

Buy (old: Buy)

Price target: EUR 30.00 (old: EUR 34.00)

Price: EUR 12.10 **Next result:** FY 2021/22 30.09.22
Bloomberg: 81D GR **Market cap:** EUR 32.5 m
Reuters: 81D.DE **Enterprise Value:** EUR 28.9 m

09-June-22

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Listing on Scale and South Asian pivot, chg. est. & PT

We recently hosted a **roadshow with management**. With brick & mortar retail largely back up and running worldwide, the company, by now well capitalized, should be able to execute on its global roll-out plans. **While attractive customer sign-ups continue and H1 results look promising, a number of recent initiatives should serve to improve capital markets visibility and expand the TAM.**

H1 2021/22 (ending 31.12.2021) results point to revenues of close to CHF 1m, up 26% yoy. As of December 2021, the beaconsmind solution was present in 188 stores worldwide, with that figure climbing to 225 as of calendar Q1 2022. We estimate some 862 stores rolled-out by year-end 2022, vs. a company indicated potential of 1,500+ in a recent investor presentation. beaconsmind current anchor clients represent an opportunity of over 16,000+ stores, or at least CHF 50m in revenues according to eHAIB. Meanwhile H1 EBITDA losses are significantly down yoy at CHF -0.8m vs. CHF -2.0m the year prior. **We forecast EBITDA breakeven to be reached over the course of FY 2023.**

The company **recently closed a c. CHF 5.7m capital increase** with an institutional investor (undisclosed), meaning that its **business plan should be by now fully funded**.

On April 13, the company listed onto the Scale segment of Frankfurt Stock exchange and the shares are now also traded on Xetra. The company will delist from Vienna as a result. It will also move to a calendar fiscal year after the release of FY 2021/2022 figures in September and to the € as a reporting currency in FY 2023. **All these initiatives will reduce complexity and help attract a broader investor base to the beaconsmind story.**

Following the setting up of a joint venture in the UAE, effectively beaconsmind's hub for South Asia ([see Morning Comment dated 20.12.2021](#)), the company is further strengthening its presence in India and Saudi Arabia with the recent addition of two sales managers. The TAM market for beaconsmind in those two regions is estimated at over 760k stores (company estimate) thanks to the abundance of large indoor structures (malls, department stores) enjoyed by shoppers year-round.

BUY, PT € 30 (€ 34). Our PT is revised down largely as a result of a higher DCF discount rate (from 10% to 11.5%) chiefly due to rising interest rates.

Y/E 31.12 (CHF m) (1)	2022E	2023E	2024E	2025E	2026E
Sales	1.3	5.9	11.6	21.7	32.9
Sales growth	66 %	353 %	98 %	86 %	52 %
EBITDA	-1.5	0.2	1.3	4.7	11.4
EBIT	-1.6	0.2	1.2	4.6	11.3
Net income	-1.6	0.1	0.9	3.2	7.9
Net debt	-3.7	-3.7	-4.2	-6.7	-14.3
Net gearing	-90.5 %	-83.3 %	-77.4 %	-78.6 %	-85.2 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0
EPS pro forma	-0.59	0.05	0.34	1.19	2.93
CPS	-3.16	-0.24	-0.05	1.08	2.94
DPS	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	85.4 %	68.6 %	76.0 %	78.9 %	84.1 %
EBITDA margin	-115.6 %	3.8 %	10.9 %	21.8 %	34.6 %
EBIT margin	-119.9 %	2.8 %	10.2 %	21.3 %	34.3 %
ROCE	-52.5 %	3.1 %	19.6 %	56.9 %	82.0 %
EV/sales	22.3	4.9	2.4	1.2	0.6
EV/EBITDA	-19.3	129.9	22.4	5.5	1.6
EV/EBIT	-18.6	174.4	23.9	5.6	1.6
PER	-20.4	257.5	35.6	10.2	4.1
Adjusted FCF yield	-29.4 %	-2.7 %	0.1 %	12.5 %	43.3 %

Source: Company data, HAIB Close price as of: 08.06.2022; (1) Calendar year-ends vs. prev. YE at 30.06.

Please refer to important disclosures at the end of the report



Source: Company data, Hauck Aufhäuser Investment Banking

High/low 52 weeks: 36.80 / 7.00

Price/Book Ratio: -

Relative performance (TecDAX):

3 months 5.8 %

6 months -

12 months -58.2 %

Changes in estimates⁽¹⁾

		Sales	EBIT	EPS
2022	old:	n.m.	n.m.	n.m.
	Δ			
2023	old:	n.m.	n.m.	n.m.
	Δ			
2024	old:	n.m.	n.m.	n.m.
	Δ			

Key share data:

Number of shares: (in m pcs) 2.7

Authorised capital: (in € m) -

Book value per share: (in €) 0.3

Ø trading volume: (12 months) 1,969

Major shareholders:

Free float 41.5 %

Anchor investor 24.5 %

Max Weiland 18.6 %

Other large investors 11.3 %

Board and Employees 4.1 %

Company description:

Location-based marketing software and hardware provider targeting the retail and consumer goods sectors with a SaaS suite

Financials

Profit and loss (CHF m)	2022E	2023E	2024E	2025E	2026E
Net sales	1.3	5.9	11.6	21.7	32.9
<i>Sales growth</i>	66.0 %	353.1 %	98.1 %	86.5 %	52.0 %
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0
Total sales	1.3	5.9	11.6	21.7	32.9
Other operating income	0.0	0.0	0.0	0.0	0.0
Material expenses	0.2	1.8	2.8	4.6	5.2
Personnel expenses	0.8	1.5	3.5	4.4	5.1
Other operating expenses	1.8	2.3	4.1	8.0	11.2
Total operating expenses	2.8	5.6	10.4	16.9	21.5
EBITDA	-1.5	0.2	1.3	4.7	11.4
Depreciation	0.1	0.1	0.1	0.1	0.1
EBITA	-1.6	0.2	1.2	4.6	11.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-1.6	0.2	1.2	4.6	11.3
Interest income	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	0.0	0.0
Other financial result	0.0	0.0	0.0	0.0	0.0
Financial result	0.0	0.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	-1.6	0.1	1.1	4.6	11.2
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-1.6	0.1	1.1	4.6	11.2
Taxes	0.0	0.0	0.2	1.4	3.4
Net income from continuing operations	-1.6	0.1	0.9	3.2	7.9
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0
Net income	-1.6	0.1	0.9	3.2	7.9
Minority interest	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-1.6	0.1	0.9	3.2	7.9
Average number of shares	2.7	2.7	2.7	2.7	2.7
EPS reported	-0.59	0.05	0.34	1.19	2.93

Profit and loss (common size)	2022E	2023E	2024E	2025E	2026E
Net sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Increase/decrease in finished goods and work-in-process	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Total sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Other operating income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Material expenses	14.6 %	31.4 %	24.0 %	21.1 %	15.9 %
Personnel expenses	61.8 %	25.6 %	30.1 %	20.1 %	15.5 %
Other operating expenses	139.1 %	39.2 %	35.0 %	37.0 %	34.0 %
Total operating expenses	215.6 %	96.2 %	89.1 %	78.2 %	65.4 %
EBITDA	neg.	3.8 %	10.9 %	21.8 %	34.6 %
Depreciation	4.4 %	1.0 %	0.7 %	0.5 %	0.3 %
EBITA	neg.	2.8 %	10.2 %	21.3 %	34.3 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	neg.	2.8 %	10.2 %	21.3 %	34.3 %
Interest income	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Interest expenses	3.3 %	0.8 %	0.4 %	0.2 %	0.1 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	neg.	2.1 %	9.8 %	21.0 %	34.2 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	neg.	2.1 %	9.8 %	21.0 %	34.2 %
Tax rate	-0.1 %	5.0 %	20.0 %	30.0 %	30.0 %
Net income from continuing operations	neg.	2.2 %	7.9 %	14.7 %	23.9 %
Income from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	neg.	2.2 %	7.9 %	14.7 %	23.9 %
Minority interest	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net profit (reported)	neg.	2.2 %	7.9 %	14.7 %	23.9 %

Source: Company data, Hauck Aufhäuser Investment Banking

Balance sheet (CHF m)	2022E	2023E	2024E	2025E	2026E
Intangible assets	0.1	0.1	0.1	0.1	0.1
Property, plant and equipment	0.3	0.5	0.8	1.2	1.5
Financial assets	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	0.4	0.6	1.0	1.3	1.6
Inventories	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.0	0.0
Other current assets	0.1	0.6	1.3	2.4	3.6
Liquid assets	4.8	4.8	5.3	7.9	15.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.1	0.1	0.1	0.1	0.1
CURRENT ASSETS	5.0	5.5	6.6	10.3	19.1
TOTAL ASSETS	5.4	6.2	7.6	11.6	20.7
SHAREHOLDERS EQUITY	4.0	4.5	5.4	8.6	16.7
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0
Long-term debt	0.1	0.1	0.1	0.1	0.1
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0
Other provisions	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.1	0.1	0.1	0.1	0.1
short-term liabilities to banks	1.1	1.1	1.1	1.1	1.1
Accounts payable	0.1	0.5	1.0	1.8	2.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0
Deferred income	0.1	0.1	0.1	0.1	0.1
Current liabilities	1.3	1.7	2.2	3.0	3.9
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	5.4	6.2	7.6	11.6	20.7

Balance sheet (common size)	2022E	2023E	2024E	2025E	2026E
Intangible assets	2.6 %	2.2 %	1.8 %	1.2 %	0.5 %
Property, plant and equipment	4.7 %	7.8 %	10.9 %	10.1 %	7.4 %
Financial assets	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
FIXED ASSETS	7.2 %	10.1 %	12.7 %	11.3 %	7.9 %
Inventories	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other current assets	2.6 %	10.4 %	16.9 %	20.6 %	17.5 %
Liquid assets	88.4 %	78.0 %	69.6 %	67.7 %	74.3 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred charges and prepaid expenses	1.0 %	0.8 %	0.7 %	0.5 %	0.3 %
CURRENT ASSETS	92.0 %	89.3 %	87.2 %	88.7 %	92.1 %
TOTAL ASSETS	99.2 %	99.3 %	99.9 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	74.7 %	71.9 %	70.8 %	73.8 %	80.9 %
MINORITY INTEREST	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Long-term debt	1.1 %	1.0 %	0.8 %	0.5 %	0.3 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other provisions	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Non-current liabilities	1.1 %	1.0 %	0.8 %	0.5 %	0.3 %
short-term liabilities to banks	19.7 %	17.1 %	14.0 %	9.2 %	5.1 %
Accounts payable	2.0 %	7.8 %	12.6 %	15.3 %	13.1 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred taxes	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	2.5 %	2.2 %	1.8 %	1.2 %	0.7 %
Current liabilities	24.2 %	27.1 %	28.4 %	25.7 %	18.9 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

Cash flow statement (CHF m)	2022E	2023E	2024E	2025E	2026E
Net profit/loss	-1.6	0.1	0.9	3.2	7.9
Depreciation of fixed assets (incl. leases)	0.1	0.1	0.1	0.1	0.1
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0
Others	0.0	-0.2	-0.6	-1.1	-0.9
Cash flow from operations before changes in w/c	-1.5	0.0	0.4	2.2	7.1
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts payable	0.0	0.4	0.5	0.8	0.9
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.0	0.4	0.5	0.8	0.9
Cash flow from operating activities	-1.5	0.4	0.9	3.0	8.0
CAPEX	0.3	0.3	0.4	0.5	0.5
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	-0.3	-0.3	-0.4	-0.5	-0.5
Cash flow before financing	-1.8	0.1	0.4	2.6	7.5
Increase/decrease in debt position	1.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	1.0	0.0	0.0	0.0	0.0
Increase/decrease in liquid assets	-0.8	0.1	0.4	2.6	7.5
Liquid assets at end of period	4.8	4.8	5.3	7.9	15.4

Source: Company data, Hauck Aufhäuser Investment Banking

Key ratios (CHF m)	2022E	2023E	2024E	2025E	2026E
P&L growth analysis					
Sales growth	66.0 %	353.1 %	98.1 %	86.5 %	52.0 %
EBITDA growth	226.6 %	-110.9 %	-184.6 %	2027.7 %	800.8 %
EBIT growth	199.3 %	-107.9 %	-176.4 %	2686.6 %	852.1 %
EPS growth	189.8 %	-106.0 %	-157.3 %	2425.9 %	762.4 %
Efficiency					
Total operating costs / sales	215.6 %	96.2 %	89.1 %	78.2 %	65.4 %
Sales per employee	41.7	106.6	154.9	246.1	715.7
EBITDA per employee	-48.2	4.0	16.9	53.6	247.6
Balance sheet analysis					
Avg. working capital / sales	neg.	neg.	neg.	neg.	neg.
Inventory turnover (sales/inventory)	n/a	n/a	n/a	n/a	n/a
Trade debtors in days of sales	15.0	15.0	90.0	90.0	90.0
A/P turnover [(A/P*365)/sales]	30.0	30.0	30.0	30.0	30.0
Cash conversion cycle (days)	n/a	n/a	n/a	n/a	n/a
Cash flow analysis					
Free cash flow	-1.8	0.1	0.4	2.6	7.5
Free cash flow/sales	-137.2 %	1.1 %	3.8 %	11.9 %	22.9 %
FCF / net profit	neg.	51.6 %	48.7 %	80.6 %	95.7 %
Capex / depn	511.9 %	511.9 %	534.1 %	395.3 %	461.5 %
Capex / maintenance capex	4.1 %	29.0 %	42.0 %	393.9 %	460.0 %
Capex / sales	n/a	n/a	n/a	n/a	n/a
Security					
Net debt	-3.7	-3.7	-4.2	-6.7	-14.3
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.
Interest cover	0.0	3.7	26.4	102.6	251.6
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation					
Capital employed turnover	0.3	1.0	1.8	2.2	1.8
Operating assets turnover	8.8	1,409.1	-91.3	-35.5	-28.0
Plant turnover	5.1	12.1	14.0	18.5	21.5
Inventory turnover (sales/inventory)	n/a	n/a	n/a	n/a	n/a
Returns					
ROCE	-52.5 %	3.1 %	19.6 %	56.9 %	82.0 %
ROE	-39.5 %	2.8 %	17.0 %	37.2 %	47.0 %
Other					
Interest paid / avg. debt	6.7 %	7.2 %	4.0 %	4.0 %	4.0 %
No. employees (average)	31	55	75	88	46
Number of shares	2.7	2.7	2.7	2.7	2.7
DPS	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.59	0.05	0.34	1.19	2.93
Valuation ratios					
P/BV	8.1	7.3	6.1	3.8	1.9
EV/sales	22.3	4.9	2.4	1.2	0.6
EV/EBITDA	-19.3	129.9	22.4	5.5	1.6
EV/EBITA	-18.6	174.4	23.9	5.6	1.6
EV/EBIT	-18.6	174.4	23.9	5.6	1.6
EV/FCF	-16.3	441.9	63.9	10.0	2.4
Adjusted FCF yield	-29.4 %	-2.7 %	0.1 %	12.5 %	43.3 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck Aufhäuser Investment Banking

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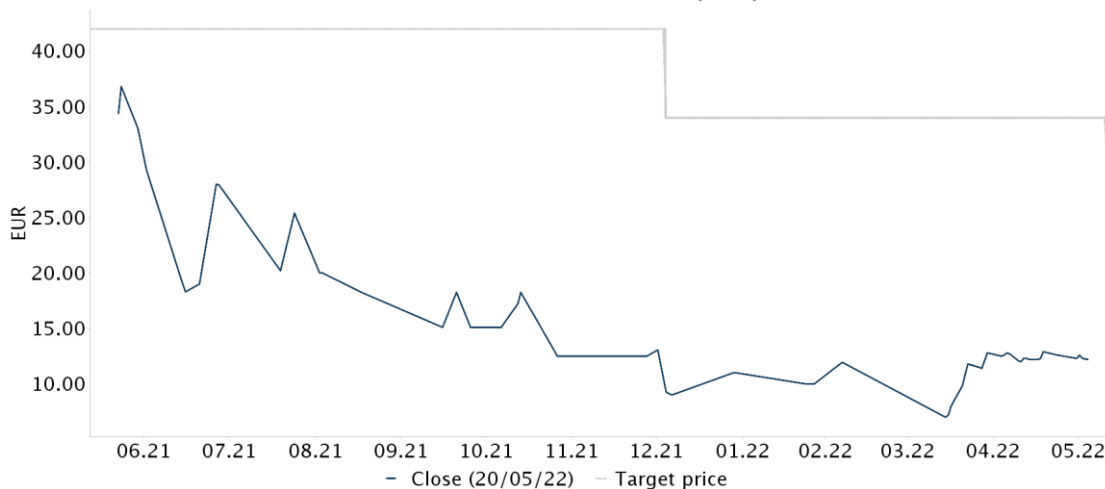
Conflicts of interest that existed at the time when this research report was published:

Company	Disclosure
beaconsmind AG	2, 3, 8

Historical target price and rating changes for beaconsmind AG in the last 12 months

**Price and Rating History
beaconsmind AG as of 27/05/22**

Initiation coverage
15-February-21



Company	Date	Analyst	Rating	Target price	Close
beaconsmind AG	20.12.2021	Gruebner, Marie-Therese	Buy	EUR 34,00	EUR 9,25

Hauck Aufhäuser Investment Banking distribution of ratings and in proportion to investment banking services

Buy	79.63 %	96.55 %
Sell	3.09 %	0.00 %
Hold	17.28 %	3.45 %

Date of publication creation: 09/06/2022 07:52 AM

Date of publication dissemination: 09/06/2022 07:53 AM

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