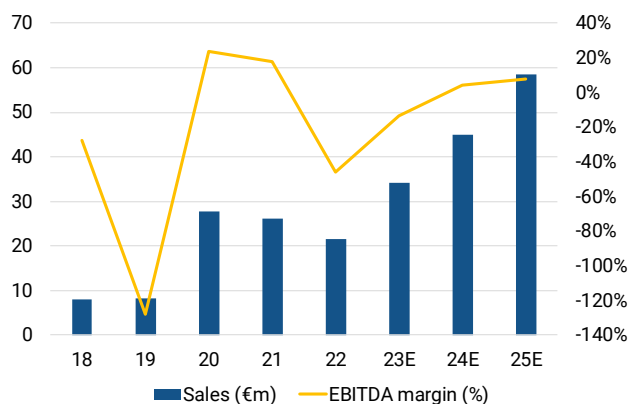
	5.0%	-2.2	5.4	11.4	12.7	15.1
<b>Adjusted hurdle rate</b>	6.0%	-2.0	4.4	9.5	10.8	12.9
	<b>7.0%</b>	<b>-1.8</b>	<b>3.7</b>	<b>8.2</b>	<b>9.4</b>	<b>11.3</b>
	8.0%	-1.7	3.2	7.2	8.3	10.1
	9.0%	-1.6	2.8	6.4	7.5	9.2

Source: Company data; AlsterResearch

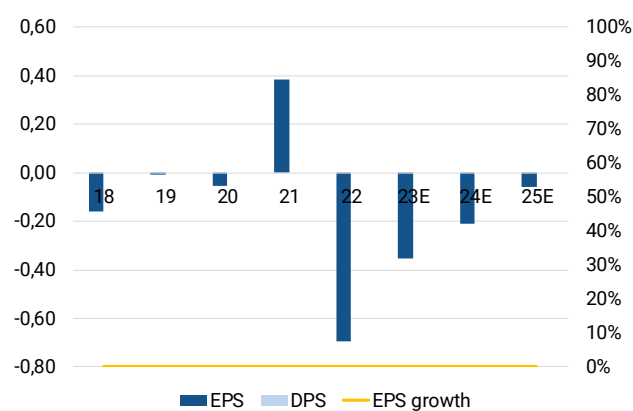
Simply put, the model assumes that investors require companies to generate a minimum return on the investor's purchase price. The required after-tax return equals the model's hurdle rate of 7.0%. Anything less suggests the stock is expensive; anything more suggests the stock is cheap. **ESG adjustments might be applicable, based on the overall Leeway ESG Score. A high score indicates high awareness for environmental, social or governance issues and thus might lower the overall risk an investment in the company might carry. A low score on the contrary might increase the risk of an investment and might therefore trigger a higher required hurdle rate.**

## Financials in six charts

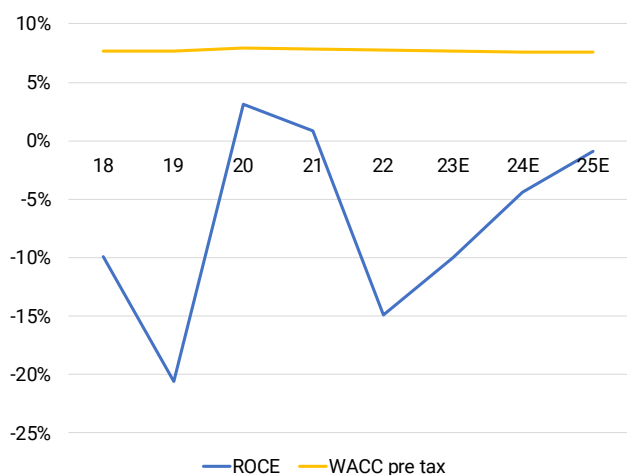
**Sales vs. EBITDA margin development**



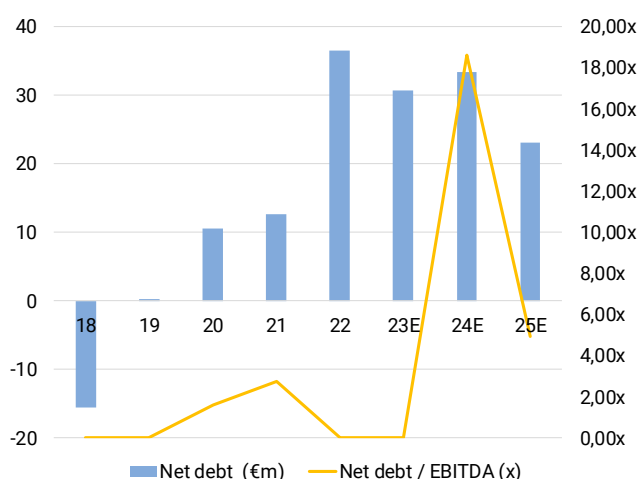
**EPS, DPS in EUR & yoy EPS growth**



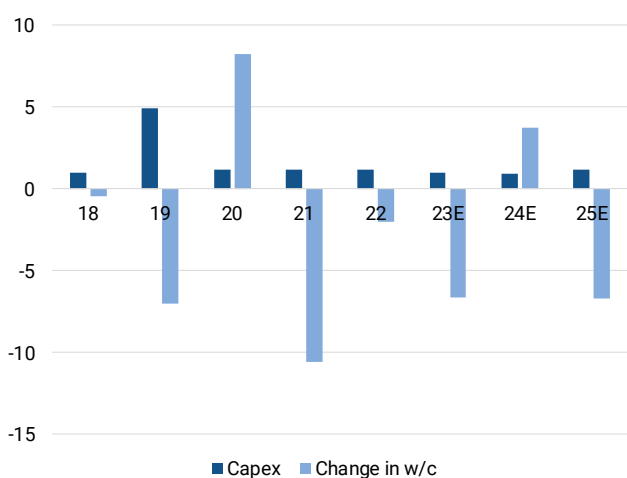
**ROCE vs. WACC (pre tax)**



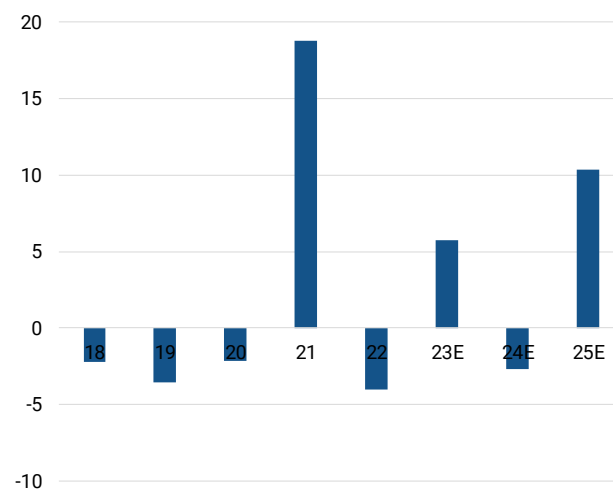
**Net debt and net debt/EBITDA**



**Capex & chgn in w/c requirements in EURm**



**Free Cash Flow in EURm**



Source: Company data; AlsterResearch



## Financials

Profit and loss (EURm)	2020	2021	2022	2023E	2024E	2025E
<b>Net sales</b>	<b>27.7</b>	<b>26.1</b>	<b>21.6</b>	<b>36.7</b>	<b>48.8</b>	<b>60.5</b>
Sales growth	237.3%	-5.8%	-17.4%	70.0%	33.0%	24.0%
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>27.7</b>	<b>26.1</b>	<b>21.6</b>	<b>36.7</b>	<b>48.8</b>	<b>60.5</b>
Material expenses	1.1	2.7	3.7	4.4	5.4	6.0
<b>Gross profit</b>	<b>26.7</b>	<b>23.4</b>	<b>17.9</b>	<b>32.3</b>	<b>43.4</b>	<b>54.4</b>
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Personnel expenses	11.7	11.3	17.1	20.9	23.9	25.4
Other operating expenses	8.4	7.5	10.7	12.1	13.2	16.3
<b>EBITDA</b>	<b>6.6</b>	<b>4.6</b>	<b>-9.9</b>	<b>-0.7</b>	<b>6.3</b>	<b>12.7</b>
Depreciation	1.8	1.6	2.0	1.5	1.4	1.3
EBITA	4.8	3.0	-11.9	-2.2	4.9	11.4
Amortisation of goodwill and intangible assets	2.0	2.3	2.7	4.5	4.3	4.1
<b>EBIT</b>	<b>2.8</b>	<b>0.7</b>	<b>-14.7</b>	<b>-6.7</b>	<b>0.6</b>	<b>7.3</b>
Financial result	-5.8	5.7	-1.6	2.5	-0.9	-0.6
Recurring pretax income from continuing operations	-3.0	6.4	-16.3	-4.2	-0.2	6.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-3.0	6.4	-16.3	-4.2	-0.2	6.7
Taxes	-4.0	-0.2	-5.7	-0.4	-0.0	0.7
Net income from continuing operations	1.0	6.6	-10.5	-3.8	-0.2	6.0
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>1.0</b>	<b>6.6</b>	<b>-10.5</b>	<b>-3.8</b>	<b>-0.2</b>	<b>6.0</b>
Minority interest	-1.7	-1.5	0.4	0.6	0.0	-0.9
Net profit (reported)	-0.7	5.2	-10.2	-3.2	-0.2	5.1
Average number of shares	13.27	13.33	15.21	17.50	17.50	17.50
<b>EPS reported</b>	<b>-0.05</b>	<b>0.39</b>	<b>-0.67</b>	<b>-0.18</b>	<b>-0.01</b>	<b>0.29</b>

Profit and loss (common size)	2020	2021	2022	2023E	2024E	2025E
<b>Net sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Change in finished goods and work-in-process	0%	0%	0%	0%	0%	0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Material expenses	4%	10%	17%	12%	11%	10%
<b>Gross profit</b>	<b>96%</b>	<b>90%</b>	<b>83%</b>	<b>88%</b>	<b>89%</b>	<b>90%</b>
Other operating income	0%	0%	0%	0%	0%	0%
Personnel expenses	42%	43%	79%	57%	49%	42%
Other operating expenses	30%	29%	50%	33%	27%	27%
<b>EBITDA</b>	<b>24%</b>	<b>18%</b>	<b>-46%</b>	<b>-2%</b>	<b>13%</b>	<b>21%</b>
Depreciation	6%	6%	9%	4%	3%	2%
EBITA	17%	11%	-55%	-6%	10%	19%
Amortisation of goodwill and intangible assets	7%	9%	13%	12%	9%	7%
<b>EBIT</b>	<b>10%</b>	<b>3%</b>	<b>-68%</b>	<b>-18%</b>	<b>1%</b>	<b>12%</b>
Financial result	-21%	22%	-8%	7%	-2%	-1%
Recurring pretax income from continuing operations	-11%	25%	-75%	-11%	-0%	11%
Extraordinary income/loss	0%	0%	0%	0%	0%	0%
Earnings before taxes	-11%	25%	-75%	-11%	-0%	11%
Taxes	-14%	-1%	-27%	-1%	-0%	1%
Net income from continuing operations	4%	25%	-49%	-10%	-0%	10%
Result from discontinued operations (net of tax)	0%	0%	0%	0%	0%	0%
<b>Net income</b>	<b>4%</b>	<b>25%</b>	<b>-49%</b>	<b>-10%</b>	<b>-0%</b>	<b>10%</b>
Minority interest	-6%	-6%	2%	2%	0%	-1%
<b>Net profit (reported)</b>	<b>-3%</b>	<b>20%</b>	<b>-47%</b>	<b>-9%</b>	<b>-0%</b>	<b>8%</b>

Source: Company data; AlsterResearch



Balance sheet (EURm)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (exl. Goodwill)</b>	<b>56.2</b>	<b>54.8</b>	<b>90.3</b>	<b>85.8</b>	<b>81.5</b>	<b>77.4</b>
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	11.5	9.9	10.4	10.1	9.6	9.5
Financial assets	16.8	19.3	16.8	16.8	16.8	16.8
<b>FIXED ASSETS</b>	<b>84.5</b>	<b>84.0</b>	<b>117.5</b>	<b>112.6</b>	<b>107.9</b>	<b>103.7</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	18.9	6.2	9.9	8.0	9.4	11.6
Other current assets	1.8	9.9	0.9	0.9	0.9	0.9
Liquid assets	8.4	16.3	10.4	-5.9	-0.8	2.3
Deferred taxes	0.0	0.5	1.1	1.1	1.1	1.1
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>29.1</b>	<b>33.0</b>	<b>22.3</b>	<b>4.1</b>	<b>10.6</b>	<b>15.9</b>
<b>TOTAL ASSETS</b>	<b>113.7</b>	<b>117.0</b>	<b>139.8</b>	<b>116.7</b>	<b>118.5</b>	<b>119.5</b>
<b>SHAREHOLDERS EQUITY</b>	<b>37.9</b>	<b>43.3</b>	<b>66.6</b>	<b>62.8</b>	<b>62.6</b>	<b>68.6</b>
MINORITY INTEREST	4.9	5.1	5.5	5.5	5.5	5.5
Long-term debt	17.7	18.3	44.6	15.0	12.0	10.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions	27.8	0.3	0.3	1.8	2.4	3.0
<b>Non-current liabilities</b>	<b>45.5</b>	<b>18.6</b>	<b>44.9</b>	<b>16.8</b>	<b>14.4</b>	<b>13.0</b>
short-term liabilities to banks	1.3	10.7	2.3	10.0	10.0	5.0
Accounts payable	3.7	25.3	16.0	19.3	23.5	24.9
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	6.9	0.0	2.5	0.0	0.0	0.0
Deferred taxes	12.6	13.9	2.0	2.0	2.0	2.0
Deferred income	0.9	0.0	0.0	0.4	0.5	0.6
<b>Current liabilities</b>	<b>25.5</b>	<b>50.0</b>	<b>22.9</b>	<b>31.6</b>	<b>36.0</b>	<b>32.4</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>113.7</b>	<b>117.0</b>	<b>139.8</b>	<b>116.8</b>	<b>118.5</b>	<b>119.6</b>

Balance sheet (common size)	2020	2021	2022	2023E	2024E	2025E
<b>Intangible assets (excl. Goodwill)</b>	<b>49%</b>	<b>47%</b>	<b>65%</b>	<b>73%</b>	<b>69%</b>	<b>65%</b>
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	10%	8%	7%	9%	8%	8%
Financial assets	15%	16%	12%	14%	14%	14%
<b>FIXED ASSETS</b>	<b>74%</b>	<b>72%</b>	<b>84%</b>	<b>96%</b>	<b>91%</b>	<b>87%</b>
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	17%	5%	7%	7%	8%	10%
Other current assets	2%	8%	1%	1%	1%	1%
Liquid assets	7%	14%	7%	-5%	-1%	2%
Deferred taxes	0%	0%	1%	1%	1%	1%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
<b>CURRENT ASSETS</b>	<b>26%</b>	<b>28%</b>	<b>16%</b>	<b>4%</b>	<b>9%</b>	<b>13%</b>
<b>TOTAL ASSETS</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>33%</b>	<b>37%</b>	<b>48%</b>	<b>54%</b>	<b>53%</b>	<b>57%</b>
MINORITY INTEREST	4%	4%	4%	5%	5%	5%
Long-term debt	16%	16%	32%	13%	10%	8%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	24%	0%	0%	2%	2%	3%
<b>Non-current liabilities</b>	<b>40%</b>	<b>16%</b>	<b>32%</b>	<b>14%</b>	<b>12%</b>	<b>11%</b>
short-term liabilities to banks	1%	9%	2%	9%	8%	4%
Accounts payable	3%	22%	11%	17%	20%	21%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	6%	0%	2%	0%	0%	0%
Deferred taxes	11%	12%	1%	2%	2%	2%
Deferred income	1%	0%	0%	0%	0%	1%
<b>Current liabilities</b>	<b>22%</b>	<b>43%</b>	<b>16%</b>	<b>27%</b>	<b>30%</b>	<b>27%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Cash flow statement (EURm)	2020	2021	2022	2023E	2024E	2025E
Net profit/loss	1.9	6.6	-10.5	-3.8	-0.2	6.0
Depreciation of fixed assets (incl. leases)	3.7	3.9	4.7	1.5	1.4	1.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	4.5	4.3	4.1
Others	1.8	-1.1	1.0	1.5	0.6	0.6
Cash flow from operations before changes in w/c	7.3	9.4	-4.8	3.7	6.1	12.0
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-14.2	2.4	-5.3	1.9	-1.3	-2.2
Increase/decrease in accounts payable	1.9	1.8	1.4	3.3	4.2	1.3
Increase/decrease in other w/c positions	4.1	6.3	5.9	-2.2	0.1	0.1
Increase/decrease in working capital	-8.3	10.6	2.0	3.0	3.0	-0.8
<b>Cash flow from operating activities</b>	<b>-0.9</b>	<b>20.0</b>	<b>-2.8</b>	<b>6.7</b>	<b>9.1</b>	<b>11.2</b>
CAPEX	-1.2	-1.2	-1.2	-1.1	-1.0	-1.2
Payments for acquisitions	0.0	0.0	-13.6	0.0	0.0	0.0
Financial investments	0.0	-0.1	-2.2	0.0	0.0	0.0
Income from asset disposals	0.3	0.1	8.6	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-8.4</b>	<b>-1.1</b>	<b>-1.0</b>	<b>-1.2</b>
Cash flow before financing	-1.9	18.9	-11.2	5.6	8.1	10.0
Increase/decrease in debt position	-0.8	-14.0	4.5	-21.9	-3.0	-7.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	12.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.1	5.0	-11.3	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
<b>Cash flow from financing activities</b>	<b>-0.7</b>	<b>-9.0</b>	<b>5.3</b>	<b>-21.9</b>	<b>-3.0</b>	<b>-7.0</b>
Increase/decrease in liquid assets	-2.6	9.8	-5.9	-16.3	5.1	3.0
<b>Liquid assets at end of period</b>	<b>6.5</b>	<b>16.3</b>	<b>10.4</b>	<b>-5.9</b>	<b>-0.8</b>	<b>2.3</b>

Source: Company data; AlsterResearch

Regional sales split (EURm)	2020	2021	2022	2023E	2024E	2025E
Domestic	27.7	26.1	21.6	36.7	48.8	60.5
Europe (ex domestic)	0.0	0.0	0.0	0.0	0.0	0.0
The Americas	0.0	0.0	0.0	0.0	0.0	0.0
Asia	0.0	0.0	0.0	0.0	0.0	0.0
Rest of World	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>27.7</b>	<b>26.1</b>	<b>21.6</b>	<b>36.7</b>	<b>48.8</b>	<b>60.5</b>

Regional sales split (common size)	2020	2021	2022	2023E	2024E	2025E
Domestic	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Europe (ex domestic)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
The Americas	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asia	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Rest of World	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Company data; AlsterResearch

Ratios	2020	2021	2022	2023E	2024E	2025E
<b>Per share data</b>						
Earnings per share reported	-0.05	0.39	-0.67	-0.18	-0.01	0.29
Cash flow per share	-0.20	1.38	-0.32	0.30	0.44	0.56
Book value per share	2.85	3.25	4.38	3.59	3.58	3.92
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
<b>Valuation</b>						
P/E	-148.3x	20.3x	-11.8x	-42.7x	-755.8x	26.9x
P/CF	-38.7x	5.7x	-24.9x	26.3x	17.8x	13.9x
P/BV	2.8x	2.4x	1.8x	2.2x	2.2x	2.0x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	-2.6%	17.5%	-4.0%	3.8%	5.6%	7.2%
EV/Sales	5.3x	5.8x	8.1x	4.6x	3.3x	2.5x
EV/EBITDA	22.6x	32.6x	-17.5x	-229.7x	25.3x	11.8x
EV/EBIT	52.8x	223.6x	-11.9x	-25.1x	249.7x	20.7x
<b>Income statement (EURm)</b>						
Sales	27.7	26.1	21.6	36.7	48.8	60.5
yoy chg in %	237.3%	-5.8%	-17.4%	70.0%	33.0%	24.0%
Gross profit	26.7	23.4	17.9	32.3	43.4	54.4
Gross margin in %	96.1%	89.7%	83.0%	88.0%	89.0%	90.0%
EBITDA	6.6	4.6	-9.9	-0.7	6.3	12.7
EBITDA margin in %	23.6%	17.6%	-46.1%	-2.0%	13.0%	21.0%
EBIT	2.8	0.7	-14.7	-6.7	0.6	7.3
EBIT margin in %	10.1%	2.6%	-67.9%	-18.3%	1.3%	12.0%
Net profit	-0.7	5.2	-10.2	-3.2	-0.2	5.1
<b>Cash flow statement (EURm)</b>						
CF from operations	-0.9	20.0	-2.8	6.7	9.1	11.2
Capex	-1.2	-1.2	-1.2	-1.1	-1.0	-1.2
Maintenance Capex	1.8	1.6	2.0	1.5	1.4	1.3
Free cash flow	-2.1	18.8	-4.0	5.6	8.1	10.0
<b>Balance sheet (EURm)</b>						
Intangible assets	56.2	54.8	90.3	85.8	81.5	77.4
Tangible assets	11.5	9.9	10.4	10.1	9.6	9.5
Shareholders' equity	37.9	43.3	66.6	62.8	62.6	68.6
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	46.8	29.3	47.2	26.8	24.4	18.0
Net financial debt	10.6	12.7	36.5	30.9	22.8	12.7
w/c requirements	15.2	-19.1	-6.1	-11.3	-14.2	-13.3
<b>Ratios</b>						
ROE	2.7%	15.3%	-15.8%	-6.0%	-0.3%	8.8%
ROCE	3.1%	0.9%	-12.3%	-7.1%	0.7%	7.9%
Net gearing	27.9%	29.4%	54.8%	49.2%	36.4%	18.6%
Net debt / EBITDA	1.6x	2.8x	-3.7x	-42.1x	3.6x	1.0x

Source: Company data; AlsterResearch

## Conflicts of interest

Disclosures regarding research publications of SRH AlsterResearch AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under an EEA branch passport, subject to the FCA requirements on research recommendation disclosures. 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 analyzed company. Further to this, under the FCA's rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if SRH AlsterResearch AG

- (1) or its affiliate(s) (either in its own right or as part of a consortium) within the past twelve months, acquired the financial instruments of the analyzed company,
- (2) has entered into an agreement on the production of the research report with the analyzed company,
- (3) or its affiliate(s) has, within the past twelve months, been party to an agreement on the provision of investment banking services with the analyzed company or have received services or a promise of services under the term of such an agreement,
- (4) or its affiliate(s) holds a) 5% or more of the share capital of the analyzed company, or b) the analyzed company holds 5% or more of the share capital of SRH AlsterResearch AG or its affiliate(s),
- (5) or its affiliate(s) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analyzed company or derivatives thereof,
- (6) or its affiliate(s) 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 analyzed company such as, for example, exercising mandates in the interest of the analyzed company or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the 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	Disclosure
LAIQON AG	2, 8

# Important disclosures

**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 SRH AlsterResearch AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of SRH AlsterResearch AG. Reproduction of this document, in whole or in part, is not permitted without prior permission SRH AlsterResearch AG. All rights reserved. Under no circumstances shall SRH AlsterResearch 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 analyzed 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. Organizational Requirements** SRH AlsterResearch AG took internal organizational 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 AlsterResearch 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 resultant 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. 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 adjustment 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. Detailed information on the valuation principles and methods used and the underlying assumptions can be found at <https://www.alsterresearch.com>.

SRH AlsterResearch AG uses the following three-step rating system for the analyzed companies:

- **Speculative (Spec.) BUY:** Sustainable upside potential of more than 25% within 12 months, above average risk
- **Buy:** Sustainable upside potential of more than 10% within 12 months
- **Sell:** Sustainable downside potential of more than 10% within 12 months.
- **Hold:** Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of SRH AlsterResearch AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analyzed in this document was solely made by SRH AlsterResearch AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of SRH AlsterResearch 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. Date and time of first publication of this financial analysis**  
4-May-23 12:57:46

## 6. Risk information

- Stock exchange investments and investments in companies (shares) are always speculative and involve the risk of total loss.
- This is particularly true in respect of investments in companies which are not established and/or small and have no established business or corporate assets.
- Share prices may fluctuate significantly. This is particularly true for shares with low liquidity (market breadth). Even small orders can have a significant impact on the share price.
- In the case of shares in narrow markets, it may also happen that there is no or very little actual trading there and that published prices are not based on actual trading but have only been provided by a stockbroker.
- In such markets a shareholder cannot expect to find a buyer for his shares at all and/or at reasonable prices. In such narrow markets there is a very high possibility of manipulating prices and in such markets there are often considerable price fluctuations.
- An investment in shares with low liquidity and low market capitalization is therefore highly speculative and represents a very high risk.
- There is no regulated market for unlisted shares and securities and a sale is not possible or only possible on an individual basis.

**7. 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. SRH AlsterResearch AG has checked the information for plausibility but not for accuracy or completeness.

**8. Competent Supervisory Authority** SRH AlsterResearch AG are 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. This document is distributed in the UK under a MiFID EEA branch passport and in compliance with the applicable FCA requirements.

**9. Specific Comments for Recipients Outside of Germany** This research report is subject to the law of the Federal Republic of Germany. 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.

**10. 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 free of charge under <https://www.alsterresearch.com>.

## Contacts

SRH AlsterResearch AG  
Himmelstr. 9  
22299 Hamburg

Tel: +49 40 309 293-52  
E-Mail: [info@alsterresearch.com](mailto:info@alsterresearch.com)

### Team Assistant

**HANNAH GABERT**  
Team Assistant  
Tel: +49 40 309 293-52  
E-Mail: [h.gabert@alsterresearch.com](mailto:h.gabert@alsterresearch.com)

### Sales

**MARKUS KÖNIG-WEISS**  
Head of Sales  
Tel: +49 40 309 293-52  
E-Mail: [mkw@alsterresearch.com](mailto:mkw@alsterresearch.com)

### Research

**HARALD HOF**  
Senior Analyst  
Tel: +49 40 309 293-53  
E-Mail: [h.hof@alsterresearch.com](mailto:h.hof@alsterresearch.com)

**LEVENT YILMAZ**  
Senior Analyst  
Tel: +49 40 309 293-52  
E-Mail: [l.yilmaz@alsterresearch.com](mailto:l.yilmaz@alsterresearch.com)

**KATHARINA SCHLÖTER**  
Analyst  
Tel: +49 40 309 293-52  
E-Mail: [k.schloeter@alsterresearch.com](mailto:k.schloeter@alsterresearch.com)

**THOMAS WISSLER**  
Senior Analyst  
Tel: +49 40 309 293-58  
E-Mail: [t.wissler@alsterresearch.com](mailto:t.wissler@alsterresearch.com)

**DR. OLIVER WOJAHN, CFA**  
Senior Analyst  
Tel: +49 40 309 293-55  
E-Mail: [o.wojahn@alsterresearch.com](mailto:o.wojahn@alsterresearch.com)

**ALEXANDER ZIENKOWICZ**  
Senior Analyst  
Tel: +49 40 309 293-56  
E-Mail: [a.zienkowicz@alsterresearch.com](mailto:a.zienkowicz@alsterresearch.com)

mwb fairtrade Wertpapierhandelsbank AG  
Rottenbucher Straße 28  
82166 Gräfelfing

Tel: +49 89 85852-0  
Fax: +49 89 85852-505  
E-Mail: [info@mwbfairtrade.com](mailto:info@mwbfairtrade.com)

### Equity Capital Markets / Trading

**KAI JORDAN**  
Member of the Board  
Tel: +49 40 36 0995-22  
E-Mail: [kjordan@mwbfairtrade.com](mailto:kjordan@mwbfairtrade.com)

**ALEXANDER DEUSS**  
Head of Institutional Sales  
Tel: +49 40 36 0995-22  
E-Mail: [adeuss@mwbfairtrade.com](mailto:adeuss@mwbfairtrade.com)

**SASCHA GUENON**  
Head of Designated Sponsoring  
Tel: +49 40 360 995 - 23  
E-Mail: [sguenon@mwbfairtrade.com](mailto:sguenon@mwbfairtrade.com)

Our research can be found under



<b>RESEARCH HUB</b>	<a href="http://www.research-hub.de">www.research-hub.de</a>
<b>BLOOMBERG</b>	<a href="http://www.bloomberg.com">www.bloomberg.com</a>
<b>FACTSET</b>	<a href="http://www.factset.com">www.factset.com</a>
<b>THOMSON REUTERS / REFINITIV</b>	<a href="http://www.refinitiv.com">www.refinitiv.com</a>
<b>CAPITALIQ</b>	<a href="http://www.capitaliq.com">www.capitaliq.com</a>