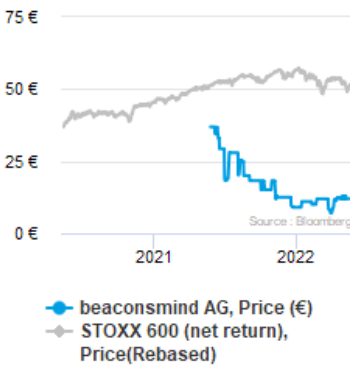


Opinion	Buy
Upside (%)	119
Price (€)	12
Target Price (€)	26.3
Bloomberg Code	MLBMD FP
Market Cap (€M)	32.3
Enterprise Value (CHFth)	29,609
Momentum	GOOD
Fundamental Strength	0/10
Sustainability	6/10

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beaconsmind AG

Uniquely positioned in location-based marketing & analytics

PROS

- No seasonality in business thanks to the subscriptions/ recurring revenues profile, with a high retention rate (95%)
- Very strong demand, in both emerging (Middle East, APAC) and mature markets (Europe, North America)
- Low level of competition; competitors are either pure hardware or pure software players

CONS

- The business is entirely correlated to retailers' revenues; store shutdowns and reduced marketing budgets lead to contract delays/cancellations
- Heavy dependence on one large anchor client
- The duration of setting up a new contract is relatively long

KEY DATA	06/20A	06/21A	06/22E	06/23E	06/24E
Adjusted P/E (x)	ns	-38.3	-13.4	49.7	5.63
Dividend yield (%)	0.00	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	ns	-41.3	-13.6	27.0	2.78
Adjusted EPS (CHF)	-0.28	-1.05	-0.94	0.25	2.23
Growth in EPS (%)	n/a	n/a	n/a	n/a	782
Dividend (€)	0.00	0.00	0.00	0.00	0.00
Sales (CHFth)	512	779	1,571	6,090	17,753
EBITDA/R margin (%)	-89.3	ns	-140	18.0	50.4
Attributable net profit (CHFth)	-529	-2,098	-2,256	681	6,008
ROE (after tax) (%)	350	-934	-91.3	14.5	68.6
Gearing (%)		-43.9	-53.0	-80.2	-53.0

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Detailed financials at the end of this report

Key Ratios

		06/21A	06/22E	06/23E	06/24E
Adjusted P/E	x	-38.3	-13.4	49.7	5.63
EV/EBITDA	x	-41.3	-13.6	27.0	2.78
P/Book	x	134	7.84	6.65	2.72
Dividend yield	%	0.00	0.00	0.00	0.00
Free Cash Flow Yield	%	-2.57	-6.98	1.08	14.5
ROE (after tax)	%	-934	-91.3	14.5	68.6
ROCE	%	9,432	-659	149	480
Net debt/EBITDA	x	0.30	1.80	-3.84	-1.00

Consolidated P&L

		06/21A	06/22E	06/23E	06/24E
Sales	CHFth	779	1,571	6,090	17,753
EBITDA	CHFth	-2,032	-2,199	1,097	8,940
Underlying operating profit	CHFth	-2,088	-2,254	975	8,585
Operating profit (EBIT)	CHFth	-2,088	-2,254	975	8,585
Net financial expenses	CHFth	-9.07	-1.40	-1.40	-1.40
Pre-tax profit before exceptional items	CHFth	-2,097	-2,256	973	8,583
Corporate tax	CHFth	-0.29	0.00	-292	-2,575
Attributable net profit	CHFth	-2,098	-2,256	681	6,008
Adjusted attributable net profit	CHFth	-2,098	-2,256	681	6,008

Cashflow Statement

		06/21A	06/22E	06/23E	06/24E
Total operating cash flows	CHFth	-2,160	-2,298	610	5,605
Capital expenditure	CHFth	-5.79	-62.8	-244	-710
Total investment flows	CHFth	-133	-163	-354	-831
Dividends (parent company)	CHFth	0.00	0.00	0.00	0.00
New shareholders' equity	CHFth	2,909	5,800	0.00	0.00
Total financial flows	CHFth	2,900	5,753	-2.09	-2.11
Change in net debt position	CHFth	607	3,337	255	4,771
Free cash flow (pre div.)	CHFth	-2,175	-2,362	365	4,893

Balance Sheet

		06/21A	06/22E	06/23E	06/24E
Goodwill	CHFth	0.00	0.00	0.00	0.00
Total intangible	CHFth	139	277	283	288
Tangible fixed assets	CHFth	19.3	38.6	57.9	86.8
Right-of-use	CHFth	0.00	0.00	0.00	0.00
WCR	CHFth	-173	-76.1	117	876
Total assets (net of short term liabilities)	CHFth	36.8	345	866	3,441
Ordinary shareholders' equity (group share)	CHFth	630	4,313	5,089	12,436
Provisions for pensions	CHFth	22.0	-16.0	-16.7	-17.3
Net debt / (cash)	CHFth	-615	-3,952	-4,207	-8,978
Total liabilities and shareholders' equity	CHFth	36.8	345	866	3,441

Per Share Data

		06/21A	06/22E	06/23E	06/24E
Adjusted EPS (bfr goodwill amort. & dil.)	CHF	-1.05	-0.94	0.25	2.23
Net dividend per share	€	0.00	0.00	0.00	0.00
Free cash flow per share	CHF	-1.08	-0.98	0.14	1.82
Book value per share	CHF	0.30	1.60	1.89	4.62
Number of diluted shares (average)	Th	2,004	2,399	2,689	2,689

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Businesses & Trends

beaconsmind AG, founded in 2015 and with headquarter in Stäfa (Switzerland), is a location-based marketing software provider (SaaS).

Location-based marketing

Location-based marketing (LBM) allows merchants to target shoppers with online or offline messaging based on their physical location. LBM is at the heart of current marketing trends, with a very strong demand both in emerging (Middle East, APAC) and mature markets (Europe, North America).

It is thriving notably because it allows traditional merchants to compete with the online “giants”. Retailers like Amazon are successful in part because they have full visibility into customers’ behaviour and their purchase history, which allows them to tailor offers and recommendations as consumers navigate through their website. LBM enables retailers to do the same in their physical shops. It connects all retail channels (mobile, website, social media, etc.) and thus bridges the gap between online and offline shopping experiences.

The global market for LBM Services is expected to reach \$134.5bn by 2027, up from \$38bn in 2020 (i.e. an annual growth rate of c.20%).

Business

beaconsmind’s solution allows retailers to increase their customers’ loyalty and improve their sales in store and online. The group equips its clients’ physical stores with beacons (Bluetooth devices), enabling to locate and identify shoppers in real-time via their mobile app. All the data collected by the beacons (location, engagement, purchasing behavior, etc.) is directly stored in a cloud-based software developed internally.

The Bluetooth beacons can accurately locate shoppers near or in the store, with range of 1m-70m. The manufacturing and installation are sub-contracted, enabling an asset light structure. According to the company’s data, the maintenance rate of its beacons is very low, as the devices are directly integrated into the lighting rails and thus always powered up.

The software, called the ‘beaconsmind Suite’, provides both analytics (reporting, heatmaps, CRM/customer analysis, etc.) and marketing services (campaign management, message-editor, template generator, loyalty program, etc.). All the data is cloud-based on Microsoft Azure, and accessible for clients 24/7. The software has been developed over the last 7 years based on real-life retail clients’ needs, making it the most advanced in its functionality and very difficult to replicate.

According to the company, after using their services, clients have seen a 40% increased frequency in their POS, 15% improvement in stores’ sales, 50% increased off-to-online conversion rate and 40% enhanced purchase motivation.

Key phases in the deployment of a new contract

The deployment of a new contract can be done within approximatively 2 months. The typical steps and timings are:

- 1/ Establishing an omnichannel marketing strategy and defining the number and type of beacons for each store based on the client’s needs (2 weeks)
- 2/ Hardware ordering, delivery and programming (4 weeks)

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3/ On-site installation (3-7 hours)

4/ Software integration into the client's mobile app API (1 week)

The company's installation capacity has increased more than 3x to at least 100 stores per week, up from less than 30 at the time of the listing in February 2021.

Strategy

beaconsmind aims to achieve profitability by focusing on existing clients and signing new international accounts to reach new markets. It benefits from a 95% retention rate and expects the annual churn rate to come down to c.3% going forward.

The group's strategy relies on three phases:

1/ Breakthrough anchor clients (2018-21): signing of one big anchor client contract; announcement of global roll-out and closing of major "hardware purchase, installation and SaaS service agreement"

2/ Segmented diversification (2021-24): signing large retailers with significant store networks in order to diversify the sources of income; expansion into APAC and then the US

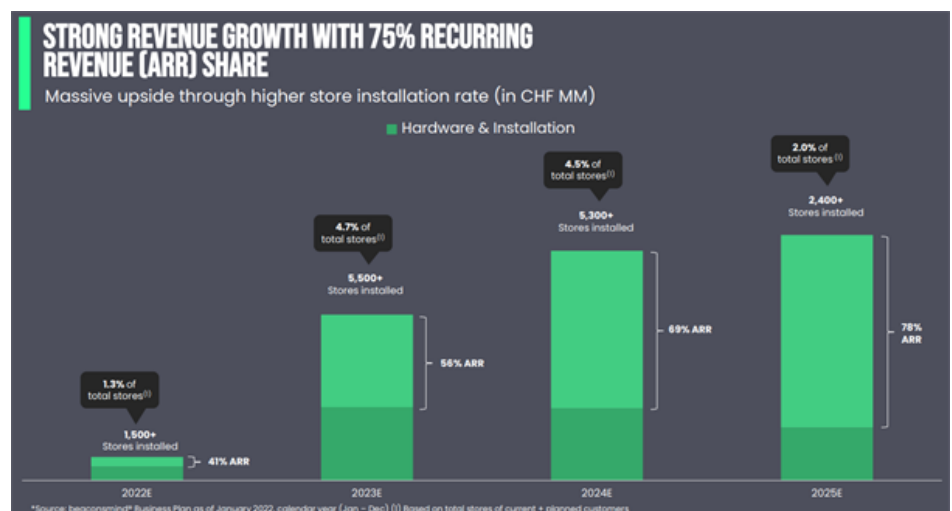
3/ Standardisation (from 2024): acquiring SMEs and corporates in different retail verticals via an automated sales & ordering system

Thanks to diversification, beaconsmind expects that clients with over 300 stores will account for c.74% of group revenue by the calendar year 2023e, while clients with below 300 stores will represent c.26% of total (source: beaconsmind presentation, March 2022).

Scalability

The company has a strong scalable recurring revenue business model based on the formula "Number of Stores open x Revenue per Store = Annual Recurring Revenues".

With the increased amount of implemented stores, the ARR should grow annually:



source: beaconsmind presentation, March 2022 – based on calendar year (Jan-Dec)

COVID-19

In the context of COVID-19, regional lockdowns, store closures and reduced marketing budgets resulted in contract delays (i.e. postponement of stores’ roll-outs), delaying beaconsmind’s business plan by one year.

However, while COVID-19 had a clear impact on the activity, it has also highlighted the pertinence of the business. As the crisis pushed retailers to accelerate their digital transformation, beaconsmind’s offerings appeared very timely. Besides, Bluetooth and location data appeared as a solution for retailers to limit the virus spread and comply with sanitary measures (social distancing, contact tracing...).

Thanks to its strong scalability, the company designed innovative features, allowing to track customers near the physical shop (even if the store is closed) and send them a push notification directing them to the retailer’s website and online-shops.

Clients

beaconsmind’s clients are merchants with a network of physical stores and a mobile app. Most of them are large retailers (Adidas, Unilever, Depot) with significant store capex, strong experience, global scalability and online presence.

Although most existing clients are fashion retailers, the technology can also easily be used in malls, cinemas, department stores, airports, hotels, supermarkets, gas stations and others.

As of 31 December 2021, the company had 15 clients, with a strong dependency on one big legacy contract (signed in October 2018; c.95% of FY2020/21 revenues).

beaconsmind had deployed its solution in over 188 POS by end-2021 (171 anchor client’s stores), with the objective of equipping all the anchor client retailer’s stores globally by 2026e (16,267 stores, including franchises).

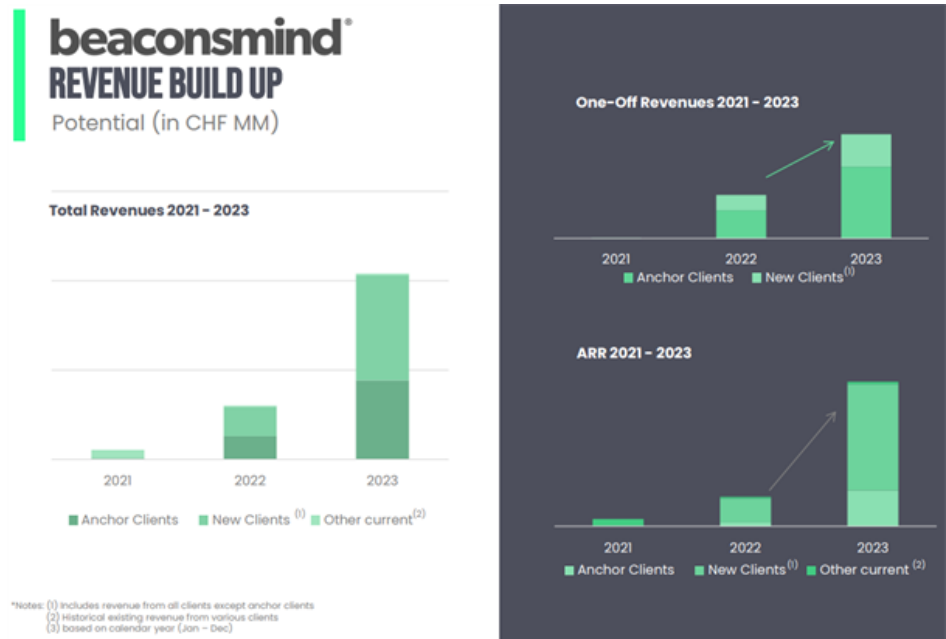


source: beaconsmind presentation, March 2022

Aside from anchor clients, beaconsmind has signed 5 clients in 2021: DEPOT (furniture), Roberto Cavalli (fashion), Maison-B-More (fashion), Bilka (supermarkets) and Salling Group (department store). According to beaconsmind, those contracts combined represent over 740 potential stores

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(after the full rollout), i.e. hardware & installation revenues of c.CHF0.60m and non-cumulative recurring software revenues of c.CHF1.20m. It has also signed 2 clients so far in 2022: NOVE25 (jewellery) and Prodes Praha (fashion). As the company talks about signing other quality names with significant networks (such as Kiko Milano, Carrefour and others) in the coming years (2021-24), the anchor client's share in group revenues is expected to gradually decrease (from c.95% of FY2020/21 revenues to c.39% of total by 2023e).



source: beaconsmind presentation, March 2022 – based on calendar year (Jan-Dec)

International ambitions

beaconsmind clients were initially mainly located in Switzerland. However, with the deployment of the anchor client contracts (see mapping above) and thanks to its diversification strategy, the company is quickly expanding its geographical footprint. It has acquired specific licenses where required (anti-spy certification in Russia, China).

beaconsmind intends to open three international outposts, first in the Middle East (completed in 2021), then APAC (planned for 2022), and finally in the US (planned for 2022/2023).

The Middle East was chosen as a fixed point of expansion for several reasons: 1/ retail companies in the region have a strong affinity for technology and location-based marketing; 2/ thanks to its geographical location, it can serve as a hub between Europe, the Gulf region and Asia, allowing for optimal sales coordination; 3/ the sanitary situation there was brought under control relatively quickly compared to other markets.

For the opening of its UAE office in May 2021, beaconsmind has partnered with Seed Group, a holding company owned by the royal family of Dubai, which owns a significant portfolio of hotels, dining, retail and wellness locations across the Middle East, Europe and Asia (Emirates airlines, Jumeirah Hotels & Resorts...), i.e. a market with CHF40m sales potential in the next 5 years.

Five months after its implementation there, beaconsmind announced in

October 2021 its first local contract with Maison-B-More, a fashion luxury group based in Dubai, part of the Fanar Group (a major conglomerate that operates hotels in the UAE and Switzerland, holiday villages, suites and restaurants, among others, and with which beaconsmind is currently actively negotiating the deployment of its solutions for the hospitality sector). The swift conclusion of the contract demonstrates the strong local demand for solutions that add value to physical stores and, more generally, digital transformation. For beaconsmind, this new contract, won only two months after the one signed with Roberto Cavalli, confirms the acceleration of its business cycle and validates beaconsmind's international development strategy.

All in all, thanks to the ongoing diversification strategy, beaconsmind expects to generate by 2023e c.53% of revenues in Europe, 39% in Asia, 1% in North America, 1% in South & Middle America, 1% in Africa and 5% in the rest of the world (source: beaconsmind presentation, March 2022).

Competition

The market is characterized by a low level of competition with few independent players. Some competitors have been bought out by large international players (like Swirl Networks, acquired by BestBuy in 2019 to exclusively work for them).

The group has a few advantages versus competition in location-based marketing:

- 1/ Competitors are either pure hardware or pure software players, which makes beaconsmind uniquely positioned as a solution encompassing both hardware and software;
- 2/ beaconsmind is strategically focused on the retail sector, whereas other players focus more on asset tracking, supply chains and smart buildings;
- 3/ Competitors' beacons range from \$25 to \$65 in price vs. c.\$94 for beaconsmind, but competitors' devices require a new battery approximately every 18 months (c.CHF300/store for each replacement) whereas beaconsmind's does not require any maintenance because they are directly integrated into the lighting rails i.e. they are always powered up.

Note that it could be envisaged that one of the clients decides to acquire the company in order to take over the value chain instead of subcontracting, as has been observed with competitors.

Main risks

Strong dependence on large contracts. Profitability is highly correlated to a limited number of customer accounts, notably one anchor client (c.95% of FY2020/21 total revenue), meaning that there is a substantial financial risk if they lose any of those contracts. Although anchor clients' weight in total revenues is expected to be reduced to c.39% by 2023e, it would remain significant.

Intellectual property. The company did not acquire any patent. Especially not for the software, as such (which is not aimed at commercial use and does not constitute a technical contribution) is not patentable. Like a literary work, *Suite Software* is protected by copyright.

Data security. As it collects private data, beaconsmind remains exposed to a cybersecurity risk that could harm its business and reputation. For protection,

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the company has various data security certifications: Cloud Security Alliance (CSA), EU General Data Protection Regulation 2016/679 (GDPR). Since beaconsmind uses the customer's existing mobile app, the GDPR responsibility lies with the client *a priori*.

The resurgence of the pandemic. As the sanitary crisis and the resulting delays in contracts have slowed down the development of the business, a new wave of lockdowns could have a significant impact on the company's activities.

The Russo-Ukrainian war. The current macro environment is also causing contract delays. beaconsmind was expected to equip 398 stores in the Commonwealth of Independent States (ex-Soviet Union) region, which accounts for c.2.5% of Anchor client's total store count. This portion of the cake, however, is on hold until (if?) the geopolitical crisis is resolved...

Sales outlook

Our forecasts, which could have been more bullish, account for the current macroeconomic environment (resurgence of COVID-19 cases, Russo-Ukrainian war, etc).

They are based on the indicative projections provided by beaconsmind regarding ARR. According to the company, the share of recurring revenues is expected to grow from 22% in FY2020/21 (quite low due to a large number of stores' set ups, i.e. extra one-off revenues) to 66% in FY2023/24e (see table below).

CHF m	FY20/21 (a)	FY21/22 (e)	FY22/23 (e)	FY23/24 (e)
Hardware & Installation	0,608	0,948	2,904	6,117
Anchor clients	0,608	0,559	1,280	2,364
New clients	0,000	0,389	1,624	3,753
ARR (Suite Software)	0,171	0,623	3,186	11,636
Anchor clients	0,132	0,354	1,346	4,488
New clients	0,000	0,269	1,840	7,148
Other	0,039	0,000	0,000	0,000
Total sales	0,779	1,571	6,090	17,753
<i>ARR % of revenue</i>	22%	40%	52%	66%
Anchor clients	0,740	0,913	2,626	6,852
<i>Anchor clients % total sales</i>	95%	58%	43%	39%
New clients	0,000	0,658	3,464	10,901
Other	0,039	0,000	0,000	0,000

source: beaconsmind revenues, AlphaValue estimates – based on fiscal year (end-June)

NB: 'Other' refers to historical existing revenues from various clients.

Divisional Breakdown Of Revenues

	06/21A	06/22E	06/23E	06/24E	Change 21E/20		Change 22E/21E	
					CHFth	of % total	CHFth	of % total
Total sales	779	1,571	6,090	17,753	792 ↑	100%	4,519 ↑	100%
<i>O/w organic growth (%)</i>	56.0	102	288	192	46	6%	186	4%
Other	779	1,571	6,090	17,753	792	100%	4,519	100%

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Key Exposures

	Revenues	Costs	Equity
Dollar	10.0%	10.0%	10.0%
Emerging currencies	5.0%	5.0%	5.0%
Euro	60.0%	60.0%	60.0%
Long-term global warming	2.0%	2.0%	2.0%

Sales By Geography

EMEA	100.0%
------	--------

We address exposures (eg. how much of the turnover is exposed to the \$) rather than sensitivities (say, how much a 5% move in the \$ affects the bottom line). This is to make comparisons easier and provides useful tools when extracting relevant data.

Actually, the subject is rather complex on the ground. The default position is one of an investor managing in €. An investor in £ will obviously not react to a £ based stock trading partly in € as would a € based investor. In addition, certain circumstances can prove difficult to unravel such as for eg. a € based investor confronted to a Swiss company reporting in \$ but with a quote in CHF... Sales exposure is probably straightforward but one has to be careful with deep cyclicals. Costs exposure is a bit less easy to determine (we do not allow for hedges as they can only be postponing the day of reckoning). How much of the equity is exposed to a given subject is rarely straightforward but can be quite telling

In addition, subjects are frequently intertwined. A \$ exposure may encompass all revenues in \$ pegged currencies and an emerging currency exposure is likely to include \$ pegged currencies as well.

Exposure to global warming issues is frequently indirect and may require to stretch a bit imagination.

Money Making

The business model is articulated around two sources of revenue: 1/ hardware revenues (sale and installation of the hardware i.e. one-offs); 2/ recurring SaaS revenues (subscription to have access to the software solution).

Hardware revenues (average gross margin c.40%)

When the company acquires a new client or sets up new stores, it generates one-off revenues related to the sale and the installation of the hardware.

For each POS, the team determines the number of beacons that would be required (generally 5-10 beacons per average store depending on coverage needed), based on the size of the store and the features purchased. The device costs min. \$94 (CHF87) and the installation fee starting at \$196 (CHF181) per POS, depending on the number of beacons and the size of the store.

Recurring SaaS revenues (average gross margin c.90%)

Clients pay a subscription to have access to 'beaconsmind Suite' software, with a minimum commitment period of 12 months. Most clients pay on a monthly basis and some pre-pay for the whole year. For instance, the biggest anchor client of the company pays its software license twelve months in advance.

Depending on the features selected (traffic solutions, customer experience, full marketing suite...), the pricing starts at \$97 (CHF90) per POS per month:

- 'Traffic solutions' is the cheapest offer, conceived notably for large areas such as shopping malls. It enables shoppers' localisation/identification in-store and traffic and layout analysis.
- 'Customer Experience' is designed for multichannel retail, to strengthen customers' loyalty thanks to personalised interactions. Based on their purchase patterns and locations in the store, shoppers receive personalised notifications (push messages, coupons, combined offers...) via the retailer's app, directly to their mobile devices. Retailers can check the return in real time after sending the push notification (how many customers opened it, etc.).
- The 'Full Marketing suite' delivers all the services above as well as deep analytics tools. The analytics feature costs approximatively \$600 per POS per month (CHF547).
- 'Bring it to me' is a special feature developed for Adidas which allows in-store shoppers to scan a product using the retailer app, select their size and then click on a button to have the item brought to them by a salesperson.

According to the company, the share of recurring revenues is expected to grow from 22% in FY20 (quite low due to a large number of stores' set ups, i.e. extra one-off revenues) to c.56% in 2023e, and c.78% in 2025e (source: beaconsmind presentation, March 2022).

Asset light, highly cash generative business model

beaconsmind benefits from an asset light business model (software developed

internally; hardware manufacturing and installation sub-contracted to suppliers) and improving gross margins (thanks to the recurring revenue model).

To maximise cost-efficiency, beaconsmind employs external developers to work on the software's features remotely. The group does not hold inventories (hardware orders are done on-demand) and suppliers (manufacturing and installation) are paid 30 days after job completion, i.e. after receiving clients' payment. The group thus benefits from early customer payments and late supplier payments. This, combined with a very low level of capex (c.4% of sales) provides a highly cash generative business model.

Since 2021, the company has a more diverse supplier network with lower hardware production costs, which helps to further boost margins. This, combined with the steadily growing portion of ARR, should result in a gradual increase in gross margins.

Note that, due to the pandemic, the FY20 accounts are unusual and do not reflect the company's full potential. The presence of inventories is due to contracts delays, and the increase in operating fixed costs is due to capacity build-up. We anticipate that this effect will persist (to a lesser extent) in FY21e due to the Russo-Ukrainian war.

Prospects

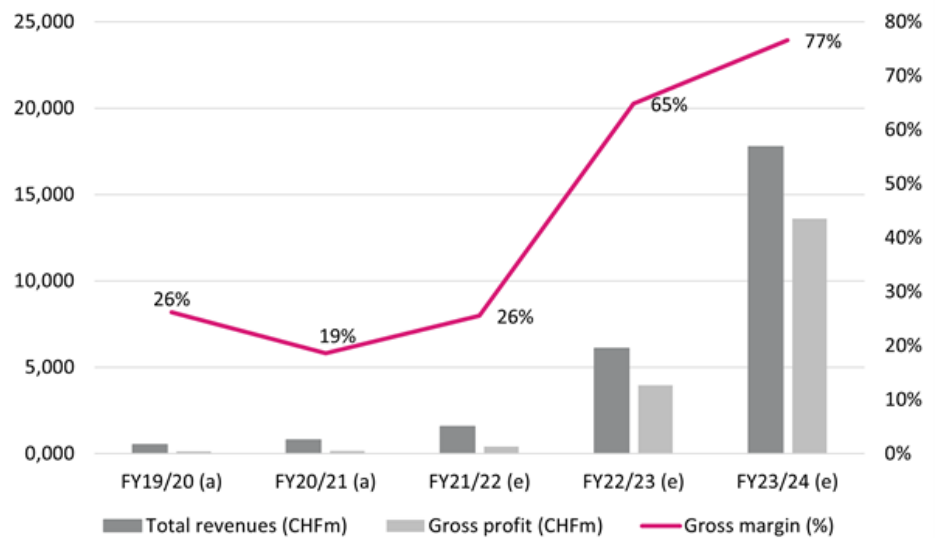
beaconsmind has a huge growth potential, with a total addressable market of over 115,000 stores within its current clients' base (source: beaconsmind presentation, March 2022).

Thanks to the roll-out of anchor client contracts and new global contracts in the pipeline (quality names with significant networks such as Sephora, Ikea...), we expect very strong revenue growth, with a CAGR of 143% p.a. for FY19-23e, and a positive EBITDA from FY22e.

We anticipate gross margin expansion (from 26% in FY19 to c.77% in FY23e) as the recurring revenue base grows (ARR to increase from 22% in FY20 to c.66% in FY23e). Note that the decline in gross margins in FY20 is due to the higher portion of one-off revenues related to the set-up of new stores.

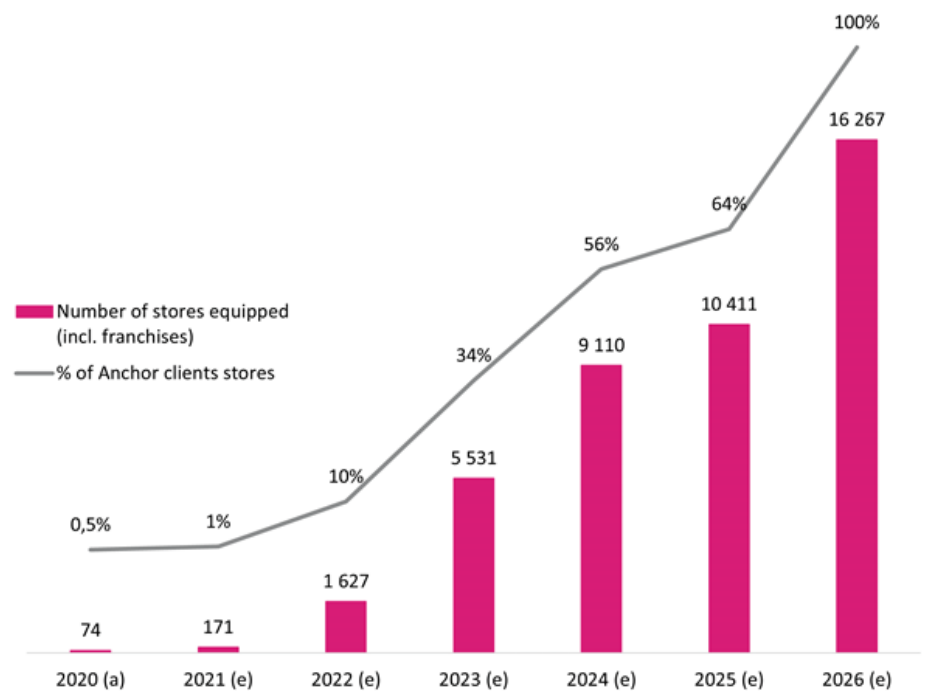
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Gross margin evolution



source: AlphaValue estimates – based on fiscal year (end-June)

Anchor clients: cumulative rollout in numbers



source: AlphaValue, beaconsmind estimates – based on calendar year (Jan-Dec)

Divisional EBITDA/R

	06/21A	06/22E	06/23E	06/24E	Change 21E/20		Change 22E/21E	
					CHFth	of % total	CHFth	of % total
Total	-2,032	-2,199	1,097	8,940	-167 ↓	100%	3,296 ↑	100%
Other/cancellations	-2,032	-2,199	1,097	8,940	-167 ↓	100%	3,296 ↑	100%

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Divisional EBITDA/R margin

	06/21A	06/22E	06/23E	06/24E
Total	-261%	-140%	18.0%	50.4%

Valuation

DCF

The highly cash generative business model (see *Money Making*) is reflected in the significant upside implied by our DCF valuation.

Being an ambitious player in a buoyant market, the company is expected to grow exponentially in the coming years (acquiring major clients, international development). We assume 10% sales growth per year in the long term as the pace of revenue growth is expected to gradually slow down as the business becomes profitable. Margins increase with the growing portion of recurring revenues (highly profitable).

NAV

For the calculation of the NAV/SOTP, we separate the subscription/software from the hardware.

To calculate beaconsmind's valuation more accurately, we reference the average EV/Sales multiple found in other companies whose main business model is based on subscriptions, then add premiums to reflect beaconsmind's outperforming potential.

We value the Suite Software with a ratio of 6.0x 2021-24e revenues, as it is developed internally, very hard to replicate and generates recurring revenues which are the main source of income. Considering the hardware (the Bluetooth trackers), we apply a more conservative ratio of 2.0x on the 2021-24e revenues, as the manufacturing and installation are sub-contracted to suppliers.

Peers

beaconsmind's main competitors (Luokung Technology and Swirl Networks) are not covered by analysts and thus cannot be integrated into our peer-based valuation.

The peers we select are: AutoStore (robotic and software technology), ServiceWare (enterprise service management), and Software AG (enterprise integration & IoT platform). These peers closely resemble the business of beaconsmind, while keeping their respective market capitalisation sizes in mind.

Valuation Summary

Benchmarks		Values (€)	Upside	Weight
DCF		53.3	344%	35%
NAV/SOTP per share		25.0	108%	20%
EV/Ebitda	Peers	8.98	-25%	20%
P/E	Peers	6.00	-50%	10%
Dividend Yield	Peers	0.00	-100%	10%
P/Book	Peers	6.00	-50%	5%
Target Price		26.3	119%	



Calculate your Target Price
Edit and modify weightings
to match your valuation principles

beaconsmind AG (Buy- Under Review -)

Comparison based valuation

Computed on 18 month forecasts	P/E (x)	Ev/Ebitda (x)	P/Book (x)	Yield(%)
Peers ratios	25.6	16.7	2.77	0.59
beaconsmind AG's ratios	53.2	23.6	5.90	0.00
Premium	0.00%	0.00%	0.00%	0.00%
Default comparison based valuation (€)	6.00	8.98	6.00	0.00
AutoStore	31.9	20.2	4.09	0.00
Software AG	16.6	11.6	1.49	2.22
ServiceWare	45.5	15.7	2.43	n/a

beaconsmind AG (Buy- Under Review -)



Fine tune DCFs
with your own assumptions



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DCF Valuation Per Share

WACC	%	11.0	Avg net debt (cash) at book value	CHFth	-4,080
PV of cashflow FY1-FY11	CHFth	53,328	Provisions	CHFth	-16.0
FY11CF	CHFth	23,036	Unrecognised actuarial losses (gains)	CHFth	0.00
Normalised long-term growth "g"	%	2.00	Financial assets at market price	CHFth	0.00
Sustainability "g"	%	2.25	Minorities interests (fair value)	CHFth	0.00
Terminal value	CHFth	263,265	Equity value	CHFth	150,142
PV terminal value	CHFth	92,718	Number of shares	Th	2,689
<i>PV terminal value in % of total value</i>	%	63.5	Implied equity value per share	€	53.3
Total PV	CHFth	146,046	Sustainability impact on DCF	%	1.75

Assessing The Cost Of Capital

Synthetic default risk free rate	%	3.50	Company debt spread	bp	200
Target equity risk premium	%	5.00	Marginal Company cost of debt	%	5.50
Tax advantage of debt finance (normalised)	%	30.0	Company beta (leveraged)	x	1.38
Average debt maturity	Year	5	Company gearing at market value	%	-11.7
Sector asset beta	x	1.50 ⁽¹⁾	Company market gearing	%	-13.2
Debt beta	x	0.40	Required return on geared equity	%	10.4
Market capitalisation	CHFth	33,832	Cost of debt	%	3.85
Net debt (cash) at book value	CHFth	-3,952	Cost of ungeared equity	%	11.0
Net debt (cash) at market value	CHFth	-3,952	WACC	%	11.0

1. 1.5 beta to reflect the start-up nature of the company

DCF Calculation

		06/21A	06/22E	06/23E	06/24E	Growth	06/25E	06/32E
Sales	CHFth	779	1,571	6,090	17,753	10.0%	19,529	38,056
EBITDA	CHFth	-2,032	-2,199	1,097	8,940	16.4%	10,406	30,127
<i>EBITDA Margin</i>	%	-261	-140	18.0	50.4		53.3	79.2
Change in WCR	CHFth	-128	-97.3	-193	-759	2.00%	-774	-889
Total operating cash flows (pre tax)	CHFth	-2,159	-2,298	902	8,180		9,632	29,238
Corporate tax	CHFth	-0.29	0.00	-292	-2,575	9.00%	-2,807	-5,131
Net tax shield	CHFth	-2.72	-0.42	-0.42	-0.42	8.00%	-0.45	-0.78
Capital expenditure	CHFth	-5.79	-62.8	-244	-710	10.0%	-781	-1,522
<i>Capex/Sales</i>	%	-0.74	-4.00	-4.00	-4.00		-4.00	-4.00
Pre financing costs FCF (for DCF purposes)	CHFth	-2,168	-2,361	366	4,894		6,044	22,584
Various add backs (incl. R&D, etc.) for DCF purposes	CHFth							
Free cash flow adjusted	CHFth	-2,168	-2,361	366	4,894		6,044	22,584
Discounted free cash flows	CHFth	-2,168	-2,361	330	3,972		4,419	7,954
Invested capital	CHF	-0.02	0.24	0.46	1.25		1.38	2.68

beaconsmind AG (Buy- Under Review -)

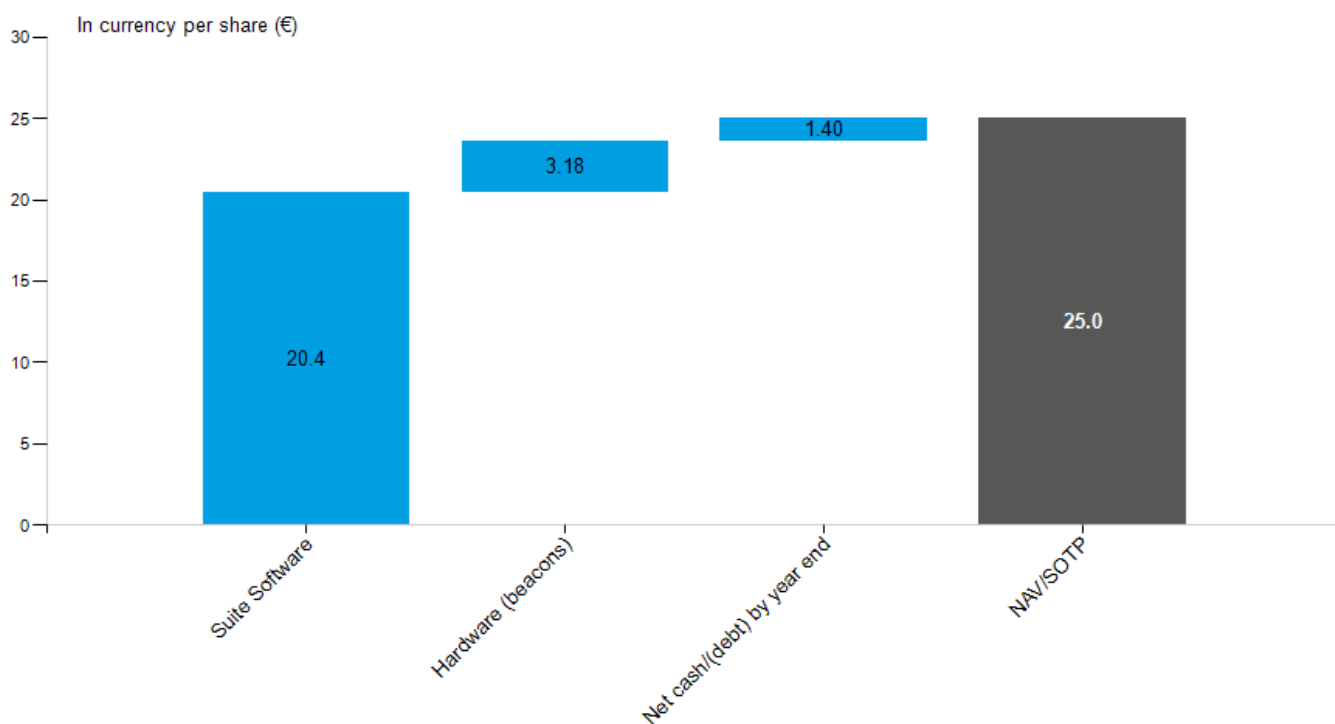


NAV/SOTP fine tuning


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NAV/SOTP Calculation

	% owned	Valuation technique	Multiple used	Valuation at 100% (CHFth)	Stake valuation (CHFth)	In currency per share (€)	% of gross assets
Suite Software	100%	EV/Sales	6	57,570	57,570	20.4	86.5%
Hardware (beacons)	100%	EV/Sales	2	8,970	8,970	3.18	13.5%
Other							
Total gross assets					66,540	23.6	100%
Net cash/(debt) by year end					3,952	1.40	5.94%
Commitments to pay							
Commitments received							
NAV/SOTP					70,492	25.0	106%
Number of shares net of treasury shares - year end (Th)					2,689		
NAV/SOTP per share, in account currency (CHF)					26.2		
NAV/SOTP per share, in quote currency (€)					25.0		
Current discount to NAV/SOTP (%)					52.0		



Debt

The company is currently well funded and has a robust liquidity position (net cash at CHF5.5m on 31 December 2021). It has reimbursed its COVID-19 credit of CHF 45k in advance (contracted in March 2020, interest 0%, maturity 5 years), so its gross debt now only consists in loans from the CEO Mr. Weiland (CHF15k).

So far, the group has carried out several capital increases, raising over CHF9.2m since FY19 (including CHF5.8m in December 2021). The equity financings provide funds to support the group's growth strategy while preserving a strong financial position, confirming beaconsmind's compelling business model.

Detailed financials at the end of this report

Funding - Liquidity

		06/21A	06/22E	06/23E	06/24E
EBITDA	CHFth	-2,032	-2,199	1,097	8,940
Funds from operations (FFO)	CHFth	-2,041	-2,203	801	6,361
Ordinary shareholders' equity	CHFth	630	4,313	5,089	12,436
Gross debt	CHFth	60.0	15.0 ⁽²⁾	15.0	15.0
+ Gross Cash	CHFth	675	3,967	4,222	8,993
= Net debt / (cash)	CHFth	-615	-3,952 ⁽²⁾	-4,207	-8,978
Gearing (at book value)	%	-43.9	-53.0	-80.2	-53.0
Equity/Total asset (%)	%	1,714	1,250	588	361
Adj. Net debt/EBITDA(R)	x	0.30	1.80	-3.84	-1.00
Adjusted Gross Debt/EBITDA(R)	x	-0.04	0.00	0.00	0.00
Adj. gross debt/(Adj. gross debt+Equity)	%	11.5	-0.02	-0.03	-0.02
Ebit cover	x	-230	-1,094	467	ns
FFO/Gross Debt	%	-2,489	ns	-48,331	-273,759
FFO/Net debt	%	332	55.7	-19.0	-70.9
FCF/Adj. gross debt (%)	%	-2,652	ns	-22,036	-210,578

2. The company reimbursed its COVID-19 credit of CHF 45k in advance, so its gross debt now only consists in long-term interest-bearing liabilities owed to shareholders (CHF15k).

Worth Knowing

Shareholders

The identity of the largest shareholder (an international institutional investor referred to as 'anchor investor'), who acquired a stake in beaconsmind in December 2021, has not been disclosed.

The shareholders include or included:

- Max Weiland: the company's founder, CEO, Chairman and one of its largest shareholders (he was the largest, with a stake of c.24% until the capital increase of CHF5.8m in December 2021).
- Strategic Venture Partners (through SVP Europe): an asset manager investing in growth companies in the tech and software sectors. It held a stake of c.19% at the time of the IPO. We do not know if it is still a shareholder because beaconsmind does not detail its ownership structure.
- OSRAM (through Fluxunit GmbH): a high-tech photonics company that is increasingly focusing on sensor technology, visualization and treatment by light. OSRAM aims to strengthen its relationship with software companies to gain knowledge, as it intends to integrate a software solution to complement its hardware offering. Investing in beaconsmind therefore represents a competitive argument to win more contracts. The company held a stake of c.12% at the time of the IPO. We do not know if it is still a shareholder because beaconsmind does not detail its ownership structure.

Groupe structure

beaconsmind AG (Stäfa, Switzerland) is the parent company. It has two subsidiaries at the moment:

- beaconsmind Deutschland GmbH (Munich, Germany), which is wholly owned;
- beaconsmind MENA Data LLC (Dubai, UAE), a joint-venture with Seed Group, the holding company of the royal family of Dubai (49% owned by beaconsmind / 51% owned by Seed Group).

Listing

When we initiated coverage of beaconsmind, it was listed on Euronext Access and the Vienna Stock Exchange's MTF (direct market plus).

As part of its growth financing, the company has been listed on the Frankfurt Stock Exchange (in the Scale segment) since April 2022. It was delisted from the Vienna Stock Exchange on 18 March 2022, and it will be delisted from Euronext in the coming months. The re-listing benefits the company by providing a more simplified listing structure and a broader range of potential investors.

Reporting period and currency

beaconsmind's fiscal year ends on 30 June, but it communicates its guidance and KPIs based on the calendar year (January-December).

The company intends to change its reporting period in 2023, aligning its fiscal

year with the calendar year. It also plans to switch its reporting currency from CHF to EUR from 2023 onwards. We consider this reporting change to be positive, as it will make the accounts much more readable and comparable.

Shareholders

Name	% owned	Of which % voting rights	Of which % free to float
Undisclosed investor	24.5%	24.5%	0.00%
Max Weiland	18.6%	18.6%	0.00%
Other undisclosed large investors	11.3%	11.3%	0.00%
Board & Employees	4.10%	4.10%	0.00%
Apparent free float			41.5%

Sustainability

Due to the industry in which it operates, we believe the firm is or will become sustainable. Indeed, the dark point comes with the lack of data reported on the environmental and social aspect, but this is typical for a company of this size. We expect these gaps to be filled as the reporting improves.

Sustainability score

Sustainability is made of analytical items contributing to the E, the S and the G, that can be highlighted as sustainability precursors and can be combined in an intellectually acceptable way. This is the only scale made available

	Score	Weight
Governance		
Independent directors rate	10/10	25%
Board geographic diversity	8/10	20%
Chairman vs. Executive split	✘	5%
Environment		
CO ² Emission	1/10	25%
Water withdrawal	4/10	10%
Social		
Wage dispersion trend	0/10	5%
Job satisfaction	10/10	5%
Internal communication	10/10	5%
<hr/>		
Sustainability score	5.8/10	100%

beaconsmind AG (Buy- Under Review -)

Governance & Management

beaconsmind has four directors on its board, all of whom we consider as independent. As is often the case for startups, there is no chairman versus executive split. Although Max Weiland is the founder, CEO and Chairman, this does not pose a conflict-of-interest problem as he is also the one of the largest shareholders of the company (c.19% stake).

Governance score

Company (Sector)

7.8 (6.7)

Independent board

Yes

Parameters	Company	Sector	Score	Weight
Number of board members	4	8	10/10	5.0%
Board feminization (%)	0	20	1/10	5.0%
Board domestic density (%)	25	72	8/10	10.0%
Average age of board's members	39	56	10/10	5.0%
Type of company : Small cap, controlled			4/10	10.0%
Independent directors rate	100	46	10/10	20.0%
One share, one vote			✓	10.0%
Chairman vs. Executive split			✗	0.0%
Chairman not ex executive			✗	5.0%
Full disclosure on mgt pay			✗	5.0%
Disclosure of performance anchor for bonus trigger			✓	5.0%
Compensation committee reporting to board of directors			✓	5.0%
Straightforward, clean by-laws			✓	15.0%
Governance score			7.8/10	100.0%

Management

Name		Function	Birth date	Date in	Date out	Compensation, in kCHF (year)	
						Cash	Equity linked
Max WEILAND	M	CEO	1985	2015		293 (2020)	0.00 (2020)
Anna LANGENBACH	F	COO	1980	2018		(2020)	(2020)
Christin ADLER	F	Head of Human Resources		2015		(2020)	(2020)
Alessandro NARDIELLO	M	Senior Executive		2021			

Board of Directors

Name		Indep.	Function	Completion of current mandate	Birth date	Date in	Date out	Fees / indemnity, in kCHF (year)	Value of holding, in kCHF (year)
Max WEILAND	M		✓	President/Chairman of th...	1985	2015		13.8 (2020)	0.00 (2020)
Jörg HENSEN	M		✓	Member		2020		17.3 (2020)	0.00 (2020)
Michal KRUPINSKI	M		✓	Member	1981	2020		7.50 (2020)	0.00 (2020)
Edwin NAVEZ	M		✓	Member		2020		13.8 (2020)	0.00 (2020)

beaconsmind AG (Buy- Under Review -)

Environment

Unfortunately, beaconsmind does not provide any quantitative data on its carbon emissions or other environmental metrics. Hence, the very bad grade granted to the firm. We expect the score to improve as beaconsmind grows and begins to report on its environmental impact. Note that, due to the type of activity, its environmental footprint is most likely to be low.

Environmental Score

Data sets evaluated as trends on rolling calendar, made sector relative













Parameters	Score	Sector	Weight
Energy	2/10	4/10	25%
CO ² Emission	1/10	6/10	30%
Waste	4/10	5/10	15%
Water withdrawal	4/10	5/10	30%

Company (Sector)

2.60 (4.90)

Environmental metrics

Sector figures

Company	Country	Environment score	Energy (total, in GJ)	CO2 Emissions (in tons)	Water Withdrawal (in m3)	Waste (total, (in tons)
EQS Group		6/10	4,175	404,167	311	
NFON AG		3/10		650		
beaconsmind AG		3/10				
SAP		7/10	2,494,800	410,000	988,000	134
Sage Group (the)		7/10	65,781	5,240	19,000	298
Dassault Systèmes		7/10	236,365	19,960	129,893	74
Ubisoft Entertainment		5/10	263,549	18,421	49,067	
Software AG		8/10	25,825	1,761	6,151	
Temenos		8/10	32,850	5,697	16,178	100
CompuGroup Medical		3/10				
NEMETSCHEK GROUP		3/10				
CD Projekt		3/10				

beaconsmind AG (Buy- Under Review -)

Social

beaconsmind, like many other companies of its size, does not provide much information about its social policies, which explains its score. There are some gaps, but we expect them to be filled as the reporting improves.

Social score

Company (Sector)

5.0

(6.0)

Quantitative metrics (67%)

Set of staff related numerical metrics available in AlphaValue proprietary modelling aimed at ranking on social/HR matters

Parameters	Score	Weight
Staffing Trend	9/10	20%
Average wage trend	1/10	35%
Share of added value taken up by staff cost	1/10	25%
Share of added value taken up by taxes	1/10	20%
Wage dispersion trend	0/10	0%
Pension bonus (0 or 1)	0	
Quantitative score	2.6/10	100%



















Qualitative metrics (33%)

Set of listed qualitative criterias and for the analyst to tick

Parameters	Score	Weight
Accidents at work	10/10	25%
Human resources development	10/10	35%
Pay	10/10	20%
Job satisfaction	10/10	10%
Internal communication	10/10	10%
Qualitative score	10.0/10	100%

AlphaValue analysts tick boxes on essential components of the social/HR corporate life. Decision about ticking Yes or No is very much an assessment that combines the corporate's communication on relevant issue and the analyst's better judgment from experience.

Qualitative score

Parameters	Yes  / No 	Weight
Accidents at work		25%
Set targets for work safety on all group sites?		10.0%
Are accidents at work declining?		15.0%
Human resources development		35%
Are competences required to meet medium term targets identified?		3.5%
Is there a medium term (2 to 5 years) recruitment plan?		3.5%
Is there a training strategy tuned to the company objectives?		3.5%
Are employees trained for tomorrow's objectives?		3.5%
Can all employees have access to training?		3.5%
Has the corporate avoided large restructuring lay-offs over the last year to date?		3.5%
Have key competences stayed?		3.5%
Are managers given managerial objectives?		3.5%
If yes, are managerial results a deciding factor when assessing compensation level?		3.5%
Is mobility encouraged between operating units of the group?		3.5%
Pay		20%
Is there a compensation committee?		6.0%
Is employees' performance combining group AND individual performance?		14.0%
Job satisfaction		10%
Is there a measure of job satisfaction?		3.3%
Can anyone participate ?		3.4%
Are there action plans to prop up employees' morale?		3.3%
Internal communication		10%
Are strategy and objectives made available to every employee?		10.0%
Qualitative score	10.0/10	100.0%

Staff & Pension matters

beaconsmind employed 20 employees by the end of 2021 and expects to employ 34 people by the end of 2022. Some of the collaborators were externally hired (on demand consulting contracts) and working remotely.

beaconsmind plans to open three new international outposts (one per year), in the Middle East (opened in May 2021), then APAC in 2022, then the US in 2022/2023. We thus expect the number of employees to grow from 10 in FY20 to 43 in FY23e.

Detailed financials at the end of this report

Summary Of Pension Risks

		06/21A	06/22E	06/23E	06/24E
Pension ratio	%	-3.62	-0.37	-0.33	-0.14
Ordinary shareholders' equity	CHFth	630	4,313	5,089	12,436
Total benefits provisions	CHFth	-22.0	-16.0	-16.7	-17.3
<i>of which funded pensions</i>	<i>CHFth</i>	<i>-22.0</i>	<i>-16.0</i>	<i>-16.7</i>	<i>-17.3</i>
<i>of which unfunded pensions</i>	<i>CHFth</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>of which benefits / health care</i>	<i>CHFth</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Unrecognised actuarial (gains)/losses	CHFth	0.00	0.00	0.00	0.00

Geographic Breakdown Of Pension Liabilities

		06/21A	06/22E	06/23E	06/24E
US exposure	%			20.0	20.0
UK exposure	%				
Euro exposure	%				
Nordic countries	%				
Switzerland	%	80.0	60.0	40.0	40.0
Other	%	20.0	40.0	40.0	40.0
Total	%	100	100	100	100

Recent updates

11/01/2022

Initiation of coverage: pioneering location-based marketing in retail

Initiation cov.

beaconsmind AG is a location-based marketing software provider. It allows retailers and consumer goods companies to increase their customers' loyalty and improve their sales thanks to two complementary products: Bluetooth beacons and a cloud-based SaaS suite. While it is presently heavily dependent on one large anchor client, the company is gradually growing and expanding its customer base by winning new contracts.

Recurring revenue profile. beaconsmind equips its clients' physical stores with beacons to locate and identify shoppers in real-time via their mobile app. All the data collected by the beacons is then stored in a cloud-based software developed internally, providing both analytics and marketing services. The business model is thus articulated around two sources of revenue: 1/ hardware revenues (sale and installation of the hardware i.e. one-offs); 2/ recurring SaaS revenues (subscription to gain access to the software solution). The company benefits from an asset-light business model (software developed internally; hardware manufacturing and installation sub-contracted to suppliers) as well as improving gross margins (thanks to the recurring revenue model).

Well positioned in a dynamic market. Location-based marketing (LBM) is at the heart of current marketing trends, with very strong demand both in emerging (Middle East, APAC) and mature markets (Europe, North America). The global market for LBM Services was worth \$38bn in 2020 and is expected to grow to \$134.5bn by 2027 (i.e. an annual growth rate of c.20%). The market is characterized by a low level of competition with few independent players. beaconsmind is uniquely positioned in this market because: 1/ competitors are either pure hardware or pure software players, so it is the only solution encompassing both hardware and software; 2/ it is the only LBM player focused on the retail sector – competitors are more focused on asset tracking, supply chains, and smart buildings.

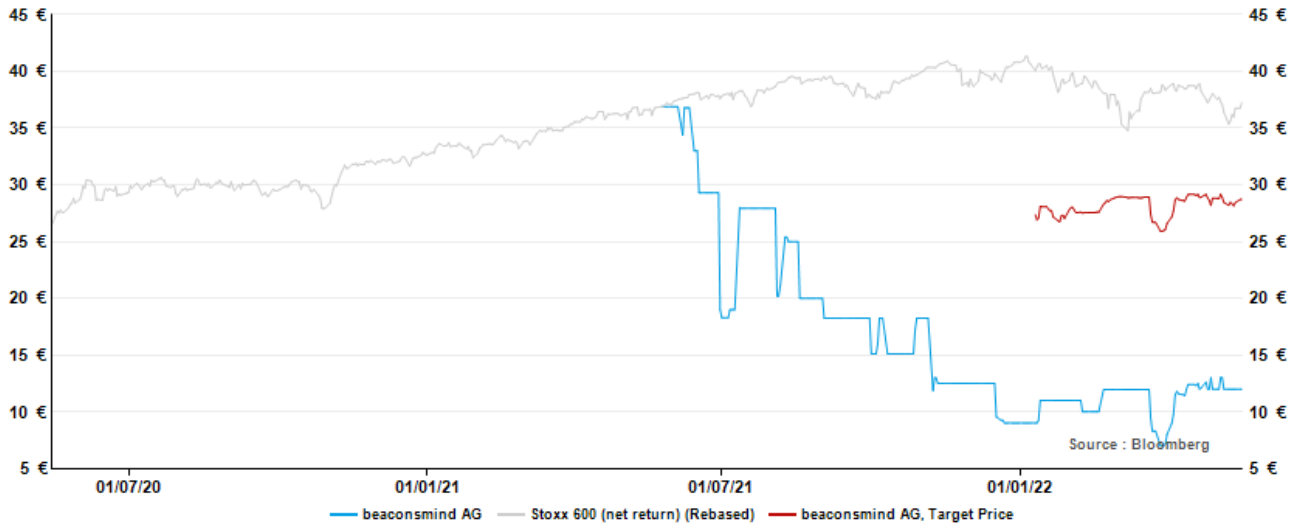
Growing rapidly. Most clients are large retailers (Adidas, Unilever, DEPOT, Roberto Cavalli. etc.) with significant store capex, strong experience, global scalability and online presence. With the deployment of the anchor client contract, the expansion of its customer base and the opening of new offices worldwide, beaconsmind is gradually broadening its geographical footprint. We expect very strong revenue growth, with a CAGR of 134% p.a. for FY19-23e, and a positive EBITDA from FY21e.

We initiate coverage of beaconsmind AG with a Buy recommendation and a target price of €26.9, c.200% above the current share price. We believe that beaconsmind's asset-light business model and recurring revenue profile will put the company in a better position to capitalise on the enormous growth potential in LBM, although a new wave of lockdowns could have a significant impact on the company's operations.

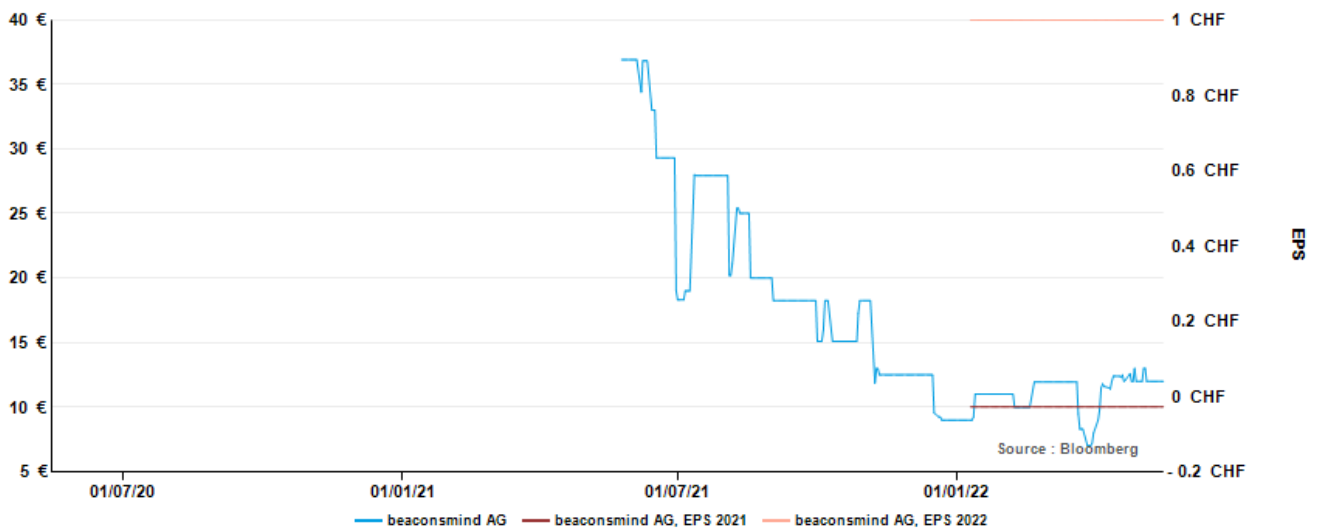
beaconsmind AG (Buy- Under Review -)

beaconsmind AG (Buy- Under Review -)

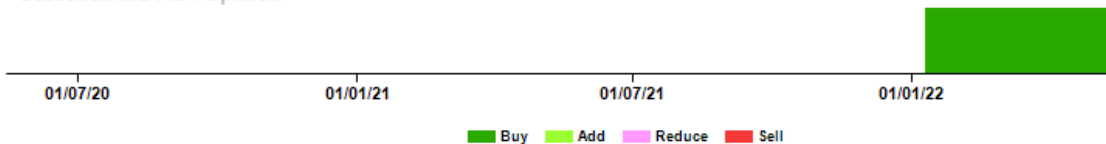
Stock Price and Target Price



Earnings Per Share & Opinion

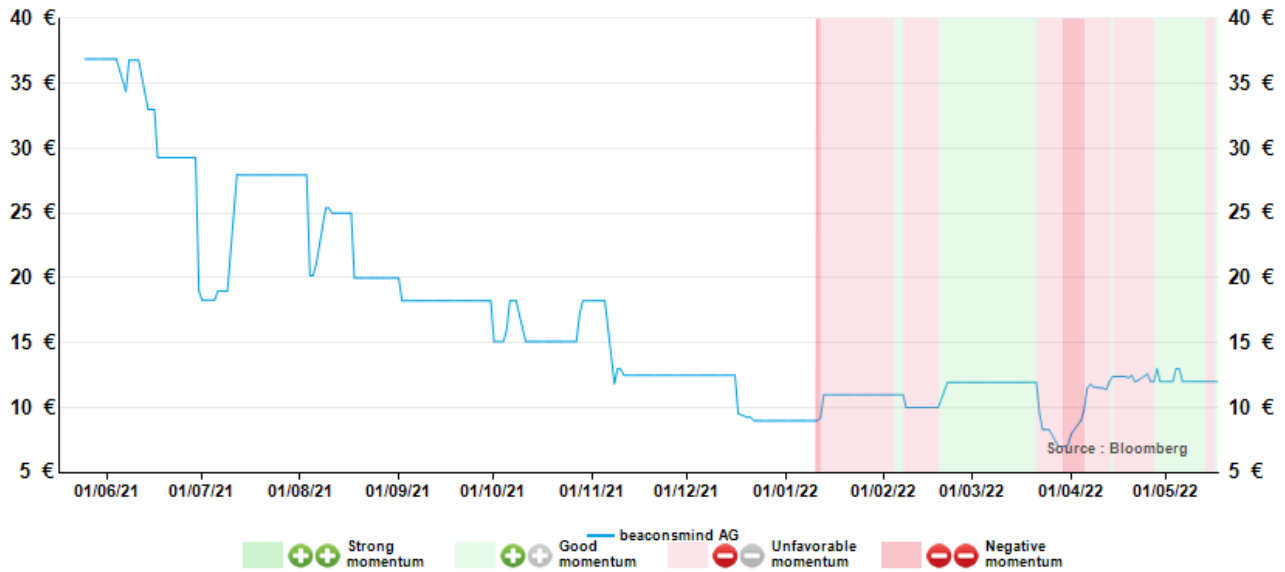


beaconsmind AG : Opinion



beaconsmind AG (Buy- Under Review -)

Momentum

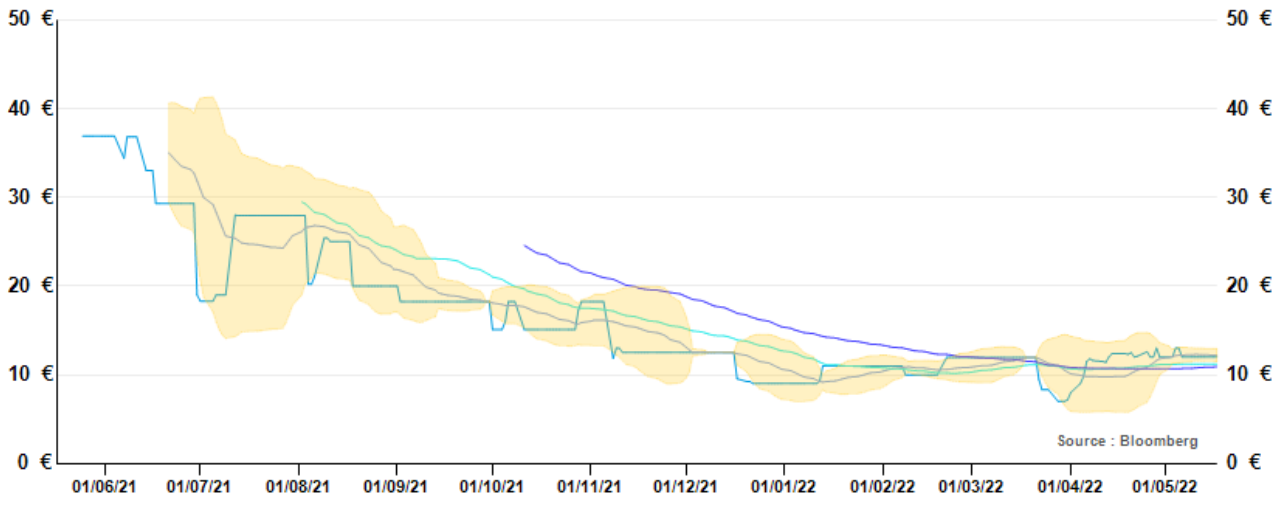


Momentum analysis consists in evaluating the stock market trend of a given financial instrument, based on the analysis of its trading flows. The main indicators used in our momentum tool are simple moving averages over three time frames: short term (20 trading days), medium term (50 days) and long term (150 days). The positioning of these moving averages relative to each other gives us the direction of the flows over these time frames. For example, if the short and medium-term moving averages are above the long-term moving average, this suggests an uptrend which will need to be confirmed. Attention is also paid to the latest stock price relative to the three moving averages (advance indicator) as well as to the trend in these three moving averages - downtrend, neutral, uptrend - which is more of a lagging indicator. The trend indications derived from the flows through moving averages and stock prices must be confirmed against trading volumes in order to confirm the signal. This is provided by a calculation based on the average increase in volumes over ten weeks together with a buy/sell volume ratio.

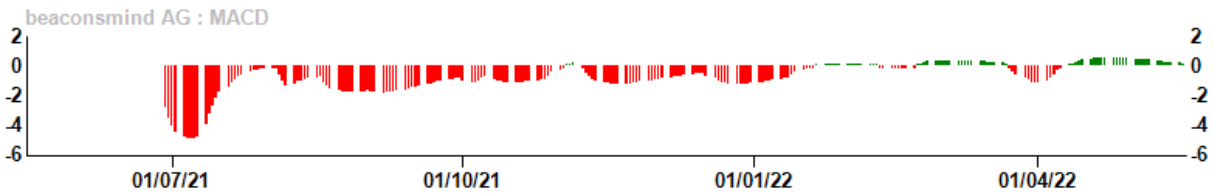
- : Strong momentum corresponding to a continuous and overall positive moving average trend confirmed by volumes
- : Relatively good momentum corresponding to a positively-oriented moving average, but offset by an overbought pattern or lack of confirmation from volumes
- : Relatively unfavorable momentum with a neutral or negative moving average trend, but offset by an oversold pattern or lack of confirmation from volumes
- : Strongly negative momentum corresponding to a continuous and overall negative moving average trend confirmed by volumes

beaconsmind AG (Buy- Under Review -)

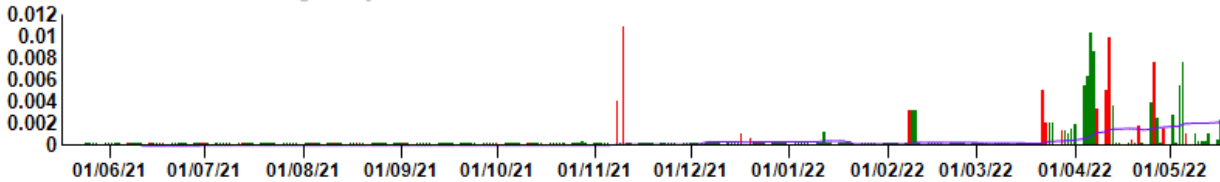
Moving Average MACD & Volume



— beaconsmind AG — MA 20 days — MA 50 days — MA 100 days — Avg volume 50 days — Bollinger(0,0)

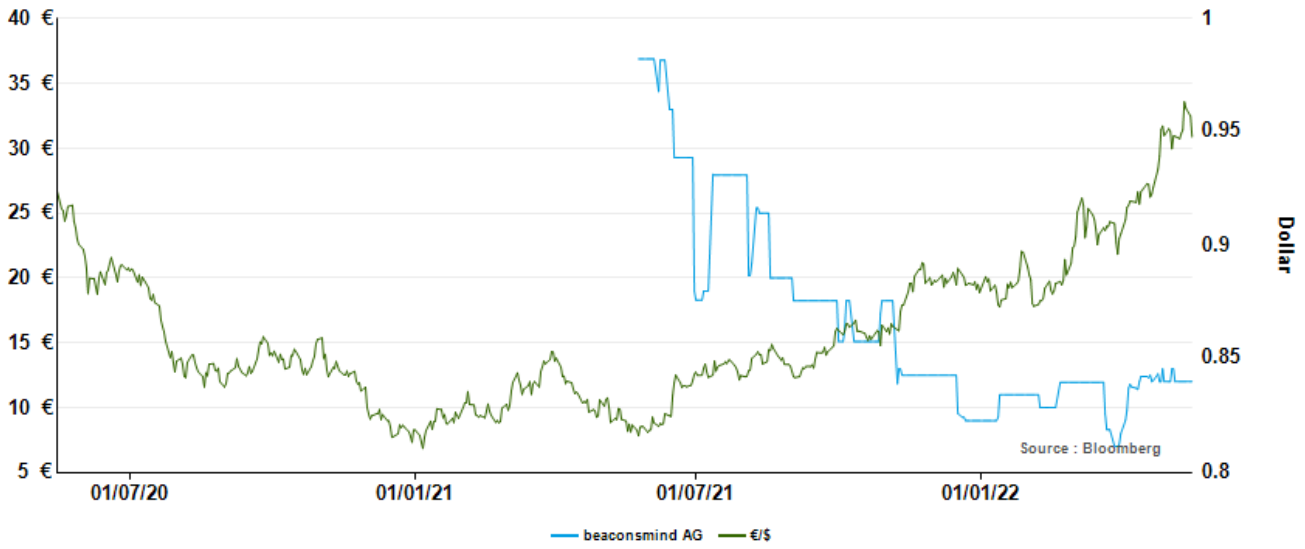


beaconsmind AG : Average daily volume, in million

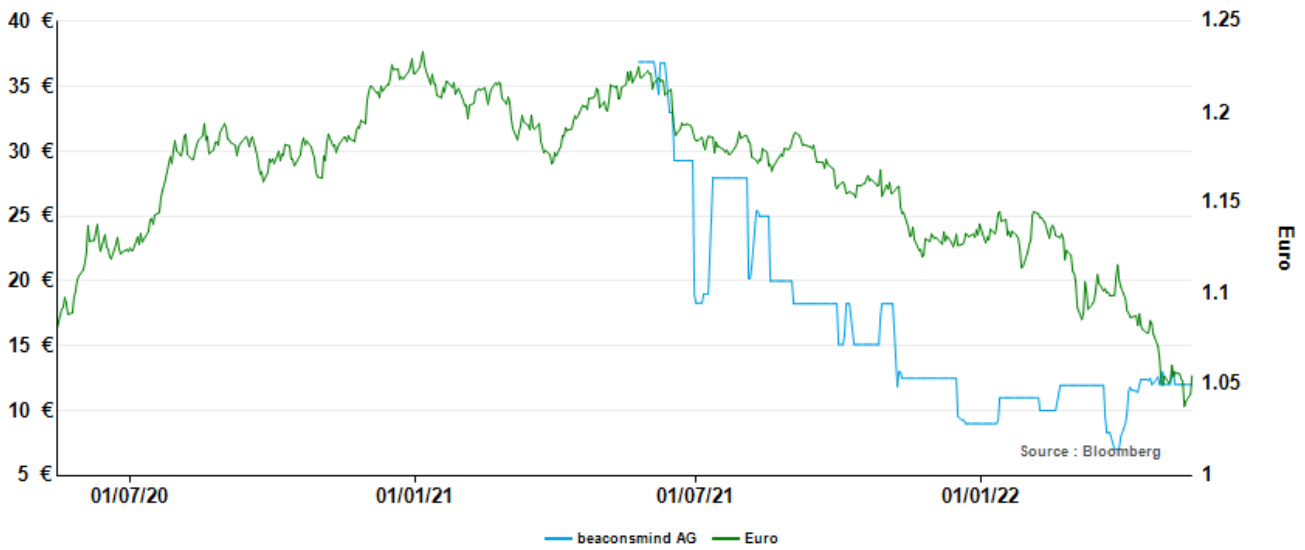


beaconsmind AG (Buy- Under Review -)

€/\$ sensitivity

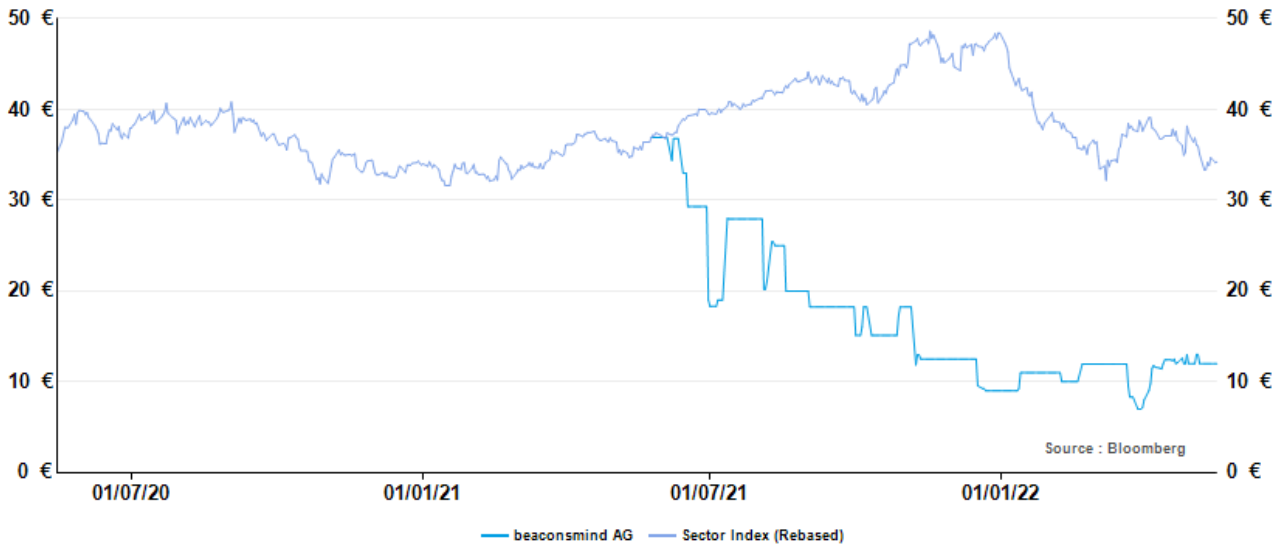


Euro sensitivity



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Sector Software



Application Software

Opinion Change

DOWNGRADES		Reco	Old Reco	Target	Upside
05/04	Sage Group (the)	Reduce	Add	693 p	3.97%

Eps Change

UPGRADES		New	Old	Var.	Reco
02/08	Sage Group (the)	17.1 p	16.5 p	3.46%	Reduce

Sector Overview

MARKET BASICS	SECTOR	AV UNIVERSE
COMPANIES	5	565
MARKET CAP	€M 23,791	€M 11,393,057
UPSIDE	16.9%	15.5%
PRICE MOMENTUM	Unfavorable	UNFAVORABLE
PERF. YTD	-29.28%	-7.36%
PE 2022	31.3 x	14.3 x
DIV. YIELD 2022	1.53%	3.26%
EARN GROWTH 2022/2021	24.0%	0.81%

Recent publications & Updates

EQS GROUP - May 17

New customer momentum expected to accelerate in 2H22

SAGE GROUP (THE) - May 13

New customer wins, renewal rate improvement

EQS GROUP - May 13

1Q22 first take: A weaker start in terms of growth than we expected

TEMENOS - May 03

Which perspective to take? We are seeing a downside risk to the full-year targets

NEMETSCHEK GROUP - May 02

To raise, or not to raise, that is the question

NEMETSCHEK GROUP - Apr 28

1Q22 first take: A muscle flexing quarter

TEMENOS - Apr 26

1Q22 first take: A weaker start than we expected, but in-line with recently lowered consensus in terms of revenues, but a beat on the bottom line

NEMETSCHEK GROUP - Apr 21

1Q22 preview: Sound revenue growth and margin expansion expected

TEMENOS - Apr 12

1Q22 preview: Consensus expects a slow start to the year

EQS GROUP - Mar 30

Riding the whistleblowing wave with the ESG opportunity _in sight

NEMETSCHEK GROUP - Mar 23

As reliable as a Swiss clockwork

NEMETSCHEK GROUP - Mar 22

Final 4Q21 first take: Guidance for 2022 ahead of consensus

EQS GROUP - Mar 16

Successful completion of a capital increase with subscription rights

EQS GROUP - Feb 18

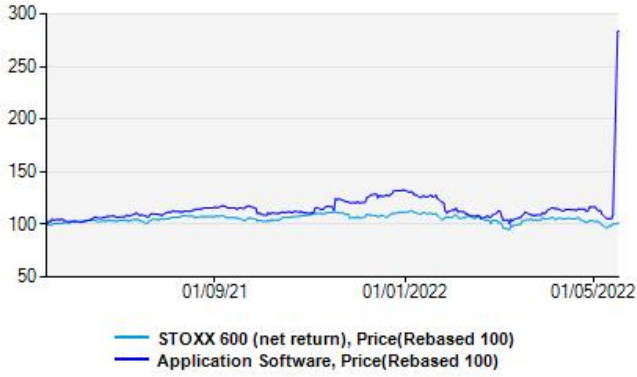
Expansion of the product offering towards ESG

TEMENOS - Feb 17

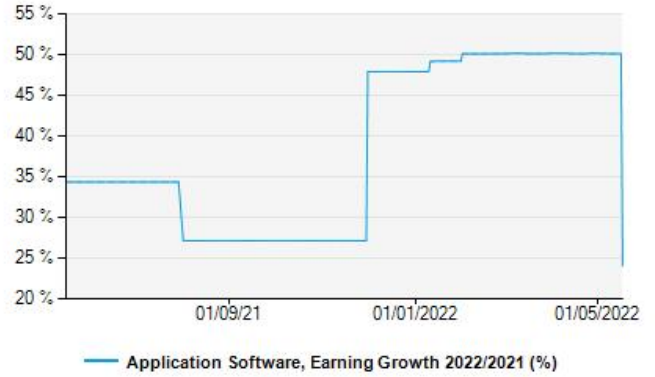
Upgrade from Sell to Reduce

Application Software Charts

Sector Price



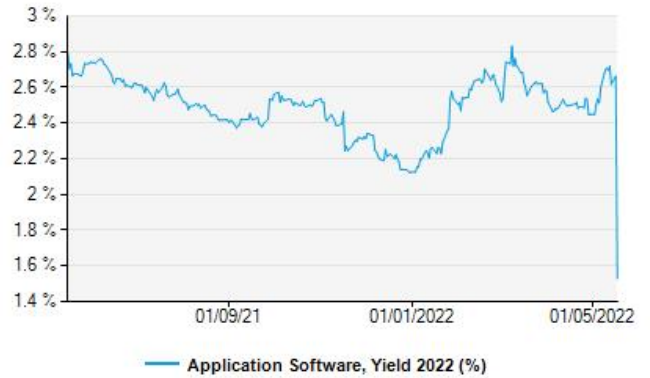
Sector Earning Growth 2022/2021



Sector PE 2022



Sector Yield 2022



Sector PBook 2022



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Aggregated sector data

		2015	2016	2017	2018	2019	2020	2021	2022	2023
Operating revenues	€M	2,515	2,797	3,124	3,444	3,779	3,703	3,784	4,058	4,414
Sales growth	%	13.8	11.2	11.7	10.2	9.71	-2.00	2.18	7.26	8.76
R&D Costs	€M	-229	-259	-295	-339	-403	-417	-426	-277	-301
R&D costs/Sales	%	-27.1	-26.6	-26.0	-26.0	-26.2	-27.8	-25.8	-14.8	-14.4
Ebitda	€M	719	726	862	1,033	1,055	1,088	1,068	1,160	1,275
Ebitda margin	%	29.9	27.1	28.5	30.9	28.9	29.4	28.2	28.6	28.9
Operating profit	€M	496	568	681	812	774	667	690	857	973
Operating margin	%	17.1	12.9	13.9	15.6	11.7	10.1	8.01	9.87	9.97
Adj. Attrib. Net profit	€M	412	411	509	586	618	514	487	621	713
Free cash flow	€M	240	514	513	447	275	770	745	762	914
Roe (return on equity) %	%	22.4	23.9	29.6	28.7	26.7	23.7	24.6	24.3	23.9
Shareholders funds (group share)	€M	1,543	1,828	1,971	2,104	2,551	2,869	2,307	2,812	3,150
Net debt	€M	767	633	1,223	1,318	1,496	1,080	1,125	1,025	529
Capex	€M	-37.5	-50.0	-75.8	-83.1	-78.5	-86.7	-87.5	-88.4	-93.0
ROCE	%	17.3	16.1	15.6	17.2	14.8	14.1	14.8	16.8	19.0

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Companies

Company	Sector	Performances (%)				Mom.	Opinion	Upside	Market Cap (€M)	Country
		1W	1M	3M	YTD					
Sage Group (the)	Application Software	-0.03	-7.85	-2.71	-20.7		Reduce	3.97%	8,846	
NEMETSCHEK GROUP	Application Software	3.84	-21.0	-16.6	-42.5		Buy	47.4%	7,494	
Temenos	Application Software	4.49	12.3	-1.49	-21.0		Reduce	-2.63%	7,103	
EQS Group	Application Software	3.64	-3.69	-8.48	-29.8		Buy	72.1%	316	
beaconsmind AG	Application Software	0.00	-3.23	20.0	33.3		Buy	139%	32.3	

Sector	Performances (%)				Mom.	Opinion	Upside	Market Cap (€M)
	1W	1M	3M	YTD				
Weighted average	2.55	-7.69	-7.27	-29.3		Add	16.9%	
Median	3.64	-3.69	-2.71	-21.0		Buy	47.4%	
Total								23,791
BD universe weighted avg	4.37	-4.08	-4.15	-7.54			15.5%	11,393,057

Valuation ratios

Company	Sector	P/E		Earnings growth		P/Book		Yield		Market Cap (€M)
		2022	2023	2022/2021	2023/2022	2022	2023	2022	2023	
Sage Group (the)	Application Software	30.1 x	26.3 x	48.8%	14.5%	5.09 x	4.90 x	2.72%	2.79%	8,846
NEMETSCHEK GROUP	Application Software	41.6 x	37.5 x	17.3%	10.9%	11.4 x	9.56 x	0.69%	0.77%	7,494
Temenos	Application Software	24.6 x	22.3 x	7.11%	10.3%	12.5 x	9.90 x	1.10%	1.20%	7,103
EQS Group	Application Software	ns	42.9 x	n/a	n/a	2.81 x	2.66 x	0.00%	0.00%	316
beaconsmind AG	Application Software	12.6 x	4.42 x	n/a	185%	3.63 x	1.86 x	0.00%	0.00%	32.3
Sector		2022	2023	2022/2021	2023/2022	2022	2023	2022	2023	
Weighted average		31.3 x	27.5 x	24.0%	14.0%	7.79 x	6.97 x	1.53%	1.61%	
Median		30.1 x	26.3 x	17.3%	12.7%	5.09 x	4.90 x	0.69%	0.77%	
BD universe weighted avg		14.3 x	13.5 x	0.81%	6.06%	1.73 x	1.63 x	3.26%	3.43%	11,393,057

Earnings

Company	Sector	Adjusted attributable net profit (€M)					Market Cap (€M)
		2021	2022	2023	Chg. 22/21	Chg. 23/22	
Sage Group (the)	Application Software	188	271	307	82.6	36.5	8,846
NEMETSCHEK GROUP	Application Software	135	159	180	24.7	20.8	7,494
Temenos	Application Software	164	191	225	26.6	34.2	7,103
EQS Group	Application Software	-6.63	-2.67	6.18	3.95	8.85	316
beaconsmind AG	Application Software	-64.4	2,562	7,303	2,627	4,741	32.3
Sector		2021	2022	2023	Chg. 22/21	Chg. 23/22	
Total		481	621	726	141	105	23,791

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Risk ratios

Company	Sector	Gearing		Goodwill / Equity		Net Debt / Ebitda		Market Cap (€M)
		2022	2023	2022	2023	2022	2023	
		Sage Group (the)	Application Software	25.7%	26.3%	154%	148%	
NEMETSCHEK GROUP	Application Software	-19.6%	-39.6%	81.0%	67.8%	-0.50 x	-1.10 x	7,494
Temenos	Application Software	114%	66.6%	180%	143%	1.62 x	1.06 x	7,103
EQS Group	Application Software	19.7%	4.11%	85.9%	81.4%	2.79 x	0.25 x	316
beaconsmind AG	Application Software	-83.0%	-73.3%	0.00%	0.00%	-2.49 x	-1.65 x	32.3
Sector		Gearing		Goodwill / Equity		Net Debt / Ebitda		Market Cap (€M)
		2022	2023	2022	2023	2022	2023	
Weighted average		38.0%	23.7%	140%	125%	0.96 x	0.45 x	
Median		25.7%	26.3%	85.9%	81.4%	1.62 x	0.80 x	

B/S data

Company	Sector	Equity (€M)		Net Debt (€M)		Goodwill (€M)		Market Cap (€M)
		2022	2023	2022	2023	2022	2023	
		Sage Group (the)	Application Software	1,585	1,648	505	361	
NEMETSCHEK GROUP	Application Software	656	784	-128	-310	531	531	7,494
Temenos	Application Software	571	718	648	478	1,030	1,030	7,103
EQS Group	Application Software	113	119	22.1	4.88	96.7	96.7	316
beaconsmind AG	Application Software	8,895	17,346	-8,814	-16,605	0.00	0.00	32.3
Sector		Equity (€M)		Net Debt (€M)		Goodwill (€M)		Market Cap (€M)
		2022	2023	2022	2023	2022	2023	
Total		2,933	3,286	1,038	517	4,093	4,093	23,791

EV ratios

Company	Sector	Upside Mom.	Ev/Ebit		Ev/Ebitda(R)		Market Cap (€M)	
			2022	2023	2022	2023		
			beaconsmind AG	Application Software	139%	🟢🟡		6.84 x
EQS Group	Application Software	72.1%	🔴🟡	ns	32.2 x	42.9 x	16.6 x	316
Temenos	Application Software	-2.63%	🟢🟡	28.1 x	23.1 x	18.0 x	15.6 x	7,103
NEMETSCHEK GROUP	Application Software	47.4%	🔴🔴	36.1 x	31.6 x	28.6 x	25.6 x	7,494
Sage Group (the)	Application Software	3.97%	🔴🟡	21.7 x	19.4 x	17.4 x	15.7 x	8,846
Sector		Ev/Ebit		Ev/Ebitda(R)		Market Cap (€M)		
		2022	2023	2022	2023			
Weighted average				58.6 x	51.4 x	20.2 x	17.7 x	
Median				21.7 x	23.1 x	18.0 x	15.7 x	
BD universe weighted avg				14.0 x	12.5 x	8.43 x	7.66 x	11,393,057

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Detailed Financials

Valuation Key Data

		06/21A	06/22E	06/23E	06/24E
Adjusted P/E	x	-38.3	-13.4	49.7	5.63
Reported P/E	x	-40.3	-15.0	49.7	5.63
EV/EBITDA(R)	x	-41.3	-13.6	27.0	2.78
EV/EBIT	x	-40.2	-13.2	30.4	2.89
EV/Sales	x	ns	19.0	4.86	1.40
P/Book	x	134	7.84	6.65	2.72
Dividend yield	%	0.00	0.00	0.00	0.00
<i>Free cash flow yield</i>	%	-2.57	-6.98	1.08	14.5
Average stock price	€	36.9	12.0	12.0	12.0

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Consolidated P&L

		06/21A	06/22E	06/23E	06/24E
Sales	CHFth	779	1,571	6,090	17,753
<i>Sales growth</i>	%	52.1	102	288	192
<i>Sales per employee</i>	CHFth	77.9	78.6	179	413
Organic change in sales	%	56.0	102	288	192
Purchases and external costs (incl. IT)	CHFth	-2,177 ⁽³⁾	-2,600	-2,850	-4,650
R&D Costs	CHFth	0.00	0.00	0.00	0.00
R&D costs as % of sales	%	0.00	0.00	0.00	0.00
Staff costs	CHFth	-599	-1,100	-1,870	-3,365
Operating lease payments	CHFth	0.00	0.00	0.00	0.00
Cost of sales/COGS (indicative)	CHFth	-34.8	-70.7	-274	-799
EBITDA	CHFth	-2,032	-2,199	1,097	8,940
EBITDA(R)	CHFth	-2,032	-2,199	1,097	8,940
<i>EBITDA(R) margin</i>	%	-261	-140	18.0	50.4
<i>EBITDA(R) per employee</i>	CHFth	-203	-110	32.3	208
Depreciation	CHFth	-56.6	-55.0	-122	-355
<i>Depreciations/Sales</i>	%	7.27	3.50	2.00	2.00
Amortisation	CHFth	0.00	0.00	0.00	0.00
Additions to provisions	CHFth	0.00	0.00	0.00	0.00
Reduction of provisions	CHFth	0.00	0.00	0.00	0.00
Underlying operating profit	CHFth	-2,088	-2,254	975	8,585
<i>Underlying operating margin</i>	%	-268	-143	16.0	48.4
Other income/expense (cash)	CHFth	0.00	0.00	0.00	0.00
Other inc./ exp. (non cash; incl. assets revaluation)	CHFth	0.00	0.00	0.00	0.00
Mark to market on various operation-related hedges	CHFth	0.00	0.00	0.00	0.00
Earnings from joint venture(s)	CHFth	0.00	0.00	0.00	0.00
Impairment charges/goodwill amortisation	CHFth	0.00	0.00	0.00	0.00
Operating profit (EBIT)	CHFth	-2,088	-2,254	975	8,585
Interest expenses	CHFth	0.00	0.00	0.00	0.00
<i>of which effectively paid cash interest expenses</i>	CHFth	-9.07	-1.40	-1.40	-1.40
Financial income	CHFth	0.00	0.00	0.00	0.00
Other financial income (expense)	CHFth	-9.07	-1.40	-1.40	-1.40
Net financial expenses	CHFth	-9.07	-1.40	-1.40	-1.40
<i>of which related to pensions</i>	CHFth	0.00	0.66	0.69	0.71
Pre-tax profit before exceptional items	CHFth	-2,097	-2,256	973	8,583
Exceptional items and other (before taxes)	CHFth	0.00	0.00	0.00	0.00
Current tax	CHFth	-0.29	0.00	-292	-2,575
Impact of tax loss carry forward	CHFth	0.00	0.00	0.00	0.00
Deferred tax	CHFth	0.00	0.00	0.00	0.00
Corporate tax	CHFth	-0.29	0.00	-292	-2,575
<i>Tax rate</i>	%	-0.01	0.00	30.0	30.0
<i>Net margin</i>	%	-269	-144	11.2	33.8
Equity associates	CHFth	0.00	0.00	0.00	0.00
<i>Actual dividends received from equity holdings</i>	CHFth				
Minority interests	CHFth	0.00	0.00	0.00	0.00
Income from discontinued operations	CHFth	0.00	0.00	0.00	0.00
Attributable net profit	CHFth	-2,098	-2,256	681	6,008
Impairment charges/goodwill amortisation	CHFth	0.00	0.00	0.00	0.00
Other adjustments	CHFth	0.00	0.00	0.00	0.00
Adjusted attributable net profit	CHFth	-2,098	-2,256	681	6,008
Interest expense savings	CHFth	0.00	0.00	0.00	0.00
Fully diluted adjusted attr. net profit	CHFth	-2,098	-2,256	681	6,008
NOPAT	CHFth	-1,462	-1,579	682	6,009

3. Increase in operating fixed costs due to capacity build-up

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Cashflow Statement

		06/21A	06/22E	06/23E	06/24E
EBITDA	CHFth	-2,032	-2,199	1,097	8,940
Change in WCR	CHFth	-128	-97.3	-193	-759
<i>of which (increases)/decr. in receivables</i>	<i>CHFth</i>	<i>-121</i>	<i>-33.4</i>	<i>-600</i>	<i>-1,438</i>
<i>of which (increases)/decr. in inventories</i>	<i>CHFth</i>	<i>2.74</i>	<i>5.54</i>	<i>10.0</i>	<i>0.00</i>
<i>of which increases/(decr.) in payables</i>	<i>CHFth</i>	<i>-52.7</i>	<i>96.5</i>	<i>303</i>	<i>472</i>
<i>of which increases/(decr.) in other curr. liab.</i>	<i>CHFth</i>	<i>43.4</i>	<i>-166</i>	<i>94.7</i>	<i>207</i>
Actual dividends received from equity holdings	CHFth	0.00	0.00	0.00	0.00
Paid taxes	CHFth	-0.29	0.00	-292	-2,575
Exceptional items	CHFth	0.00	0.00	0.00	0.00
Other operating cash flows	CHFth	0.00	-1.40	-1.40	-1.40
Total operating cash flows	CHFth	-2,160	-2,298	610	5,605
Capital expenditure	CHFth	-5.79	-62.8	-244	-710
<i>Capex as a % of depreciation & amort.</i>	<i>%</i>	<i>10.2</i>	<i>114</i>	<i>200</i>	<i>200</i>
Net investments in shares	CHFth	0.00	0.00	0.00	0.00
Other investment flows	CHFth	-127	-100	-110	-121
Total investment flows	CHFth	-133	-163	-354	-831
Net interest expense	CHFth	-9.07	-1.40	-1.40	-1.40
<i>of which cash interest expense</i>	<i>CHFth</i>	<i>-9.07</i>	<i>-2.06</i>	<i>-2.09</i>	<i>-2.11</i>
Dividends (parent company)	CHFth	0.00	0.00	0.00	0.00
Dividends to minorities interests	CHFth	0.00	0.00	0.00	0.00
New shareholders' equity	CHFth	2,909	5,800⁽⁴⁾	0.00	0.00
<i>of which (acquisition) release of treasury shares</i>	<i>CHFth</i>				
(Increase)/decrease in net debt position	CHFth	0.00	-45.0 ⁽²⁾	0.00	0.00
Other financial flows	CHFth	0.00	0.00	0.00	0.00
Total financial flows	CHFth	2,900	5,753	-2.09	-2.11
Change in scope of consolidation, exchange rates & other	CHFth	0.00	0.00	0.00	0.00
Change in cash position	CHFth	607	3,292	255	4,771
Change in net debt position	CHFth	607	3,337	255	4,771
Free cash flow (pre div.)	CHFth	-2,175	-2,362	365	4,893
Operating cash flow (clean)	CHFth	-2,160	-2,298	610	5,605
<i>Reinvestment rate (capex/tangible fixed assets)</i>	<i>%</i>	<i>30.0</i>	<i>163</i>	<i>421</i>	<i>818</i>

4. CHF5.8m (€5.5m) raised in December 2021

2. The company reimbursed its COVID-19 credit of CHF 45k in advance, so its gross debt now only consists in long-term interest-bearing liabilities owed to shareholders (CHF15k).

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Balance Sheet

		06/21A	06/22E	06/23E	06/24E
Capitalised R&D	CHFth	0.00	0.00	0.00	0.00
Goodwill	CHFth	0.00	0.00	0.00	0.00
Contracts & Rights (incl. concession) intangible assets	CHFth	0.00	0.00	0.00	0.00
Other intangible assets	CHFth	139	277	283	288
Total intangible	CHFth	139	277	283	288
Tangible fixed assets	CHFth	19.3	38.6	57.9	86.8
Right-of-use	CHFth	0.00	0.00	0.00	0.00
Financial fixed assets (part of group strategy)	CHFth	0.00	0.00	0.00	0.00
Financial hedges (LT derivatives)	CHFth	0.00	0.00	0.00	0.00
Other financial assets (investment purpose mainly)	CHFth	0.00	0.00	0.00	1,000
WCR	CHFth	-173	-76.1	117	876
<i>of which trade & receivables (+)</i>	<i>CHFth</i>	<i>117</i>	<i>151</i>	<i>751</i>	<i>2,189</i>
<i>of which inventories (+)</i>	<i>CHFth</i>	<i>15.5</i>	<i>10.0</i>	<i>0.00</i>	<i>0.00</i>
<i>of which payables (+)</i>	<i>CHFth</i>	<i>101</i>	<i>198</i>	<i>501</i>	<i>973</i>
<i>of which other current liabilities (+)</i>	<i>CHFth</i>	<i>205</i>	<i>38.7</i>	<i>133</i>	<i>340</i>
Other current assets	CHFth	52.3	105	408	1,190
<i>of which tax assets (+)</i>	<i>CHFth</i>				
Total assets (net of short term liabilities)	CHFth	36.8	345	866	3,441
Ordinary shareholders' equity (group share)	CHFth	630	4,313	5,089	12,436
Minority interests	CHFth				
Provisions for pensions	CHFth	22.0	-16.0	-16.7	-17.3
Other provisions for risks and liabilities	CHFth	0.00	0.00	0.00	0.00
Deferred tax liabilities	CHFth				
Other liabilities	CHFth	0.00	0.59	0.59	0.59
Net debt / (cash)	CHFth	-615	-3,952 ⁽²⁾	-4,207	-8,978
Total liabilities and shareholders' equity	CHFth	36.8	345	866	3,441
Average net debt / (cash)	CHFth	-277	-2,284	-4,080	-6,593

2. The company reimbursed its COVID-19 credit of CHF 45k in advance, so its gross debt now only consists in long-term interest-bearing liabilities owed to shareholders (CHF15k).

EV Calculations

		06/21A	06/22E	06/23E	06/24E
EV/EBITDA(R)	x	-41.3	-13.6	27.0	2.78
EV/EBIT	x	-40.2	-13.2	30.4	2.89
EV/Sales	x	ns	19.0	4.86	1.40
EV/Invested capital	x	-5,412	125	64.7	19.9
Market cap	CHFth	84,472	33,832	33,832	33,832
+ Provisions (including pensions)	CHFth	22.0	-16.0	-16.7	-17.3
+ Unrecognised actuarial losses/(gains)	CHFth	0.00	0.00	0.00	0.00
+ Net debt at year end (ex Right-of-use from 2019)	CHFth	-615	-3,952	-4,207	-8,978
+ Right-of-use (from 2019)/Leases debt equivalent	CHFth	0.00	0.00	0.00	0.00
- Financial fixed assets (fair value) & Others	CHFth				
+ Minority interests (fair value)	CHFth				
= Enterprise Value	CHFth	83,879	29,864	29,609	24,836

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Per Share Data

		06/21A	06/22E	06/23E	06/24E
Adjusted EPS (bfr goodwill amort. & dil.)	CHF	-1.05	-0.94	0.25	2.23
Growth in EPS	%	n/a	n/a	n/a	782
Reported EPS	CHF	-0.99	-0.84	0.25	2.23
Net dividend per share	€	0.00	0.00	0.00	0.00
Free cash flow per share	CHF	-1.08	-0.98	0.14	1.82
Operating cash flow per share	CHF	-1.08	-0.96	0.23	2.08
Book value per share	CHF	0.30	1.60	1.89	4.62
Number of ordinary shares	Th	2,109	2,689	2,689	2,689
Number of equivalent ordinary shares (year end)	Th	2,109	2,689	2,689	2,689
Number of shares market cap.	Th	2,109	2,689	2,689	2,689
Treasury stock (year end)	Th				
Number of shares net of treasury stock (year end)	Th	2,109	2,689	2,689	2,689
Number of common shares (average)	Th	2,004	2,399	2,689	2,689
Conversion of debt instruments into equity	Th				
Settlement of cashable stock options	Th				
Probable settlement of non mature stock options	Th				
Other commitments to issue new shares	Th				
Increase in shares outstanding (average)	Th	0.00	0.00	0.00	0.00
Number of diluted shares (average)	Th	2,004	2,399	2,689	2,689
Goodwill per share (diluted)	CHF	0.00	0.00	0.00	0.00
EPS after goodwill amortisation (diluted)	CHF	-1.05	-0.94	0.25	2.23
EPS before goodwill amortisation (non-diluted)	CHF	-1.05	-0.94	0.25	2.23
Payout ratio	%	0.00	0.00	0.00	0.00
Capital payout ratio (div +share buy back/net income)	%	0.00	0.00	0.00	

Funding - Liquidity

		06/21A	06/22E	06/23E	06/24E
EBITDA	CHFth	-2,032	-2,199	1,097	8,940
Funds from operations (FFO)	CHFth	-2,041	-2,203	801	6,361
Ordinary shareholders' equity	CHFth	630	4,313	5,089	12,436
Gross debt	CHFth	60.0	15.0 ⁽²⁾	15.0	15.0
o/w 1 to 5 year - Gross debt	CHFth	45.0			
of which Y+4	CHFth	45.0			
o/w Beyond 5 years - Gross debt	CHFth	15.0 ⁽⁵⁾	15.0	15.0	15.0
+ Gross Cash	CHFth	675	3,967	4,222	8,993
= Net debt / (cash)	CHFth	-615	-3,952 ⁽²⁾	-4,207	-8,978
Bank borrowings	CHFth	45.0	0.00	0.00	0.00
Financial leases liabilities	CHFth	15.0	15.0	15.0	15.0
Other financing	CHFth	0.00	0.00	0.00	0.00
Gearing (at book value)	%	-43.9	-53.0	-80.2	-53.0
Equity/Total asset (%)	%	1,714	1,250	588	361
Adj. Net debt/EBITDA(R)	x	0.30	1.80	-3.84	-1.00
Adjusted Gross Debt/EBITDA(R)	x	-0.04	0.00	0.00	0.00
Adj. gross debt/(Adj. gross debt+Equity)	%	11.5	-0.02	-0.03	-0.02
Ebit cover	x	-230	-1,094	467	ns
FFO/Gross Debt	%	-2,489	ns	-48,331	-273,759
FFO/Net debt	%	332	55.7	-19.0	-70.9
FCF/Adj. gross debt (%)	%	-2,652	ns	-22,036	-210,578

2. The company reimbursed its COVID-19 credit of CHF 45k in advance, so its gross debt now only consists in long-term interest-bearing liabilities owed to shareholders (CHF15k).

5. Long-term interest bearing liabilities due to shareholders of 15,000 CHF

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ROE Analysis (Dupont's Breakdown)

		06/21A	06/22E	06/23E	06/24E
Tax burden (Net income/pretax pre excp income)	x	1.00	1.00	0.70	0.70
EBIT margin (EBIT/sales)	%	-268	-143	16.0	48.4
Assets rotation (Sales/Avg assets)	%	-2,701	823	1,006	824
Financial leverage (Avg assets /Avg equity)	x	-0.13	0.08	0.13	0.25
ROE	%	-934	-91.3	14.5	68.6
ROA	%	13,473	-941	213	686

Shareholder's Equity Review (Group Share)

		06/21A	06/22E	06/23E	06/24E
Y-1 shareholders' equity	CHFth	-181	630	4,313	5,089
+ Net profit of year	CHFth	-2,098	-2,256	681	6,008
- Dividends (parent cy)	CHFth	0.00	0.00	0.00	0.00
+ Additions to equity	CHFth	2,909	5,800	0.00	0.00
<i>o/w reduction (addition) to treasury shares</i>	<i>CHFth</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
- Unrecognised actuarial gains/(losses)	CHFth	0.00	0.00	0.00	0.00
+ Comprehensive income recognition	CHFth	-0.89	139	94.6	1,339
= Year end shareholders' equity	CHFth	630	4,313	5,089	12,436

Staffing Analytics

		06/21A	06/22E	06/23E	06/24E
Sales per staff	CHFth	77.9	78.6	179	413
Staff costs per employee	CHFth	-59.9	-55.0	-55.0	-78.2
<i>Change in staff costs</i>	<i>%</i>	<i>93.7</i>	<i>83.5</i>	<i>70.0</i>	<i>80.0</i>
<i>Change in unit cost of staff</i>	<i>%</i>	<i>-22.5</i>	<i>-8.27</i>	<i>0.00</i>	<i>42.3</i>
<i>Staff costs/(EBITDA+Staff costs)</i>	<i>%</i>	<i>-41.9</i>	<i>-100</i>	<i>63.0</i>	<i>27.3</i>

Average workforce	unit	10.0	20.0	34.0	43.0
Europe	unit	5.00	5.00	19.0	19.0
North America	unit	0.00	0.00	0.00	9.00
South Americas	unit	0.00	0.00	0.00	0.00
Asia	unit	0.00	5.00	5.00	5.00
Other key countries	unit	5.00	10.0	10.0	10.0
Total staff costs	CHFth	-599	-1,100	-1,870	-3,365
Wages and salaries	CHFth	-599	-1,100	-1,870	-3,365
<i>of which social security contributions</i>	<i>CHFth</i>	<i>-59.9</i>	<i>-110</i>	<i>-187</i>	<i>-336</i>
Pension related costs	CHFth		0.00	0.00	0.00

Divisional Breakdown Of Revenues

		06/21A	06/22E	06/23E	06/24E
Total sales	CHFth	779	1,571	6,090	17,753
<i>O/w organic growth (%)</i>	<i>%</i>	<i>56.0</i>	<i>102</i>	<i>288</i>	<i>192</i>
Other	CHFth	779	1,571	6,090	17,753

Divisional Breakdown Of Earnings

		06/21A	06/22E	06/23E	06/24E
EBITDA/R Analysis					
Other/cancellations	CHFth	-2,032	-2,199	1,097	8,940
Total	CHFth	-2,032	-2,199	1,097	8,940
EBITDA/R margin	%	ns	-140	18.0	50.4

Revenue Breakdown By Country

		06/21A	06/22E	06/23E	06/24E
EMEA	%	100	100		
Other	%	0.00	0.00		

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ROCE

		06/21A	06/22E	06/23E	06/24E
ROCE (NOPAT+lease exp. *(1-tax))/(net) cap employed adjusted	%	9,432	-659	149	480
CFROIC	%	14,030	-986	79.9	391
Goodwill	CHFth	0.00	0.00	0.00	0.00
Accumulated goodwill amortisation	CHFth	0.00	0.00	0.00	0.00
All intangible assets	CHFth	139	277	283	288
Accumulated intangible amortisation	CHFth	0.00	0.00	0.00	0.00
Financial hedges (LT derivatives)	CHFth	0.00	0.00	0.00	0.00
Capitalised R&D	CHFth	0.00	0.00	0.00	0.00
Rights of use/ Capitalised leases	CHFth	0.00	0.00	0.00	0.00
Other fixed assets	CHFth	19.3	38.6	57.9	86.8
Accumulated depreciation	CHFth	0.00	0.00	0.00	0.00
WCR	CHFth	-173	-76.1	117	876
Other assets	CHFth	0.00	0.00	0.00	0.00
Unrecognised actuarial losses/(gains)	CHFth	0.00	0.00	0.00	0.00
Capital employed after deprec. (Invested capital)	CHFth	-15.5	240	457	1,251
Capital employed before depreciation	CHFth	-15.5	240	457	1,251

Divisional Breakdown Of Capital Employed

		06/21A	06/22E	06/23E	06/24E
Other	CHFth	-15.5	240	457	1,251
Total capital employed	CHFth	-15.5	240	457	1,251

Pension Risks

Summary Of Pension Risks

		06/21A	06/22E	06/23E	06/24E
Pension ratio	%	-3.62	-0.37	-0.33	-0.14
Ordinary shareholders' equity	CHFth	630	4,313	5,089	12,436
Total benefits provisions	CHFth	-22.0	-16.0	-16.7	-17.3
<i>of which funded pensions</i>	<i>CHFth</i>	<i>-22.0</i>	<i>-16.0</i>	<i>-16.7</i>	<i>-17.3</i>
<i>of which unfunded pensions</i>	<i>CHFth</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>of which benefits / health care</i>	<i>CHFth</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
Unrecognised actuarial (gains)/losses	CHFth	0.00	0.00	0.00	0.00
<i>Company discount rate</i>	%	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>	<i>2.00</i>
Normalised recomputed discount rate	%		1.60		
<i>Company future salary increase</i>	%	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>
Normalised recomputed future salary increase	%		1.40		
<i>Company expected rate of return on plan assets</i>	%	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>	<i>3.00</i>
Normalised recomputed expd rate of return on plan assets	%		4.00		
Funded : Impact of actuarial assumptions	CHFth		0.00		
Unfunded : Impact of actuarial assumptions	CHFth		0.00		

Geographic Breakdown Of Pension Liabilities

		06/21A	06/22E	06/23E	06/24E
US exposure	%			20.0	20.0
UK exposure	%				
Euro exposure	%				
Nordic countries	%				
Switzerland	%	80.0	60.0	40.0	40.0
Other	%	20.0	40.0	40.0	40.0
Total	%	100	100	100	100

Balance Sheet Implications

		06/21A	06/22E	06/23E	06/24E
Funded status surplus / (deficit)	CHFth	22.0	22.9	23.8	24.7
Unfunded status surplus / (deficit)	CHFth	0.00	0.00	0.00	0.00
Total surplus / (deficit)	CHFth	22.0	22.9	23.8	24.7
Total unrecognised actuarial (gains)/losses	CHFth	0.00	0.00	0.00	0.00
Provision (B/S) on funded pension	CHFth	-22.0	-16.0	-16.7	-17.3
Provision (B/S) on unfunded pension	CHFth	0.00	0.00	0.00	0.00
Other benefits (health care) provision	CHFth	0.00	0.00	0.00	0.00
Total benefit provisions	CHFth	-22.0	-16.0	-16.7	-17.3

P&L Implications

		06/21A	06/22E	06/23E	06/24E
Funded obligations periodic costs	CHFth	0.00	0.66	0.69	0.71
Unfunded obligations periodic costs	CHFth	0.00	0.00	0.00	0.00
Total periodic costs	CHFth	0.00	0.66	0.69	0.71
<i>of which incl. in labour costs</i>	<i>CHFth</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>
<i>of which incl. in interest expenses</i>	<i>CHFth</i>	<i>0.00</i>	<i>0.66</i>	<i>0.69</i>	<i>0.71</i>

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Funded Obligations		06/21A	06/22E	06/23E	06/24E
Balance beginning of period	CHFth	0.00	0.00	0.00	0.00
Current service cost	CHFth		0.00	0.00	0.00
Interest expense	CHFth		0.00	0.00	0.00
Employees' contributions	CHFth				
Impact of change in actuarial assumptions	CHFth		0.00	0.00	0.00
<i>of which impact of change in discount rate</i>	<i>CHFth</i>		<i>0.00</i>		
<i>of which impact of change in salary increase</i>	<i>CHFth</i>		<i>0.00</i>		
Changes to scope of consolidation	CHFth				
Currency translation effects	CHFth				
Pension payments	CHFth				
Other	CHFth				
Year end obligation	CHFth	0.00	0.00	0.00	0.00

Plan Assets		06/21A	06/22E	06/23E	06/24E
Value at beginning	CHFth	22.0	22.0	22.9	23.8
Company expected return on plan assets	CHFth		0.66	0.69	0.71
Actuarial gain /(loss)	CHFth		0.22	0.23	0.24
Employer's contribution	CHFth		0.00	0.00	0.00
Employees' contributions	CHFth	0.00	0.00	0.00	0.00
Changes to scope of consolidation	CHFth				
Currency translation effects	CHFth				
Pension payments	CHFth	0.00	0.00	0.00	0.00
Other	CHFth				
Value end of period	CHFth	22.0	22.9	23.8	24.7
Actual and normalised future return on plan assets	CHFth	0.00	0.88	0.92	0.95

Unfunded Obligations		06/21A	06/22E	06/23E	06/24E
Balance beginning of period	CHFth	0.00	0.00	0.00	0.00
Current service cost	CHFth		0.00	0.00	0.00
Interest expense	CHFth		0.00	0.00	0.00
Employees' contributions	CHFth				
Impact of change in actuarial assumptions	CHFth		0.00	0.00	0.00
<i>of which Impact of change in discount rate</i>	<i>CHFth</i>		<i>0.00</i>		
<i>of which Impact of change in salary increase</i>	<i>CHFth</i>		<i>0.00</i>		
Changes to scope of consolidation	CHFth				
Currency translation effects	CHFth				
Pension payments	CHFth				
Other	CHFth				
Year end obligation	CHFth	0.00	0.00	0.00	0.00

Fundamental Opinion

It is implicit that recommendations are made in good faith but should not be regarded as the sole source of advice.

There are different approaches and methodologies for determining and valuing stocks in research products, each provided by AlphaValue and Baader Helvea, as described below.

AlphaValue Research

Recommendations are geared to a “value” approach.

Valuations are computed from the point of view of a **secondary market minority holder** looking at a medium term (say 6 months) performance.

Valuation tools are built around the concepts of **transparency**, all underlying figures are accessible, and **consistency**, same methodology whichever the stock, allowing for differences in nature between financial and non financial stocks. A stock with a target price below its current price should not and will not be regarded as an Add or a Buy.

Recommendations are based on target prices with no allowance for dividend returns. The thresholds for the four recommendation levels may change from time to time depending on market conditions. Thresholds are defined as follows, ASSUMING long risk free rates remain in the 2-5% region.

Recommendation	Low Volatility 10 < VIX index < 30	Normal Volatility 15 < VIX index < 35	High Volatility 35 < VIX index
Buy ●	More than 15% upside	More than 20% upside	More than 30% upside
Add ●	From 5% to 15%	From 5% to 20%	From 10% to 30%
Reduce ●	From -10% to 5%	From -10% to 5%	From -10% to 10%
Sell ●	Below -10%	Below -10%	Below -10%

There is deliberately no “neutral” recommendation. The principle is that there is no point investing in equities if the return is not at least the risk free rate (and the dividend yield which again is not allowed for).

Although recommendations are automated (a function of the target price whenever a new equity research report is released), the management of AlphaValue intends to maintain global consistency within its universe coverage and may, from time to time, decide to change global parameters which may affect the level of recommendation definitions and /or the distribution of recommendations within the four levels above. For instance, lowering the risk premium in a gloomy context may increase the proportion of positive recommendations.

Baader Helvea Research

Rating categories:

The following is an explanation of the ratings, if any, included in Baader Helvea research.

Interpretation matrix per risk category for each rating:

Expected total return based on forecast dividend and 12-month price targets.

Rating	Upside/downside to the target price
Buy	>20%
Add	5%-20%
Reduce	-10% to 5%
Sell	<-10%

Research ratings key:

There are four possible ratings: Buy, Add, Reduce or Sell.

Examples of certain ratings:

Buy: A company that the analyst(s) named in this report deem(s) higher risk with a forecast dividend yield of 5% and price appreciation potential of 16%, generating a forecast total return of 21% over 12 months.

Reduce: A company with a forecast dividend yield of 7% and price appreciation potential of -5%, generating a forecast total return of +2% over 12 months.

Baader Helvea uses three further categorizations for stocks in our coverage:

Restricted: A rating and/or financial forecast and/or target price is not disclosed due to compliance or other regulatory considerations such as blackout period or conflict of interest.

Coverage in transition: Due to changes in the research team, the disclosure of a stock's rating and/or target price and/or financial information are

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Not rated: Suspension of coverage.

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Valuation

Valuation processes have been organized around transparency and consistency as primary objectives.

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The weighting given to individual valuation techniques is managed centrally and may be changed from time to time. As a rule, all stocks of a similar profile are valued using equivalent weighting of the various valuation techniques. This is for obvious consistency reasons.

Within the very large universe of Non Financials, there are in effect 4 sub-categories of weightings to cater for subsets: 1) 'Mainstream' stocks; 2) 'Holding companies' where the stress is on NAV measures; 3) 'Growth' companies where the stress is on peer based valuations; 4) 'Loss making sectors' where peers review is essentially pointing nowhere (ex: Bio techs). The bulk of the valuation is then built on DCF and NAV, in effect pushing back the time horizon.

Valuation Issue	Normal industrials	Growth industrials	Holding company	Loss runners	Bank	Insurers
DCF	35%	35%	10%	40%	0%	0%
NAV	20%	20%	55%	40%	50%	15%
PE	10%	10%	10%	5%	10%	20%
EV/EBITDA	20%	20%	0%	5%	0%	0%
Yield	10%	10%	20%	5%	10%	15%
Book	5%	5%	5%	5%	10%	10%
Banks' intrinsic method	0%	0%	0%	0%	10%	0%
Embedded Value	0%	0%	0%	0%	0%	40%
Mkt Cap/Gross Operating Profit	0%	0%	0%	0%	10%	0%

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