

**Recommendation:** Buy

**Price target:** 50.00 Euro

**Upside potential:** +20 percent

**Share data**

Share price	41.80 Euro (XETRA)
Number of shares (in m)	5.69
Market cap. (in EUR m)	237.9
Enterprise Value (in EUR m)	258.1
Code	M7U
ISIN	DE000A0MSN11

**Performance**

52 week high (in EUR)	41.50
52 week low (in EUR)	20.70
3 m relative to CDAX	+8.5%
6 m relative to CDAX	+3.4%



**Shareholder**

Paladin Asset Management	5.4%
Management & supervisory board c.	24.0%
Freefloat	70.6%

**Calendar**

AGM	30 June 2021
Hamburg Investors Day	25 August 2021

**Changes in estimates**

	2021e	2022e	2023e
Sales (old)	96.1	113.4	130.2
Δ in %	-	-	-
EBIT (old)	14.1	17.9	21.3
Δ in %	-	-	-
EPS (old)	1.51	1.93	2.34
Δ in %	-	-	-

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**Publication**

Comment 23 June 2021

**Strategic partnership with Novartis is another milestone and underpins Nynomic’s high product quality**

On Monday, Nynomic has announced a strategic partnership with global pharmaceuticals company Novartis (Basel, CH), which is another milestone that once again underpins the good quality perception by customers as well as the company’s distinctive competence in providing solutions. First sales and profit contributions are likely to be realised already in the current year.

**Solution for the detection of falsified medicines has attractive revenue potential:** The first solution developed as part of the partnership enables the mobile analysis of tablets from Novartis’ product portfolio. It aims at detecting and reporting falsified medicines in case of suspicion along the entire supply and delivery chain. To this end, Nynomic will supply Novartis with in-house developed handheld scanners (“NIRONE”) for authentication of medicinal products. As a key component of the overall solution, Nynomic will also provide support for the necessary app and the cloud infrastructure as well as the creation of data models and the continuing maintenance of this integral system.

In addition to one-time revenues from the provision of scanners and development services for the set-up of the infrastructure, we believe this will also result in recurring, comparatively high-margin maintenance revenues (MONE: medium six-digit euro amount). As such, the project’s profitability should add up to at least 15%, which is the level the company strives for. We estimate the total volume to amount to a high single-digit million euro amount up until the full integration of Novartis’ product portfolio (MONE: 3-4 years) given the global footprint and a high four-digit number of drugs supplied to the market. Having in mind the prospective revenue in the current year, the project is another indication that the management’s current outlook („significantly more than EUR 80m”) seems to be very conservative. For this reason, we are still very confident in terms of our estimates.

**Novartis may have a signalling effect in relevant global target market:** Nynomic’s solution again addresses an innovative field of application which is of central relevance for all the major pharmaceutical groups in view of more than one million fatalities p.a. caused by falsified medicines worldwide, a share of more than 10% of drugs that could be counterfeit in the global supply chain, and a loss of more than EUR 10bn in revenues p.a. in the EU alone (WHO, OECD amongst others). It is therefore quite conceivable that another industry player may be interested in such a solution after the Novartis market launch, which may significantly broaden Nynomic’s client base going forward.

**Conclusion:** The strategic partnership with Novartis confirms our positive view on the sustainable growth prospects of Nynomic and is once again proof of the company’s capabilities to selectively address the most different industrial problem areas with innovative solutions in our view. We continue to be optimistic and confirm our rating and price target.

FYend: 31.12.	2019	2020	2021e	2022e	2023e
Sales	64.9	78.6	96.1	113.4	130.2
Growth yoy	-5.9%	21.1%	22.4%	18.0%	14.8%
EBITDA	9.5	11.4	17.7	21.8	25.6
EBIT	6.4	8.0	14.1	17.9	21.3
Net income	4.4	4.4	8.6	11.0	13.3
Gross profit margin	63.4%	62.1%	63.3%	63.6%	63.8%
EBITDA margin	14.7%	14.6%	18.4%	19.2%	19.6%
EBIT margin	9.9%	10.1%	14.6%	15.7%	16.3%
Net Debt	20.2	17.3	9.1	0.6	-11.0
Net Debt/EBITDA	2.1	1.5	0.5	0.0	-0.4
ROCE	13.9%	13.1%	20.7%	25.9%	30.2%
EPS	0.87	0.83	1.51	1.93	2.34
FCF per share	0.29	0.85	2.13	1.73	2.27
Dividend	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales	4.0	3.3	2.7	2.3	2.0
EV/EBITDA	27.0	22.6	14.6	11.8	10.1
EV/EBIT	40.2	32.4	18.3	14.5	12.1
P/E	48.0	50.4	27.7	21.7	17.9
P/B	7.6	4.9	4.3	3.6	3.0

Source: Company data, Montega, CapitalIQ

Figures in EUR m, EPS in EUR, Price: 41.80

**COMPANY BACKGROUND**

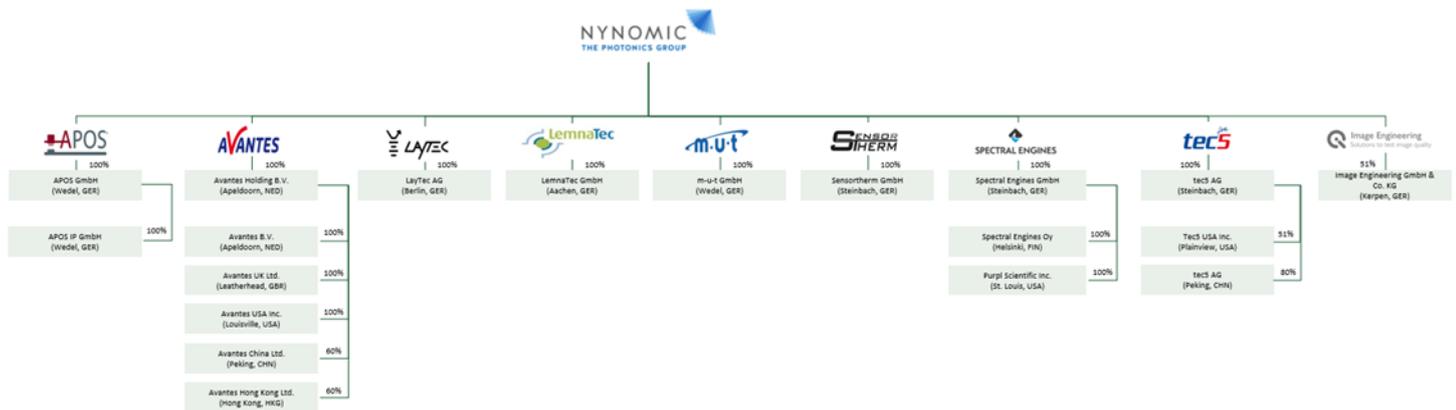
The Nynomic AG was founded in 1995 under the name of m-u-t GmbH Meßgeräte für Medizin- und Umwelttechnik and is based in Wedel near Hamburg. The company's origins are in the system integration of spectroscopy in medical and biotechnology. Today, the group is the leading full-line supplier of non-contact optical measurement technology. Unlike the classical techniques, such a measurement process does not only analyse the pure geometry but also the properties of objects. For instance, it can measure attributes such as colour, temperature, density or chemical composition in a non-contact and non-destructive way. The company markets both independent brands and white label products. It has access to the most important sales markets through its eight internationally positioned subsidiaries, benefits from a local support of customers and a well-developed sales and logistics network.

As a system supplier of individual components as well as complete equipment, Nynomic attends to a wide range of OEMs in different end markets along the entire value chain. Thanks to the successfully implemented buy and build strategy of the past years, Nynomic can offer its diversified product portfolio to numerous fields of applications both in the B2B and the emerging B2C sector, e.g. around the smart home megatrend. Amongst others, measurement technology is used in medical technology, in the chemicals industry, pharmaceutical industry, agriculture, environmental technology, semiconductor industry as well as in a broad array of applications in the entire industrial sector. Some of the most important milestones in the company's history are shown below.

- 1995** Foundation of m-u-t GmbH with a focus on measurement devices for medical and environmental technology
- 2007** Conversion into a stock corporation and listing on the Frankfurt Stock Exchange
- 2007** Shareholding in tec5 AG (51%), a supplier of spectroscopy solutions
- 2008** Acquisition of the majority stake in Avantes Holding B.V. (51%), a manufacturer of fibre optic spectroscopy devices
- 2011** Increase in the stake in tec5 AG by another 44% to 95%
- 2012** Restructuring of the business units
- 2014** Outsourcing of the operating business to the m-u-t GmbH
- 2015** Replacement of the Executive Board by Maik Müller (CEO) and Fabian Peters (CFO)
- 2016** Majority stake in APOS GmbH (55%), a spectroscopy supplier for the wood processing industry and complete acquisition of tec5 AG
- 2017** Complete acquisition of Avantes Holding B.V. as well as majority stake and integration of LayTec AG (95.6%), a market leader for process-integrated measurement technology and MEMS-based spectral sensors
- 2018** Capital increase by way of contribution in kind and acquisition of the remaining shares in LayTec AG
- 2018** Change of name to Nynomic AG
- 2018** Entry into the B2C market through the acquisition of Spectral Engines Oy (75%) and first strategic order from the area of end devices for the B2C market from Bosch-Siemens-Hausgeräte GmbH
- 2019** Acquisition of LemnaTec GmbH, a specialist for plant phenotyping
- 2019** Entry into the market of infrared temperature measurement by the acquisition of Sensortherm GmbH
- 2020** Acquisition of the remaining stake in Spectral Engines Oy and integration into Spectral Engines GmbH

**2021** Majority stake in Image Engineering GmbH & Co. KG (51%), a manufacturer for image quality test equipment

With its roughly 480 employees, Nynomic generated revenue of EUR 78.7m and EBIT of EUR 8.0m in FY 2020. The organigram below gives an overview of the group’s organisational structure.



Source: Company

**Shareholdings**

Nynomic accompanies its customers along the entire value chain and offers different degrees of vertical integration and individual product modifications via its subsidiaries. The Nynomic AG acts as a subordinate financial holding and fulfils strategic functions within the group. All shareholdings have the same technological focus and support the vertical integration.

- **Avantes Holding B.V.**, which was acquired in 2008, is the basis for optical measuring cells and spectrometers. The company which is specialised in the miniaturisation of spectroscopy devices and software solutions develops and produces spectrometers, light sources for UV/VIS/NIR, fibre-optics and accessories. In addition, the company adjusts equipment according to customer-specific requirements. The Avantes group has access to all important markets through its own subsidiaries, enabling the company to locally support its OEM customers. The products are used, for instance, in biotechnology, the chemical and food industries as well as in thin film analysis for the production of solar cells.
- The **tec5 AG** has been part of the Nynomic group since 2007 and manufactures high-quality products for the detector array spectroscopy of OEM components as well as drive electronics. The company also covers the next step of the value chain and combines individual parts from Avantes B.V. to create full systems, which are directly sold to OEM and industrial clients as a standard solution under the company’s own name. tec5 has also access to the most important end markets via its subsidiaries.
- Operating subsidiary **m-u-t GmbH** produces products for the permanent, non-contact and non-destructive optical measurement technology. Using its proprietary know-how, m-u-t GmbH transforms the products of other group companies into innovative applications. The resulting customised solutions are then produced, e.g. as series equipment, and sold into the market. The company has a broad product range which, amongst others, includes sensorics, laboratory automation, medical technology, and spectroscopy.
- **APOS GmbH** supplies Nynomic’s customers with spectroscopic measurement systems, specifically for the wood processing industry. APOS is the technology and know-how leader in this niche market and is focused on applications with a high

scalability. The products are typically used in the wood products industry, in biomass power plants and other bulk material applications.

- The internationally active **LayTec AG** is the market-leading supplier of process-integrated measurement technology with a focus on laser and LED production. Since the company's acquisition in 2017, the company-specific solutions are also increasingly used in photovoltaic, surface coating and in the semiconductor industry. For instance, the products can be employed in the in-situ process control of LEDs and semiconductor lasers. They are also suited for the real-time analysis of manufacturing processes as optical in-line metrology in the solar cell industry. Another product from LayTec, a measurement system for VCSEL lasers (vertical cavity surface-emitting laser), is used for Face-ID technologies in smartphones.
- **Spectral Engines GmbH** (initially: Spectral Engines Oy) develops and produces extremely compact low-cost spectral sensors, which can be used both in industrial applications and in the consumer segment. By acquiring this company, Nynomic laid the foundation for its entry in the area of end devices for the B2C segment. The products of Spectral Engines can be used in mobile devices at a reasonable price and thus predominantly target applications in the fields of smart home, smart industry and smart agriculture. A quick and reliable measurement is guaranteed with the help of the patented MEMS interferometer, which is already used as a food scanner in smartphones. With the help of an app and the corresponding cloud-based software, data is synchronised in real-time and is consistently optimised by machine learning. Following the takeover of a majority stake (75%) in May 2018, Nynomic acquired the remaining stake of the company in May 2020. In the same year, parts of the operating business were relocated from Finland to Germany as Spectral Engines Oy was integrated into Spectral Engines GmbH.
- **LemnaTec GmbH** is a specialist for hardware and software systems for digital plant phenotyping. The company's solutions enable a contact-free analysis of plants thanks to complex sensor technology helping to determine both essential growth and quality characteristics (e.g. size, shape and colour as characteristics for shoot and root growth) as well as physiological parameters (e.g. water and nutrient content or photosynthesis). These analyses provide fundamental indicators for the breeding and optimisation of seeds and crops in modern industrial agriculture. The areas of application span from agrochemistry, agronomy and plant research to practical breeding and include both small applications in the laboratory and large-scale installations for greenhouses and open fields.
- **Sensortherm GmbH** is a specialist in infrared measuring technology and offers numerous applications for non-contact, precise and quick temperature measurements. With an experience of more than 30 years the company is an industry-wide technology leader in this market. The pyrometers developed by Sensortherm are among the world's most efficient measuring devices of this kind thanks to their ability of a fully digital signal processing and signal output. Amongst others, pyrometers are used to control and regulate the process temperatures in laser systems. For this reason, they are of central importance for the steel industry, for instance, to pave the way for the best possible product quality by avoiding temperature deviations.
- **Image Engineering GmbH & Co. KG** has been part of the Nynomic group since 2021. The company's test charts, analysis software, measurement and illumination devices provide clients with the means to test and evaluate the image quality of their cameras more accurately. This is of great importance for applications with high requirements to image quality, for instance cameras for autonomous driving. The company's customers come from different (product) sectors such as photography, mobile phone, automotive and ADAS systems, security, broadcast, machine vision, medical/endoscopy, and archiving.

**Segment analysis**

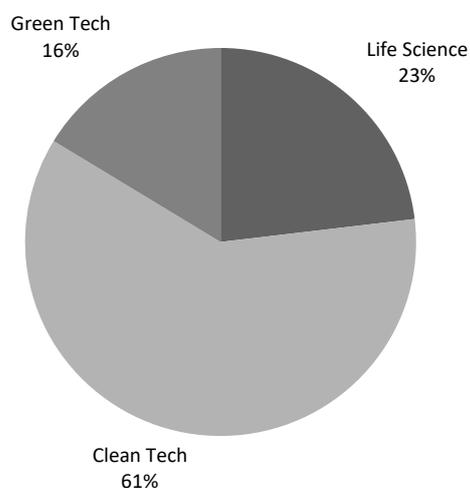
Nynomic’s operating business activities are divided in the Life Science, Green Tech and Clean Tech reporting segments.

**Life Science (23% of total revenue in 2020):** The products in this segment are mainly used in the pharma industry, in medical technology and biotechnology. The core products are optical sensors, spectroscopy systems and automation solutions for laboratories and research institutes, which can be used in a wide array of applications. Future potential, e.g. in research, is tapped by patent and licensing rights in analytical engineering.

**Green Tech (16%):** This segment develops and produces individual solutions for agriculture, specifically for applications in the area of intelligent farming. The increasingly industrialised and automated agricultural sector is perfectly aligned by efficiency-enhancing processes such as the sensor-based analysis of soils and crop, the automated application of fertilizer, and radio-controlled animal feed. Additionally, the use of spectroscopy sensors supports producers in fulfilling regulatory quality requirements. The use of solar modules also falls under this segment.

**Clean Tech (61%):** This segment comprises a broad range of solutions for the industry sector. The broad areas of application span from individual optical sensors to customer-specific end-to-end solutions. The target markets are the chemical industry, food applications and the semiconductor industry. The automated inspection of processes helps to make the wafer and display production more efficient and guarantees a higher quality standard.

**Sales by segment (2020)**



Source: Company

**Products**

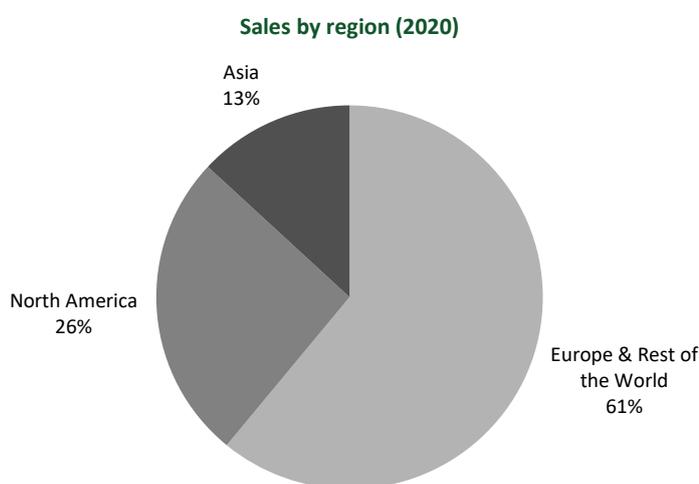
The group’s product solutions are all built on a spectral sensor technology platform. This measurement technology allows a non-destructive and non-contact analysis of product characteristics, as it measures the wavelength reflected by an object. These values can be specified in a connected database and the element can be clearly assigned. The procedure is universally applicable and can be easily integrated into the customers’ different process chains. Based on the relevant spectroscopy processes (UV/VIS/NIR/RAMAN/LIBS) the application solutions can be designed for a broad number of end markets. Thanks to Nynomic’s vertical integration the customers can choose between standard products and highly specific full systems, which increase the efficiency of production processes.

Nynomic also accompanies customers along the entire value chain in various end markets. The company has already gained significant experience in a multitude of industries and has a broad problem-solving expertise in the area of process-integrated online measurement

technology. The end user is involved in the product development at a very early stage and benefits from Nynomic’s technology and know-how leadership. This leads to close customer relationships which often entail long-term contracts as well as exclusive supplier agreements.

**Markets and sales**

The branches and the sales network of Nynomic lead to a strong international distribution of sales. In addition to the production facilities, which are mainly located in Europe, the company has many subsidiaries and distribution facilities on other continents, supporting the local and direct customer service. In 2020, the group generated some 61% of sales in Europe. The remaining share is mainly generated in the USA, which accounted for some 26% of 2020 sales and is an important core market. The sales share in Europe is expected to increase further due to the full integration of the recently acquired Finnish Spectral Engines.



Source: Company

**Experienced management**

**Maik Müller (CEO)** has been appointed to the Executive Board of Nynomic AG in May 2015. He is responsible for Technology, Operations, and Research and Development. The graduate engineer (Dipl. Ingenieur) previously has been working in management positions for several years. In parallel, he was a member of the Executive Board of tec5 AG for many years, which today is a subsidiary of Nynomic. At that time, he contributed greatly to the establishment of the company. Maik Müller has many years of experience in management, especially in research and development as well as high-tech consulting. In 2018, he extended his contract prematurely until December 31, 2023.

**Fabian Peters (CFO)** has worked for the group since October 2013 and has been appointed to the Executive Board in 2015. The graduate tax consultant (Diplom-Finanzwirt) is responsible for Finance, Controlling, Organisation and Investor Relations. In parallel, he is Managing Director of m-u-t GmbH. Prior to joining the group, Fabian Peters was the CFO of the L&O group for many years, worked at Versatel AG in the field of finance and held several management positions in the insurance industry. In 2017, Fabian Peters’ contract was prematurely extended until December 31, 2022.

**Shareholder structure**

As a result of the last capital increases in June and November 2020, which were used to finance further organic and external growth, the number of shares increased by 507,000 units in total. A further increase of 115,000 shares was caused by the stock option plan of the company in 2020 as management and supervisory board exercised 100,000 units in total. The share capital now amounts to EUR 5,692,000, divided into the same number of shares at a value of EUR 1.00 each. All the shares are bearer shares with voting rights.

Roughly 24% of the share capital is held by members of the executive board and the supervisory board. With a stake of above 5%, Paladin Asset Management has been acting as a strategic anchor shareholder since June 2020. The remaining shares are free float.

APPENDIX

DCF Model

Figures in m	2021e	2022e	2023e	2024e	2025e	2026e	2027e	Terminal Value
<b>Sales</b>	<b>96.1</b>	<b>113.4</b>	<b>130.2</b>	<b>148.2</b>	<b>167.4</b>	<b>187.5</b>	<b>206.3</b>	<b>211.4</b>
<i>Change yoy</i>	22.4%	18.0%	14.8%	13.8%	13.0%	12.0%	10.0%	2.5%
<b>EBIT</b>	<b>14.1</b>	<b>17.9</b>	<b>21.3</b>	<b>24.4</b>	<b>28.0</b>	<b>30.9</b>	<b>34.0</b>	<b>33.8</b>
<i>EBIT margin</i>	14.6%	15.7%	16.3%	16.5%	16.8%	16.5%	16.5%	16.0%
<b>NOPAT</b>	<b>9.9</b>	<b>12.5</b>	<b>14.9</b>	<b>17.1</b>	<b>19.6</b>	<b>21.7</b>	<b>23.8</b>	<b>23.7</b>
<b>Depreciation</b>	<b>3.7</b>	<b>4.0</b>	<b>4.3</b>	<b>4.1</b>	<b>4.5</b>	<b>4.7</b>	<b>5.0</b>	<b>4.8</b>
<i>in % of Sales</i>	3.8%	3.5%	3.3%	2.8%	2.7%	2.5%	2.4%	2.3%
<b>Change in Liquidity from</b>								
- Working Capital	2.1	-2.7	-2.0	-3.0	-3.7	-3.8	-3.6	0.1
- Capex	-2.7	-3.2	-3.6	-3.7	-4.0	-4.3	-4.5	-4.8
<i>Capex in % of Sales</i>	2.8%	2.9%	2.7%	2.5%	2.4%	2.3%	2.2%	2.3%
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Free Cash Flow (WACC model)</b>	<b>12.9</b>	<b>10.5</b>	<b>13.6</b>	<b>14.5</b>	<b>16.4</b>	<b>18.3</b>	<b>20.8</b>	<b>23.7</b>
<b>WACC</b>	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Present value	12.4	9.3	11.2	11.0	11.5	11.8	12.4	227.3
<b>Total present value</b>	<b>12.4</b>	<b>21.7</b>	<b>32.9</b>	<b>43.9</b>	<b>55.4</b>	<b>67.2</b>	<b>79.6</b>	<b>306.9</b>

Valuation

Total present value (Tpv)	306.9
Terminal Value	227.3
Share of TV on Tpv	74%
Liabilities	42.3
Liquidity	22.1
<b>Equity value</b>	<b>286.8</b>

Growth: sales and margin

Short term: Sales growth	2021-2024	15.5%
Mid term: Sales growth	2021-2027	13.6%
Long term: Sales growth	from 2028	2.5%
Short term: Margin growth	2021-2024	15.8%
Mid term: Margin growth	2021-2027	16.1%
Long term: Margin growth	from 2027	16.0%

Number of shares (mln)

Number of shares (mln)	5.69
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Value per share (EUR)

Value per share (EUR)	<b>50.38</b>
+Upside / -Downside	<b>21%</b>
Share price	41.80

Model parameter

Debt ratio	30.0%
Costs of Debt	5.0%
Market return	9.0%
Risk free rate	2.5%

Sensitivity Value per Share (EUR)

WACC	Terminal Growth				
	1.75%	2.25%	<b>2.50%</b>	2.75%	3.25%
8.76%	41.92	44.35	45.72	47.19	50.55
8.51%	43.77	46.45	47.95	49.58	53.31
<b>8.26%</b>	45.78	48.72	<b>50.38</b>	52.19	56.36
8.01%	47.95	51.20	53.04	55.06	59.73
7.76%	50.31	53.90	55.96	58.22	63.49

Sensitivity Value per Share (EUR)

WACC	EBIT-margin from 2028e				
	15.50%	15.75%	<b>16.00%</b>	16.25%	16.50%
8.76%	44.61	45.16	45.72	46.27	46.82
8.51%	46.78	47.36	47.95	48.54	49.12
<b>8.26%</b>	49.14	49.76	<b>50.38</b>	51.00	51.63
8.01%	51.72	52.38	53.04	53.70	54.36
7.76%	54.55	55.25	55.96	56.66	57.37

Source: Montega

<b>P&amp;L (in Euro m) Nynomic AG</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>Sales</b>	<b>68.9</b>	<b>64.9</b>	<b>78.6</b>	<b>96.1</b>	<b>113.4</b>	<b>130.2</b>
Increase / decrease in inventory	0.3	0.4	2.6	0.4	0.5	0.6
Own work capitalised	0.4	0.3	0.2	0.4	0.4	0.5
<b>Total sales</b>	<b>69.6</b>	<b>65.5</b>	<b>81.3</b>	<b>96.9</b>	<b>114.4</b>	<b>131.3</b>
Material Expenses	24.7	24.4	32.6	36.1	42.2	48.2
<b>Gross profit</b>	<b>44.8</b>	<b>41.1</b>	<b>48.8</b>	<b>60.9</b>	<b>72.2</b>	<b>83.1</b>
Personnel expenses	23.4	25.4	28.5	33.6	39.0	44.5
Other operating expenses	9.2	7.0	9.5	11.0	12.9	14.8
Other operating income	1.0	0.8	0.6	1.3	1.6	1.8
<b>EBITDA</b>	<b>13.2</b>	<b>9.5</b>	<b>11.4</b>	<b>17.7</b>	<b>21.8</b>	<b>25.6</b>
Depreciation on fixed assets	0.8	2.4	2.7	3.1	3.4	3.6
<b>EBITA</b>	<b>12.5</b>	<b>7.2</b>	<b>8.8</b>	<b>14.7</b>	<b>18.4</b>	<b>21.9</b>
Amortisation of intangible assets	0.6	0.8	0.8	0.6	0.6	0.7
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT</b>	<b>11.9</b>	<b>6.4</b>	<b>8.0</b>	<b>14.1</b>	<b>17.9</b>	<b>21.3</b>
Financial result	-0.3	-0.7	-0.7	-1.0	-1.0	-1.0
<b>Result from ordinary operations</b>	<b>11.6</b>	<b>5.8</b>	<b>7.3</b>	<b>13.1</b>	<b>16.9</b>	<b>20.3</b>
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>11.6</b>	<b>5.8</b>	<b>7.3</b>	<b>13.1</b>	<b>16.9</b>	<b>20.3</b>
Taxes	2.3	1.5	2.1	3.9	5.1	6.1
Net Profit of continued operations	9.3	4.3	5.2	9.1	11.8	14.2
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit before minorities</b>	<b>9.3</b>	<b>4.3</b>	<b>5.2</b>	<b>9.1</b>	<b>11.8</b>	<b>14.2</b>
Minority interests	0.7	-0.1	0.8	0.5	0.8	0.9
<b>Net profit</b>	<b>8.6</b>	<b>4.4</b>	<b>4.4</b>	<b>8.6</b>	<b>11.0</b>	<b>13.3</b>

Source: Company (reported results), Montega (forecast)

<b>P&amp;L (in % of Sales) Nynomic AG</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>Sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Increase / decrease in inventory	0.4%	0.5%	3.3%	0.4%	0.4%	0.4%
Own work capitalised	0.5%	0.5%	0.3%	0.4%	0.4%	0.4%
<b>Total sales</b>	<b>101.0%</b>	<b>101.0%</b>	<b>103.6%</b>	<b>100.8%</b>	<b>100.8%</b>	<b>100.8%</b>
Material Expenses	35.9%	37.6%	41.5%	37.5%	37.2%	37.0%
<b>Gross profit</b>	<b>65.0%</b>	<b>63.4%</b>	<b>62.1%</b>	<b>63.3%</b>	<b>63.6%</b>	<b>63.8%</b>
Personnel expenses	34.0%	39.1%	36.2%	34.9%	34.4%	34.2%
Other operating expenses	13.3%	10.8%	12.1%	11.4%	11.4%	11.4%
Other operating income	1.5%	1.2%	0.8%	1.4%	1.4%	1.4%
<b>EBITDA</b>	<b>19.2%</b>	<b>14.7%</b>	<b>14.6%</b>	<b>18.4%</b>	<b>19.2%</b>	<b>19.6%</b>
Depreciation on fixed assets	1.1%	3.6%	3.4%	3.2%	3.0%	2.8%
<b>EBITA</b>	<b>18.1%</b>	<b>11.1%</b>	<b>11.2%</b>	<b>15.2%</b>	<b>16.2%</b>	<b>16.8%</b>
Amortisation of intangible assets	0.9%	1.2%	1.0%	0.6%	0.5%	0.5%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT</b>	<b>17.2%</b>	<b>9.9%</b>	<b>10.1%</b>	<b>14.6%</b>	<b>15.7%</b>	<b>16.3%</b>
Financial result	-0.4%	-1.0%	-0.8%	-1.1%	-0.9%	-0.8%
<b>Result from ordinary operations</b>	<b>16.8%</b>	<b>8.9%</b>	<b>9.3%</b>	<b>13.6%</b>	<b>14.9%</b>	<b>15.6%</b>
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBT</b>	<b>16.8%</b>	<b>8.9%</b>	<b>9.3%</b>	<b>13.6%</b>	<b>14.9%</b>	<b>15.6%</b>
Taxes	3.3%	2.2%	2.7%	4.1%	4.5%	4.7%
Net Profit of continued operations	13.6%	6.6%	6.6%	9.5%	10.4%	10.9%
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit before minorities</b>	<b>13.6%</b>	<b>6.6%</b>	<b>6.6%</b>	<b>9.5%</b>	<b>10.4%</b>	<b>10.9%</b>
Minority interests	1.1%	-0.2%	1.0%	0.5%	0.7%	0.7%
<b>Net profit</b>	<b>12.5%</b>	<b>6.8%</b>	<b>5.6%</b>	<b>9.0%</b>	<b>9.7%</b>	<b>10.2%</b>

Source: Company (reported results), Montega (forecast)

<b>Balance sheet (in Euro m) Nynomic AG</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>ASSETS</b>						
Intangible assets	31.7	35.1	36.2	36.6	37.3	37.9
Property, plant & equipment	2.3	8.2	14.7	16.1	14.7	13.3
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>34.0</b>	<b>43.3</b>	<b>50.9</b>	<b>52.7</b>	<b>52.0</b>	<b>51.2</b>
Inventories	10.4	11.6	15.1	14.1	16.2	18.6
Accounts receivable	10.1	9.5	12.3	11.6	13.1	13.6
Liquid assets	11.1	10.6	22.1	29.7	37.8	48.9
Other assets	2.8	4.2	2.6	2.6	2.6	2.6
<b>Current assets</b>	<b>34.4</b>	<b>35.9</b>	<b>52.1</b>	<b>58.1</b>	<b>69.7</b>	<b>83.7</b>
<b>Total assets</b>	<b>68.4</b>	<b>79.2</b>	<b>103.0</b>	<b>110.7</b>	<b>121.6</b>	<b>134.9</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Shareholders' equity</b>	<b>27.4</b>	<b>31.4</b>	<b>48.1</b>	<b>55.9</b>	<b>66.4</b>	<b>79.3</b>
<b>Minority Interest</b>	<b>2.3</b>	<b>1.5</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>
Provisions	4.4	2.0	2.6	2.6	2.6	2.6
Financial liabilities	20.7	30.9	39.4	38.9	38.4	37.9
Accounts payable	2.1	3.6	4.9	5.3	6.2	7.1
Other liabilities	11.4	10.0	5.1	5.1	5.1	5.1
<b>Liabilities</b>	<b>38.7</b>	<b>46.4</b>	<b>52.0</b>	<b>51.9</b>	<b>52.3</b>	<b>52.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>68.4</b>	<b>79.2</b>	<b>103.0</b>	<b>110.7</b>	<b>121.6</b>	<b>134.9</b>

Source: Company (reported results), Montega (forecast)

<b>Balance sheet (in %) Nynomic AG</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>ASSETS</b>						
Intangible assets	46.3%	44.3%	35.1%	33.1%	30.6%	28.1%
Property, plant & equipment	3.4%	10.3%	14.3%	14.5%	12.1%	9.9%
Financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Fixed assets</b>	<b>49.7%</b>	<b>54.7%</b>	<b>49.5%</b>	<b>47.6%</b>	<b>42.7%</b>	<b>38.0%</b>
Inventories	15.2%	14.7%	14.6%	12.7%	13.3%	13.8%
Accounts receivable	14.7%	12.0%	11.9%	10.5%	10.8%	10.1%
Liquid assets	16.2%	13.4%	21.5%	26.9%	31.1%	36.2%
Other assets	4.1%	5.3%	2.5%	2.4%	2.1%	1.9%
<b>Current assets</b>	<b>50.2%</b>	<b>45.4%</b>	<b>50.6%</b>	<b>52.4%</b>	<b>57.3%</b>	<b>62.1%</b>
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Shareholders' equity</b>	<b>40.0%</b>	<b>39.6%</b>	<b>46.7%</b>	<b>50.5%</b>	<b>54.6%</b>	<b>58.8%</b>
<b>Minority Interest</b>	<b>3.4%</b>	<b>1.8%</b>	<b>2.8%</b>	<b>2.6%</b>	<b>2.4%</b>	<b>2.1%</b>
Provisions	6.5%	2.5%	2.5%	2.4%	2.1%	1.9%
Financial liabilities	30.3%	39.0%	38.2%	35.1%	31.6%	28.1%
Accounts payable	3.1%	4.5%	4.8%	4.8%	5.1%	5.3%
Other liabilities	16.7%	12.6%	5.0%	4.7%	4.2%	3.8%
<b>Total Liabilities</b>	<b>56.6%</b>	<b>58.6%</b>	<b>50.5%</b>	<b>46.9%</b>	<b>43.0%</b>	<b>39.1%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company (reported results), Montega (forecast)

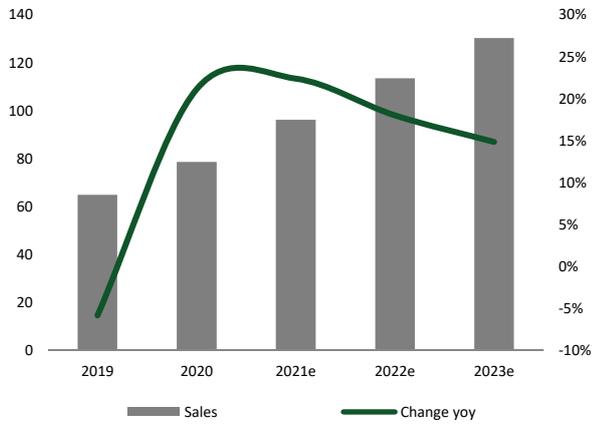
<b>Statement of cash flows (in Euro m) Nynomic AG</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
Net income	9.3	4.3	5.2	9.1	11.8	14.2
Depreciation of fixed assets	0.8	2.4	2.7	3.1	3.4	3.6
Amortisation of intangible assets	0.6	0.8	0.8	0.6	0.6	0.7
Increase/decrease in long-term provisions	-1.0	-2.3	-0.3	0.0	0.0	0.0
Other non-cash related payments	0.0	-0.4	1.9	0.0	0.0	0.0
<b>Cash flow</b>	<b>9.7</b>	<b>4.7</b>	<b>10.2</b>	<b>12.8</b>	<b>15.8</b>	<b>18.5</b>
Increase / decrease in working capital	-7.3	-1.2	-3.9	2.1	-2.7	-2.0
<b>Cash flow from operating activities</b>	<b>2.4</b>	<b>3.6</b>	<b>6.4</b>	<b>14.8</b>	<b>13.1</b>	<b>16.5</b>
CAPEX	-1.7	-2.1	-1.9	-2.7	-3.2	-3.6
Other	-23.7	-4.5	-5.1	-2.7	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-25.4</b>	<b>-6.6</b>	<b>-7.0</b>	<b>-5.4</b>	<b>-3.2</b>	<b>-3.6</b>
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Change in financial liabilities	16.3	3.0	0.2	-0.5	-0.5	-0.5
Other	-2.0	-1.3	12.1	-1.3	-1.3	-1.3
<b>Cash flow from financing activities</b>	<b>14.3</b>	<b>1.7</b>	<b>12.3</b>	<b>-1.8</b>	<b>-1.8</b>	<b>-1.8</b>
Effects of exchange rate changes on cash	0.3	0.9	-0.2	0.0	0.0	0.0
<b>Change in liquid funds</b>	<b>-8.7</b>	<b>-1.3</b>	<b>11.7</b>	<b>7.6</b>	<b>8.0</b>	<b>11.1</b>
<b>Liquid assets at end of period</b>	<b>11.1</b>	<b>10.6</b>	<b>22.1</b>	<b>29.7</b>	<b>37.8</b>	<b>48.9</b>

Source: Company (reported results), Montega (forecast)

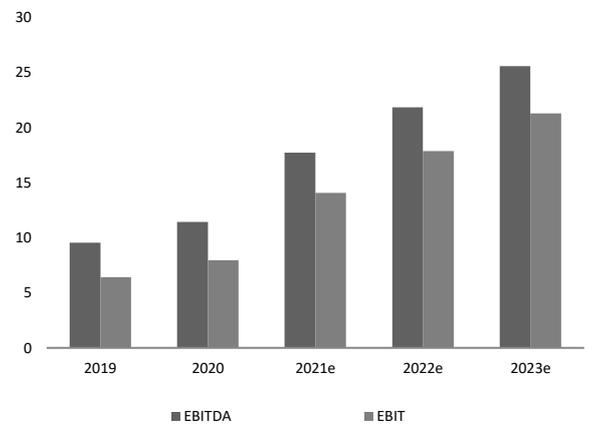
<b>Key figures Nynomic AG</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>	<b>2023e</b>
<b>Earnings margins</b>						
Gross margin (%)	65.0%	63.4%	62.1%	63.3%	63.6%	63.8%
EBITDA margin (%)	19.2%	14.7%	14.6%	18.4%	19.2%	19.6%
EBIT margin (%)	17.2%	9.9%	10.1%	14.6%	15.7%	16.3%
EBT margin (%)	16.8%	8.9%	9.3%	13.6%	14.9%	15.6%
Net income margin (%)	13.6%	6.6%	6.6%	9.5%	10.4%	10.9%
<b>Return on capital</b>						
ROCE (%)	43.4%	13.9%	13.1%	20.7%	25.9%	30.2%
ROE (%)	51.4%	14.9%	13.3%	16.9%	18.7%	19.2%
ROA (%)	12.6%	5.6%	4.2%	7.8%	9.0%	9.9%
<b>Solvency</b>						
YE net debt (in EUR)	9.6	20.2	17.3	9.1	0.6	-11.0
Net debt / EBITDA	0.7	2.1	1.5	0.5	0.0	-0.4
Net gearing (Net debt/equity)	0.3	0.6	0.3	0.2	0.0	-0.1
<b>Cash Flow</b>						
Free cash flow (EUR m)	0.6	1.5	4.5	12.1	9.8	12.9
Capex / sales (%)	1.5%	3.2%	2.4%	2.8%	2.9%	2.7%
Working capital / sales (%)	22%	28%	25%	22%	19%	19%
<b>Valuation</b>						
EV/Sales	3.7	4.0	3.3	2.7	2.3	2.0
EV/EBITDA	19.5	27.0	22.6	14.6	11.8	10.1
EV/EBIT	21.7	40.2	32.4	18.3	14.5	12.1
EV/FCF	403.3	173.8	57.3	21.3	26.3	19.9
PE	24.4	48.0	50.4	27.7	21.7	17.9
P/B	8.7	7.6	4.9	4.3	3.6	3.0
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company (reported results), Montega (forecast)

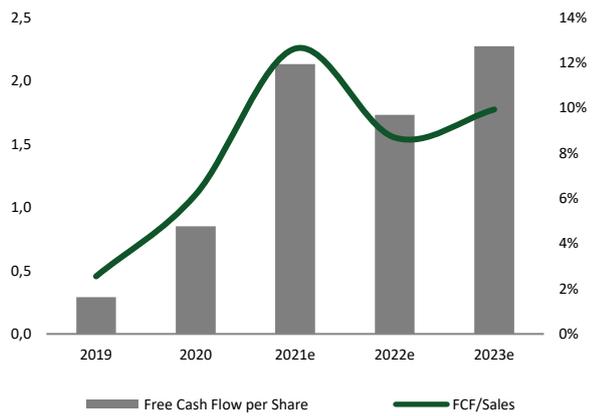
**Sales development**



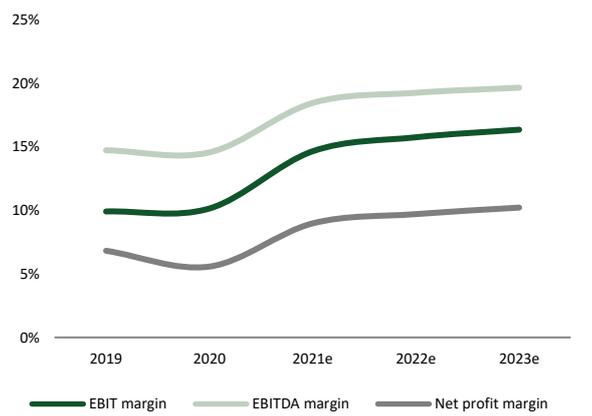
**Earnings development**



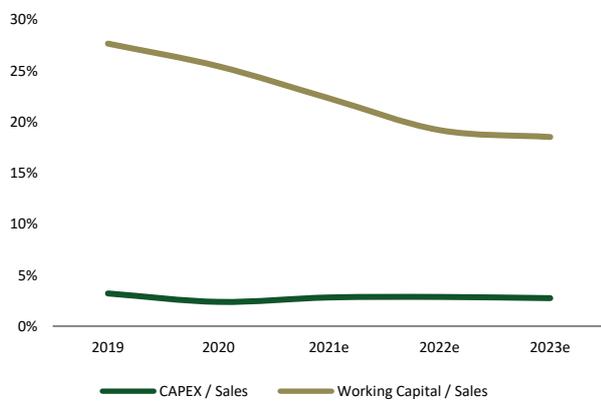
**Free-Cash-Flow development**



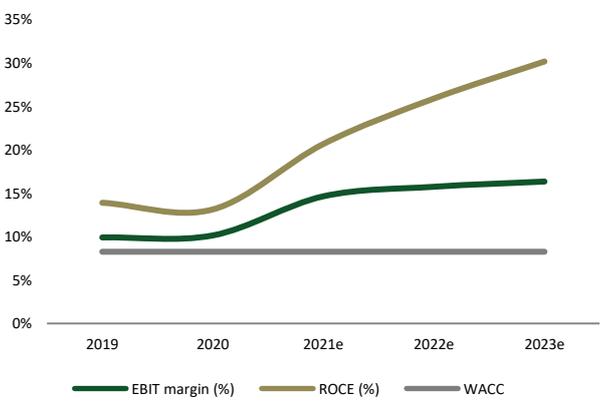
**Margin development**



**Capex / Working Capital**



**EBIT Yield / ROCE**



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**Sources of information:** The main sources of information for the preparation of this financial analysis are publications of the issuer as well as publicly available information of national and international media, which Montega regards as reliable. There have also been discussions with members of the management team or the investor relations division of the company concerned when preparing this analysis.

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**Fundamental basics and principles of the evaluative judgements contained in this document:** Assessments and valuations leading to ratings and judgements given by Montega AG are generally based on acknowledged and broadly approved methods of analysis i.e. a DCF model, a peer group comparison, or sum-of-the-parts model.

**Our ratings:**

Buy: The analysts at Montega AG believe the share price will rise during the next twelve months.

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

Sell: The analysts at Montega AG believe the share price will fall during the next twelve months.

**Authority responsible for supervision:**

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**Share price and recommendation history**

<b>Recommendation</b>	<b>Date</b>	<b>Price (EUR)</b>	<b>Price target (EUR)</b>	<b>Potential</b>
Buy (Initiation)	01.04.2019	22.40	31.00	+38%
Buy	29.05.2019	17.80	30.00	+69%
Buy	13.08.2019	15.85	31.00	+96%
Buy	21.08.2019	15.00	31.00	+107%
Buy	27.09.2019	15.95	31.00	+94%
Buy	15.11.2019	17.25	27.00	+57%
Buy	21.11.2019	16.60	27.00	+63%
Buy	02.12.2019	17.25	27.00	+57%
Buy	05.03.2020	18.75	29.00	+55%
Buy	06.05.2020	16.35	29.00	+77%
Buy	18.05.2020	21.20	29.00	+37%
Buy	22.07.2020	22.00	31.00	+41%
Buy	14.09.2020	23.60	31.00	+31%
Buy	22.10.2020	23.20	31.00	+34%
Buy	27.10.2020	29.50	34.00	+15%
Buy	25.02.2021	37.40	45.00	+20%
Buy	10.03.2021	39.90	45.00	+13%
Buy	18.03.2021	37.00	45.00	+22%
Buy	12.05.2021	36.80	47.00	+28%
Buy	14.06.2021	38.10	50.00	+31%
Buy	23.06.2021	41.80	50.00	+20%