

Buy (old: Buy)

05.06.2023

EUR 50.00 (old: EUR 50.00)

Weak Q1 no surprise // significant acceleration from Q2 onwards

Topic: As expected, Nynomic published weak Q1 prelims due to delayed call-offs from several customers. Operations should significantly improve from Q2 onwards. Moreover, the recently resolved capital increase should further support the company's value-accretive bolt-on M&A strategy.

Prelim. Q1 sales decreased by 23% yoy to € 21.6m. This was mainly the result of postponements and delayed call-offs from various semiconductor and engineering customers (Clean Tech segment). Importantly, overall demand remained strong as reflected by the **growing order book; +20% yoy, +1.5% qoq to € 91m.** At the same time, prelim. **Q1 EBIT stood at € 1.5m, down 63% yoy** due to the negative operating leverage and a changing product mix (semi and engineering products carry a higher profitability).

Notable operational improvements are seen to materialize from Q2 onwards. As highlighted by management, Q2 should already include several of the postponed orders and hence show significant sequential sales growth as well as a >100% qoq increase of EBIT. This is seen to carry on in H2, which looks set to come in notably above Q1. Hence, **management reiterated its FY23 guidance** of "single-digit organic sales growth and a further EBIT margin expansion". Due to the strong order backlog and significant improvements from Q2 backed by confirmed call-off dates, we leave our expectations unchanged; sales + 8% yoy to € 117m, EBIT margin +50bps yoy to 13.7% with the latter stemming from the ramp up at Spectral Engines, an improving sales mix and a positive operating leverage.

Well-filled "war chest" for M&A. Following the recently resolved capital increase (0.59m shares at € 32 per share, € 18.9m gross proceeds), Nynomic's financial firepower should amount to around € 70m (incl. debt), which would allow for several smaller or a larger acquisitions. Mind you, Nynomic built a strong track-record of buying either market leaders within their respective niches or companies with significant growth potential at attractive prices. We expect at least one transaction during the rest of the year.

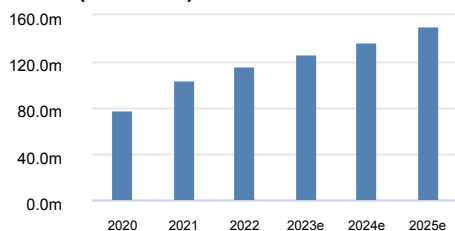
Additional positive newsflow should be stemming from the roll out of TactiScan, first deliveries from its NIR real-time analysis for FETTE's tablet press and a potential second large customer for NIRONE.

We continue to regard Nynomic as well positioned to benefit from the appealing prospects of several structurally growing markets such as semiconductors. Trading at 11.8 EV/EBIT 2023e, valuation continues to look attractive. We hence **reiterate our BUY rating with an unchanged € 50 PT** based on DCF.

| Y/E 31.12 (EUR m) | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
|--------------------------|-------|-------|-------|-------|-------|-------|
| Sales | 78.6 | 105.1 | 116.8 | 126.3 | 137.5 | 150.6 |
| Sales growth | 21.1% | 33.8% | 11.2% | 8.1% | 8.9% | 9.5% |
| EBITDA | 11.4 | 17.0 | 19.2 | 21.1 | 24.3 | 26.9 |
| Net debt (if net cash=0) | 17.3 | 6.0 | 2.7 | -28.0 | -42.9 | -58.8 |
| FCF | 4.5 | 16.4 | 7.1 | 11.7 | 14.9 | 15.9 |
| Net Debt/EBITDA | 1.5 | 0.4 | 0.1 | 0.0 | 0.0 | 0.0 |
| EPS pro forma | 0.83 | 1.37 | 1.26 | 1.34 | 1.65 | 1.89 |
| EBITDA margin | 14.6% | 16.2% | 16.4% | 16.7% | 17.6% | 17.9% |
| ROCE | 10.1% | 13.6% | 14.7% | 13.9% | 13.9% | 14.2% |
| EV/sales | 2.6 | 2.0 | 1.8 | 1.6 | 1.3 | 1.1 |
| EV/EBITDA | 17.7 | 12.1 | 10.9 | 9.4 | 7.6 | 6.3 |
| PER | 42.4 | 25.5 | 27.7 | 26.2 | 21.3 | 18.5 |
| Adjusted FCF yield | 2.5% | 4.1% | 3.8% | 4.7% | 6.1% | 7.6% |

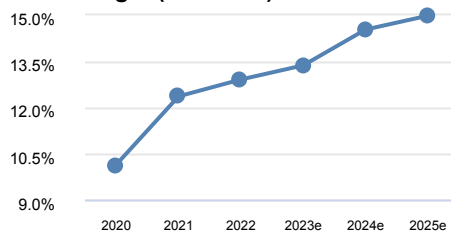
Source: Company data, NuWays, Close price as of 02.06.2023

Sales (2020-25e)



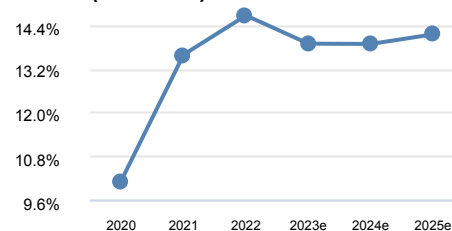
Source: NuWays Research

EBIT margin (2020-25e)



Source: NuWays Research

ROCE (2020-25e)



Source: NuWays Research

Company description

Nynomic is a leading supplier of optical metrology solutions, which are based on spectroscopy. Simply put, by measuring the spectrum of light that is emitted by an object one can contactless determine the color, temperature, density and even chemical composition of such.

Share Performance



| | |
|-----------------------|---------------|
| High/low 52 weeks (€) | 39.10 / 25.60 |
| 3m rel. performance | 3.5% |
| 6m rel. performance | -18.1% |
| 12m rel. performance | 5.3% |

Market data

| | |
|-----------------------------|-------|
| Share price (in €) | 35.00 |
| Market cap (in € m) | 227.2 |
| Number of shares (in m pcs) | 6.5 |
| Enterprise value (in € m) | 199.2 |
| Ø trading volume (6 months) | 6,200 |

Identifier

| | |
|-----------|--------------|
| Bloomberg | M7U GR |
| Reuters | M7UG |
| WKN | A0MSN1 |
| ISIN | DE000A0MSN11 |

Key shareholders

| | |
|--------------------------------|-------|
| Management & Supervisory Board | 23.5% |
| Paladin Asset Management | 5.3% |
| Free Float | 71.2% |

Estimates changes

| | 2023e | 2024e | 2025e |
|-------|-------|-------|-------|
| Sales | -0% | -0% | -0% |
| EBIT | 0% | 0% | 0% |
| EPS | -25% | -23% | -23% |

Comment on changes

- We reflect the recently resolved capital increase in our estimates and reduce our EPS estimates due to higher minorities on the back of a strong US and China business of tec5.

Guidance

- Sales: single-digit yoy growth
- EBIT margin: yoy improvement

Financials

| Profit and loss (EUR m) | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
|---|-------------|--------------|--------------|--------------|--------------|--------------|
| Net sales | 78.6 | 105.1 | 116.8 | 126.3 | 137.5 | 150.6 |
| Sales growth | 21.1% | 33.8% | 11.2% | 8.1% | 8.9% | 9.5% |
| Increase/decrease in finished goods and work-in-process | 2.8 | 2.3 | 3.1 | 0.8 | 0.5 | 0.5 |
| Total sales | 81.3 | 107.4 | 119.9 | 127.1 | 138.0 | 151.1 |
| Other operating income | 0.6 | 1.1 | 0.9 | 1.3 | 1.4 | 1.5 |
| Material expenses | 32.6 | 46.5 | 51.2 | 52.4 | 56.7 | 61.7 |
| Personnel expenses | 28.5 | 33.5 | 36.9 | 40.7 | 43.4 | 47.4 |
| Other operating expenses | 9.5 | 11.5 | 13.6 | 14.1 | 15.1 | 16.6 |
| Total operating expenses | 69.9 | 90.4 | 100.7 | 106.0 | 113.8 | 124.2 |
| EBITDA | 11.4 | 17.0 | 19.2 | 21.1 | 24.3 | 26.9 |
| Depreciation | 2.7 | 3.2 | 3.3 | 3.4 | 3.5 | 3.5 |
| EBITA | 8.8 | 13.8 | 15.9 | 17.7 | 20.8 | 23.4 |
| Amortisation of goodwill | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Amortisation of intangible assets | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Impairment charges | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| EBIT (inc revaluation net) | 8.0 | 13.0 | 15.1 | 16.9 | 20.0 | 22.6 |
| Interest income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Interest expenses | 0.7 | 0.7 | 0.7 | 0.9 | 0.9 | 0.9 |
| Investment income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Financial result | -0.7 | -0.6 | -0.7 | -0.9 | -0.9 | -0.9 |
| Recurring pretax income from continuing operations | 7.3 | 12.4 | 14.4 | 16.0 | 19.1 | 21.7 |
| Extraordinary income/loss | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Earnings before taxes | 7.3 | 12.4 | 14.4 | 16.0 | 19.1 | 21.7 |
| Income tax expense | 2.1 | 2.9 | 4.4 | 4.6 | 5.6 | 6.3 |
| Net income from continuing operations | 5.2 | 9.5 | 9.9 | 11.4 | 13.6 | 15.4 |
| Income from discontinued operations (net of tax) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net income | 5.2 | 9.5 | 9.9 | 11.4 | 13.6 | 15.4 |
| Minority interest | 0.8 | 1.7 | 2.5 | 2.7 | 2.9 | 3.1 |
| Net profit (reported) | 4.4 | 7.9 | 7.4 | 8.7 | 10.7 | 12.3 |
| Average number of shares | 5.3 | 5.7 | 5.9 | 6.5 | 6.5 | 6.5 |
| EPS reported | 0.83 | 1.37 | 1.26 | 1.34 | 1.65 | 1.89 |

| Profit and loss (common size) | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Net sales | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Sales growth | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Increase/decrease in finished goods and work-in-process | 3.6% | 2.2% | 2.7% | 0.6% | 0.4% | 0.3% |
| Total sales | 103.6% | 102.2% | 102.7% | 100.6% | 100.4% | 100.3% |
| Other operating income | 0.8% | 1.1% | 0.8% | 1.0% | 1.0% | 1.0% |
| Material expenses | 41.5% | 44.3% | 43.9% | 41.5% | 41.2% | 41.0% |
| Personnel expenses | 36.2% | 31.8% | 31.6% | 32.2% | 31.5% | 31.5% |
| Other operating expenses | 12.1% | 11.0% | 11.6% | 11.2% | 11.0% | 11.0% |
| Total operating expenses | 89.0% | 86.0% | 86.3% | 83.9% | 82.7% | 82.5% |
| EBITDA | 14.6% | 16.2% | 16.4% | 16.7% | 17.6% | 17.9% |
| Depreciation | 3.4% | 3.1% | 2.8% | 2.7% | 2.5% | 2.3% |
| EBITA | 11.2% | 13.1% | 13.6% | 14.0% | 15.1% | 15.5% |
| Amortisation of goodwill | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Amortisation of intangible assets | 1.0% | 0.8% | 0.7% | 0.6% | 0.6% | 0.5% |
| Impairment charges | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| EBIT (inc revaluation net) | 10.1% | 12.4% | 12.9% | 13.4% | 14.5% | 15.0% |
| Interest income | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Interest expenses | 0.9% | 0.6% | 0.6% | 0.7% | 0.6% | 0.6% |
| Investment income | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Financial result | neg. | neg. | neg. | neg. | neg. | neg. |
| Recurring pretax income from continuing operations | 9.3% | 11.8% | 12.3% | 12.7% | 13.9% | 14.4% |
| Extraordinary income/loss | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Earnings before taxes | 9.3% | 11.8% | 12.3% | 12.7% | 13.9% | 14.4% |
| Income tax expense | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Net income from continuing operations | 6.6% | 9.1% | 8.5% | 9.0% | 9.9% | 10.2% |
| Income from discontinued operations (net of tax) | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net income | 6.6% | 9.1% | 8.5% | 9.0% | 9.9% | 10.2% |
| Minority interest | 1.0% | 1.6% | 2.1% | 2.1% | 2.1% | 2.1% |
| Net profit (reported) | 5.6% | 7.5% | 6.4% | 6.9% | 7.8% | 8.2% |

Source: Company data, NuWays

| Balance sheet (EUR m) | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Intangible assets | 36.2 | 42.1 | 46.9 | 46.9 | 46.9 | 46.9 |
| Property, plant and equipment | 14.7 | 17.3 | 19.0 | 19.3 | 19.6 | 19.9 |
| Financial assets | 0.5 | 0.4 | 0.6 | 0.6 | 0.6 | 0.6 |
| FIXED ASSETS | 51.5 | 59.9 | 66.5 | 66.8 | 67.1 | 67.4 |
| Inventories | 15.1 | 18.8 | 23.8 | 23.0 | 22.2 | 24.3 |
| Accounts receivable | 12.3 | 11.8 | 16.4 | 18.0 | 18.8 | 20.6 |
| Other assets and short-term financial assets | 1.9 | 1.6 | 2.4 | 2.4 | 2.4 | 2.4 |
| Liquid assets | 22.1 | 26.7 | 26.6 | 57.2 | 72.1 | 88.0 |
| Deferred taxes | 0.2 | 1.4 | 2.7 | 2.7 | 2.7 | 2.7 |
| Deferred charges and prepaid expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| CURRENT ASSETS | 51.6 | 60.4 | 72.0 | 103.3 | 118.3 | 138.1 |
| TOTAL ASSETS | 103.0 | 120.3 | 138.4 | 170.1 | 185.4 | 205.5 |

| | | | | | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| SHAREHOLDERS EQUITY | 48.1 | 62.4 | 70.6 | 101.1 | 115.7 | 132.1 |
| MINORITY INTEREST | 2.9 | 4.1 | 6.4 | 6.4 | 6.4 | 6.4 |
| Provisions for pensions and similar obligations | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other provisions and accrued liabilities | 1.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Short-term liabilities to banks | 4.9 | 4.2 | 4.3 | 4.3 | 4.3 | 4.3 |
| Accounts payable | 4.9 | 4.8 | 6.6 | 8.0 | 8.7 | 12.4 |
| Advance payments received on orders | 0.0 | 1.8 | 4.8 | 4.8 | 4.8 | 4.8 |
| Other liabilities (incl. from lease and rental contracts) | 5.1 | 11.2 | 17.1 | 17.1 | 17.1 | 17.1 |
| Deferred taxes | 0.0 | 3.1 | 3.5 | 3.5 | 3.5 | 3.5 |
| Deferred income | 1.1 | 0.1 | 0.2 | 0.0 | 0.0 | 0.0 |
| CURRENT LIABILITIES | 10.0 | 17.8 | 28.5 | 29.9 | 30.6 | 34.3 |
| TOTAL LIABILITIES AND SHAREHOLDERS EQUITY | 103.0 | 120.3 | 138.4 | 170.1 | 185.4 | 205.5 |

| Balance sheet (common size) | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Intangible assets | 35.1% | 35.0% | 33.9% | 27.6% | 25.3% | 22.8% |
| Property, plant and equipment | 14.3% | 14.4% | 13.7% | 11.3% | 10.6% | 9.7% |
| Financial assets | 0.5% | 0.4% | 0.4% | 0.4% | 0.3% | 0.3% |
| FIXED ASSETS | 50.0% | 49.8% | 48.0% | 39.3% | 36.2% | 32.8% |
| Inventories | 14.6% | 15.6% | 17.2% | 13.5% | 12.0% | 11.8% |
| Accounts receivable | 11.9% | 9.8% | 11.9% | 10.6% | 10.2% | 10.0% |
| Other assets and short-term financial assets | 1.8% | 1.4% | 1.7% | 1.4% | 1.3% | 1.2% |
| Liquid assets | 21.5% | 22.2% | 19.2% | 33.6% | 38.9% | 42.8% |
| Deferred taxes | 0.2% | 1.2% | 2.0% | 1.6% | 1.5% | 1.3% |
| Deferred charges and prepaid expenses | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| CURRENT ASSETS | 50.0% | 50.2% | 52.0% | 60.7% | 63.8% | 67.2% |
| TOTAL ASSETS | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

| | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| SHAREHOLDERS EQUITY | 46.7% | 51.9% | 51.0% | 59.4% | 62.4% | 64.3% |
| MINORITY INTEREST | 2.8% | 3.4% | 4.6% | 3.8% | 3.4% | 3.1% |
| Provisions for pensions and similar obligations | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Other provisions and accrued liabilities | 1.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Short-term liabilities to banks | 4.8% | 3.5% | 3.1% | 2.5% | 2.3% | 2.1% |
| Accounts payable | 4.8% | 4.0% | 4.8% | 4.7% | 4.7% | 6.0% |
| Advance payments received on orders | 0.0% | 1.5% | 3.5% | 2.8% | 2.6% | 2.3% |
| Other liabilities (incl. from lease and rental contracts) | 5.0% | 9.3% | 12.4% | 10.1% | 9.2% | 8.3% |
| Deferred taxes | 0.0% | 2.5% | 2.5% | 2.0% | 1.9% | 1.7% |
| Deferred income | 1.1% | 0.1% | 0.1% | 0.0% | 0.0% | 0.0% |
| CURRENT LIABILITIES | 9.8% | 14.8% | 20.6% | 17.6% | 16.5% | 16.7% |
| 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) | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Net profit/loss | 5.2 | 9.5 | 9.9 | 11.4 | 13.6 | 15.4 |
| Depreciation of fixed assets (incl. leases) | 2.7 | 3.2 | 3.3 | 3.4 | 3.5 | 3.5 |
| Amortisation of goodwill & intangible assets | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 | 0.8 |
| Others | -2.4 | -1.4 | -1.2 | 0.0 | 0.0 | 0.0 |
| Cash flow from operating activities | 2.9 | 13.8 | 5.6 | 12.0 | 15.2 | 16.2 |
| Increase/decrease in inventory | -3.4 | -3.8 | -5.0 | 0.8 | 0.8 | -2.1 |
| Increase/decrease in accounts receivable | -2.8 | 0.5 | -4.6 | -1.6 | -0.9 | -1.8 |
| Increase/decrease in accounts payable | 1.3 | -0.1 | 1.8 | 1.3 | 0.7 | 3.7 |
| Increase/decrease in other working capital positions | 1.1 | 2.1 | -0.0 | -5.0 | -4.0 | -4.0 |
| Increase/decrease in working capital | -3.9 | -1.2 | -7.9 | -4.4 | -3.4 | -4.2 |
| Cash flow from operating activities | 6.4 | 17.8 | 9.7 | 16.2 | 19.5 | 20.6 |
| CAPEX | 1.9 | 1.4 | 2.6 | 4.5 | 4.6 | 4.7 |
| Payments for acquisitions | 5.1 | 3.9 | 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 | 0.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Cash flow from investing activities | -6.9 | -5.3 | -2.6 | -4.5 | -4.6 | -4.7 |
| Cash flow before financing | -0.5 | 12.5 | 7.1 | 11.7 | 14.9 | 15.9 |
| Increase/decrease in debt position | 1.3 | -8.4 | -6.8 | 0.0 | 0.0 | 0.0 |
| Purchase of own shares | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Capital measures | 13.4 | 0.6 | 0.4 | 18.9 | 0.0 | 0.0 |
| Dividends paid | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Others | -2.4 | -1.4 | -1.2 | 0.0 | 0.0 | 0.0 |
| Effects of exchange rate changes on cash | -0.2 | 0.6 | 0.3 | 0.0 | 0.0 | 0.0 |
| Cash flow from financing activities | 12.3 | -9.2 | -7.6 | 18.9 | 0.0 | 0.0 |
| Increase/decrease in liquid assets | 11.6 | 3.9 | -0.2 | 30.6 | 14.9 | 15.9 |
| Liquid assets at end of period | 22.1 | 26.7 | 26.6 | 57.2 | 72.1 | 88.0 |

| Key ratios (EUR m) | 2020 | 2021 | 2022 | 2023e | 2024e | 2025e |
|--------------------------------------|--------|--------|--------|---------|---------|---------|
| P&L growth analysis | | | | | | |
| Sales growth | 21.1% | 33.8% | 11.2% | 8.1% | 8.9% | 9.5% |
| EBITDA growth | -13.7% | 78.1% | 67.8% | 24.1% | 26.5% | 27.5% |
| EBIT growth | 202.2% | 405.3% | 317.2% | -100.0% | -100.0% | -100.0% |
| EPS growth | -39.0% | 58.5% | 52.9% | -2.6% | 30.4% | 41.4% |
| Efficiency | | | | | | |
| Sales per employee | 83.7 | 99.2 | 103.7 | 101.3 | 104.6 | 109.2 |
| EBITDA per employee | 12.2 | 16.0 | 17.0 | 16.9 | 18.5 | 19.5 |
| No. employees (average) | 939 | 1,060 | 1,126 | 1,246 | 1,315 | 1,379 |
| Balance sheet analysis | | | | | | |
| Avg. working capital / sales | 25.4% | 22.3% | 22.0% | 22.6% | 20.3% | 18.4% |
| Inventory turnover (sales/inventory) | 5.2 | 5.6 | 4.9 | 5.5 | 6.2 | 6.2 |
| Accounts receivable turnover | 57.1 | 40.9 | 51.3 | 52.0 | 50.0 | 50.0 |
| Accounts payable turnover | 22.8 | 22.8 | 23.0 | 23.0 | 23.0 | 30.0 |
| Cash flow analysis | | | | | | |
| Free cash flow | 4.5 | 16.4 | 7.1 | 11.7 | 14.9 | 15.9 |
| Free cash flow/sales | 5.8% | 15.6% | 6.1% | 9.3% | 10.8% | 10.6% |
| FCF / net profit | 87.2% | 171.9% | 71.5% | 102.9% | 109.7% | 103.1% |
| Capex / sales | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Solvency | | | | | | |
| Net debt | 17.3 | 6.0 | 2.7 | -28.0 | -42.9 | -58.8 |
| Net Debt/EBITDA | 1.5 | 0.4 | 0.1 | 0.0 | 0.0 | 0.0 |
| Dividend payout ratio | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Interest paid / avg. debt | 2.3% | 2.0% | 2.1% | 2.8% | 3.0% | 3.0% |
| Returns | | | | | | |
| ROCE | 10.1% | 13.6% | 14.7% | 13.9% | 13.9% | 14.2% |
| ROE | 9.1% | 12.6% | 10.5% | 8.6% | 9.2% | 9.3% |
| Adjusted FCF yield | 2.5% | 4.1% | 3.8% | 4.7% | 6.1% | 7.6% |
| 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 | 0.83 | 1.37 | 1.26 | 1.34 | 1.65 | 1.89 |
| Average number of shares | 5.3 | 5.7 | 5.9 | 6.5 | 6.5 | 6.5 |
| Valuation ratios | | | | | | |
| P/BV | 3.9 | 3.2 | 2.9 | 2.2 | 2.0 | 1.7 |
| EV/sales | 2.6 | 2.0 | 1.8 | 1.6 | 1.3 | 1.1 |
| EV/EBITDA | 17.7 | 12.1 | 10.9 | 9.4 | 7.6 | 6.3 |
| EV/EBIT | 25.5 | 15.9 | 13.9 | 11.8 | 9.2 | n.a. |

Source: Company data, NuWays

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG)

Indication of conflict of interest

It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. A conflict of interest is presumed to exist in particular if NuWays AG

- (1) or any other person belonging to the same group with it was part of a consortium within the past twelve months that issued the financial instruments of the analysed company by way of a public offer.
- (2) or any other person belonging to the same group with it has entered into an agreement on the production of the research report with the analysed company.
- (3) or any other person belonging to the same group with it has been party to an agreement on the provision of investment banking services with the analysed company or have received services or a promise of services under the term of such an agreement within the past twelve month.
- (4) The analysed company holds 5% or more of the share capital of NuWays AG.
- (5) holds (a) a net short position or (b) a net long position of 0.5% of the outstanding share capital of the analysed company.
- (6) or any other person belonging to the same group with it is a market maker or liquidity provider in the financial instruments of the issuer.
- (7) or the analyst has any other significant financial interests relating to the analysed company such as, for example, exercising mandates in the interest of the analysed company.
- (8) The research report has been made available to the analysed company prior to its publication. Thereafter, only factual changes have been made to the report.

Conflicts of interest that existed at the time when this research report was published:

| Company | Disclosures |
|------------|-------------|
| Nynomic AG | 2,8 |

Historical target price and rating changes for Nynomic AG

| Company | Date | Analyst | Rating | Target Price | Close |
|------------|------------|---------------------|--------|--------------|-----------|
| Nynomic AG | 01.12.2022 | Sandherr, Christian | Buy | EUR 50.00 | EUR 37.45 |

1. General Information/Liabilities

This research report has been produced for the information purposes of institutional investors only, and is not in any way a personal recommendation, offer or solicitation to buy or sell the financial instruments mentioned herein. The document is confidential and is made available by NuWays AG exclusively to selected recipients in the European Union (EU) or, in individual cases, also in other countries. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of NuWays AG. Reproduction of this document, in whole or in part, is not permitted without prior permission NuWays AG. All rights reserved.

Under no circumstances shall NuWays AG, any of its employees involved in the preparation, have any liability for possible errors or incompleteness of the information included in this research report – neither in relation to indirect or direct nor consequential damages. Liability for damages arising either directly or as a consequence of the use of information, opinions and estimates is also excluded. Past performance of a financial instrument is not necessarily indicative of future performance.

2. Responsibilities

This research report was prepared by the research analyst named on the front page (the "Producer"). The Producer is solely responsible for the views and estimates expressed in this report. The report has been prepared independently. The content of the research report was not influenced by the issuer of the analysed financial instrument at any time. It may be possible that parts of the research report were handed out to the issuer for information purposes prior to the publication without any major amendments being made thereafter.

3. Organisational Requirements

NuWays AG took internal organisational and regulative precautions to avoid or accordingly disclose possible conflicts of interest in connection with the preparation and distribution of the research report. All members of NuWays AG involved in the preparation of the research report are subject to internal compliance regulations. No part of the Producer's compensation is directly or indirectly related to the preparation of this financial analysis. In case a research analyst or a closely related person is confronted with a conflict of interest, the research analyst is restricted from covering this company.

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the 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 of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

Within the framework of the DCF approach, the future free cash flows are calculated initially on the basis of a fictitious capital structure of 100% equity, i.e. interest and repayments on debt capital are not factored in initially. The 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.

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

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

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

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

The decision on the choice of the financial instruments analysed in this document was solely made by NuWays AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of NuWays AG whether and when it publishes an update to this research report, but in general updates are created on a regular basis, after 6 months at the latest. A sensitivity analysis is included and published in company's initial studies.

5. Major Sources of Information

Part of the information required for this research report was made available by the issuer of the financial instrument. Furthermore, this report is based on publicly available sources (such as, for example, Bloomberg, Reuters, VWD-Trader and the relevant daily press) believed to be reliable. NuWays AG has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

NuWays AG is an affiliated company of Hauck Aufhäuser Lampe Privatbank AG which is under supervision of the BaFin – German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht), Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 – 28, 60439 Frankfurt a.M.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany and the European Union (EU). The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state.

8. Miscellaneous

According to Article 4(1) No. i of the delegated regulation 2016/958 supplementing regulation 596/2014 of the European Parliament, further information regarding investment recommendations of the last 12 months are published under:

Date of publication creation: 05/06/2023 08:56 AM

Date of publication dissemination: 05/06/2023 08:56 AM

Contacts

NuWays AG

Mittelweg 16-17
20148 Hamburg
Germany

info@nuways-ag.com
www.nuways-ag.com



Christian Sandherr

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



Frederik Jarchow

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



Philipp Sennewald

Analyst

philipp.sennewald@nuways-ag.com



Vaishnavi Khare

Analyst

vaishnavi.khare@nuways-ag.com



Henry Wendisch

Analyst

henry.wendisch@nuways-ag.com

Find us on Social Media

Instagram



Twitter



LinkedIn

