![QUIRIN PRIVATBANK]

20 November 2024

beaconsmind AG

Rating	Buy (Buy)
Share price (EUR)	7.15
Target price (EUR)	19.40
Bloomberg	81D GY
Sector	Software

Share data*

Shares out (m)	8.5
Free float (%)	16.80
Market cap (EUR m)	61
EV (EUR m)	64
DPS (CHF)	0.00
Dividend yield (%)	0.0
Payout ratio (%)	0.0

*pro forma values post-mergers & capital increase

Performance

ytd (%)	24.1
12 months (%)	42.4
12 months rel. (%)	39.2
Index	SDAX

Share price performance

— Swissnet Group
— Price rel. to SDAX – Price Index
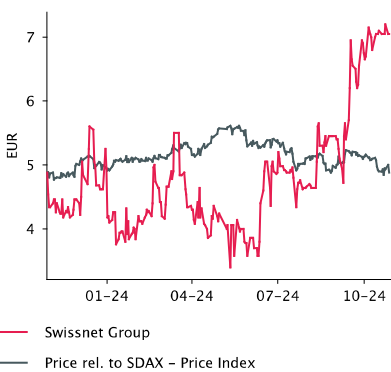
Source: Bloomberg

Next triggers

tba

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Acquisitions pave growth path of new Swissnet Group

Yesterday, on November 19, beaconsmind announced the acquisition of telecommunication company Swissnet AG and Lokalee, a SaaS platform for hoteliers, which enhances the guest journey in hospitality. This marks a transformative step for the company, which will be rebranded as Swissnet Group in 2025, positioning it as a leader in digital infrastructure and AI-driven solutions for hospitality, healthcare, and retail. These deals will not only strengthen the company's competitive position but also enhance its financial profile. The addition of Swissnet AG's established telecommunications services and Lokalee's innovative SaaS solutions is expected to create substantial synergies, supporting cross-selling opportunities across key segments and driving international growth. We reinitiate the company with a BUY rating and a DCF-based target price of EUR 19.40, based on a rather conservative projection. A more optimistic projection yields a price target above EUR 33. We will watch Swissnet Group's development closely and adjust our target price over time.

Product offering of Swissnet AG & Lokalee

Swissnet AG brings established ICT services, including high-speed internet, mobile communications, fixed networks, and managed IT services, expanding Swissnet Group's offerings. The acquisition of Lokalee adds an AI-powered digital concierge platform, enhancing personalized guest services. This combination enriches Swissnet Group's product suite, creating synergies and expanding cross-selling opportunities, particularly in hospitality.

Upside from early-stage businesses

Swissnet Group's early-stage businesses, Lokalee and Swissnet MENA, offer significant upside potential beyond our current valuation. Our base case valuation models these segments conservatively, given their early stages and the inherent uncertainty in their growth trajectories. However, if these businesses successfully scale, particularly in the AI-driven hospitality sector with Lokalee and the high-growth MENA market with Swissnet MENA, there is considerable room for additional value creation.

Further growth potential with existing clients

Several already existing customers present significant rollout potential, which will support the company's growth in its current business. For instance, the integration with clients such as Lidl, which has over 12,000 stores globally, and Kaufland, with more than 1,450 locations, represents a substantial opportunity for expansion. The ongoing implementation of Wi-Fi hotspots and beacon technologies across these extensive retail networks is expected to drive future growth.

Key figures*		2022	2023	2024e	2025e	2026e
Sales	CHF m	1	6	13	29	34
EBITDA	CHF m	-3	-2	2	6	8
EBIT	CHF m	-4	-3	1	4	7
EPS	CHF	-1.35	-1.20	0.20	0.45	0.73
Sales growth	%	n.a.	987.0	114.6	123.3	18.5
EBITDA margin	%	-574.7	-30.5	19.2	21.0	24.3
EBIT margin	%	-647.9	-57.7	10.1	14.4	19.1
EV/Sales	ratio	50.00	5.18	4.68	1.74	1.19
EV/EBITDA	ratio	-8.7	-17.0	24.4	8.3	4.9
EV/EBIT	ratio	-7.7	-9.0	46.5	12.1	6.2
P/E	ratio	-7.3	-4.3	34.1	15.1	9.2

Source: Bloomberg, Company data, Quirin Privatbank estimates
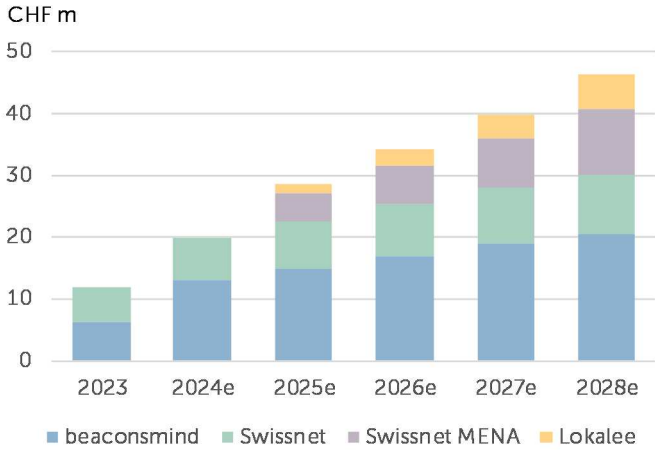*pro forma values post-mergers & capital increase

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Investment case in charts

We model consistent growth and improving margins

Promising early stage businesses, but conservatively modelled

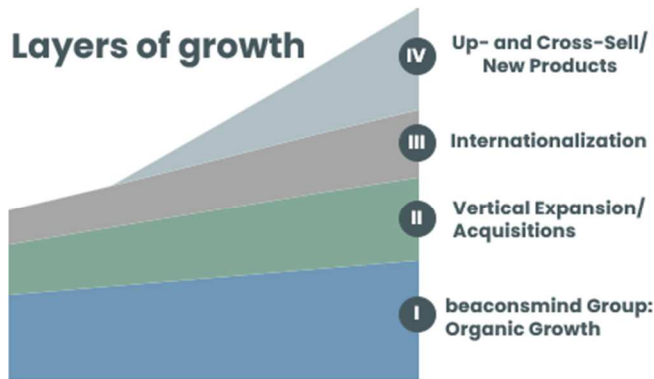
Lokalee
&
Swissnet MENA
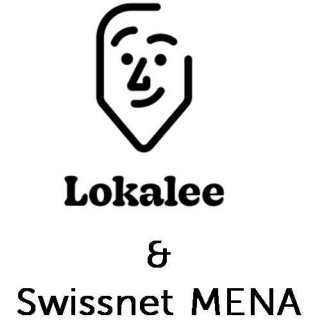
Very strong client base with additional sales potential

Strong margin development over next 5 years projected
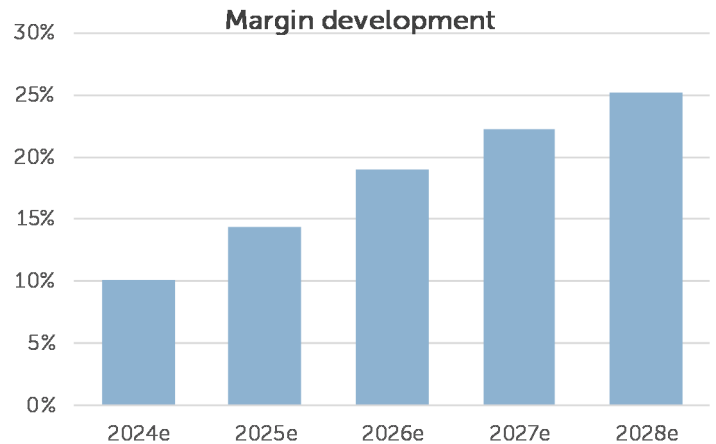
Convincing strategy with four growth layers

Extensive and complete technology suite with two segments

Source: Swissnet Group, Quirin Privatbank

Executive Summary

Swissnet's acquisitions enhance growth through ICT and AI hospitality, boosting synergy, profitability, and valuation.

Swissnet and Lokalee deal

In our view, the acquisitions of Swissnet AG and Lokalee are strategically aligned with Swissnet Group's growth. Swissnet AG adds ICT capabilities, including high-speed internet and managed IT services, expanding offerings and providing financial stability. Lokalee contributes an AI-powered SaaS platform for hospitality, enhancing guest experiences. These acquisitions create synergies by combining telecommunications, IT, and AI-driven hospitality solutions. This integration supports cross-selling and international growth, particularly through Swissnet MENA in high-growth Middle Eastern markets. Financially, these deals drive revenue growth and profitability, with significant projected increases by 2025. The complementary offerings enhance operational efficiency and strengthen the group's value proposition. The EV/EBITDA multiple for Swissnet was 6.0x pre-synergies, expected to improve to 5.4x post-synergies, while Lokalee's multiple was 2.9x, significantly below the median of other acquisitions. In our view, these are favorable and reasonable valuation multiples.

Beaconsmind shifted to Wi-Fi and IT solutions, boosting growth through strategic acquisitions and restructuring.

Transformation of original business model

Beaconsmind has transformed its business model from primarily focusing on location-based marketing software to becoming a comprehensive provider of Wi-Fi hotspot and IT infrastructure solutions. The original beacon technology, while innovative, faced slow adoption due to market conservatism and economic challenges. To address these issues, beaconsmind shifted its core business to a more accessible model with lower adoption barriers, centered around Wi-Fi and hotspot solutions. This transformation has been further accelerated by the strategic acquisitions of Frederix, Netopsie, Socialwave, T2, and Kadsoft, which have significantly enhanced the company's capabilities. With these acquisitions, beaconsmind was reorganized into two key segments—Infrastructure and SaaS—allowing for greater market reach and synergies between product lines. The recent additions of Swissnet and Lokalee further strengthen this strategy, enhancing international expansion and customer engagement opportunities, positioning beaconsmind for sustained growth and value creation.

Further growth potential with existing clients

Several of beaconsmind's existing customers present significant rollout potential, which will support the company's growth. For instance, the integration with clients such as Lidl, which has over 12,000 stores globally, and Kaufland, with more than 1,450 locations, represents a substantial opportunity for expansion. The ongoing implementation of Wi-Fi hotspots and beacon technologies across these extensive retail networks is expected to drive future growth, leveraging the scalability and cross-selling capabilities inherent in beaconsmind's product offerings.

Swissnet Group's scalable ICT and AI solutions target growth in hospitality, healthcare, retail, and MENA.

High scalability potential

Swissnet Group's expanded capabilities offer high scalability potential across multiple sectors. By combining advanced ICT infrastructure from Swissnet AG with Lokalee's AI-driven SaaS platform, the group can efficiently expand its solutions to a broader range of clients in hospitality, healthcare, and retail. The standardized nature of Swissnet's solutions, along with the flexibility to integrate new technologies, enables seamless scaling from smaller businesses to large multinational enterprises. This scalability is further enhanced by the establishment of Swissnet MENA, which opens access to high-growth markets in the Middle East and North Africa. Overall, the Swissnet Group is well-positioned to leverage its scalable platform to drive rapid growth and capture new opportunities in key industries.

Growth potential of Swissnet MENA

Swissnet MENA represents a significant growth opportunity for Swissnet Group, leveraging the capabilities of Swissnet AG and Lokalee to enter the high-growth markets of the Middle East and North Africa. With a focus on providing tailored infrastructure, communication solutions, and AI-driven digital concierge services, Swissnet MENA aims to become a leading ICT provider for the hospitality and retail sectors in the region. By establishing a local presence in Dubai, Swissnet MENA is strategically positioned to cater to increasing demand for digital and ICT services. The planned launch of an all-in-one retail solution in 2025 will further enhance its value proposition, allowing the group to capture substantial market share and strengthen its foothold in this dynamic market.

Swissnet's DCF model values shares at EUR 19.40, with a 'Blue Sky' scenario at EUR 33.90.

Valuation

We have derived our target price for the Swissnet Group from our DCF model. With a WACC of 9.75% (resulting from a risk-free rate of 3.50%, market premium of 5% and a beta of 1.3), a mid-term revenue CAGR 2024-2028 of 37.70% fading to a perpetual growth rate of 2.5% and a sustainable long-term EBIT margin of 30% our DCF model derives a fair value of EUR 19.40 per share. Hence, we reinitiate the Swissnet Group with a Buy recommendation. We also accounted for beaconsmind's tax loss carryforward of CHF 15m. Additionally, we are creating a DCF model with a 'Blue Sky' scenario, as Lokalee and Swissnet MENA are still in early stages, making their growth potential difficult to assess. This optimistic scenario considers possible higher growth rates and market penetration, should these business segments scale faster than expected and successfully establish their products in the market. We model strong growth for Swissnet Group's revenue, projecting sales to increase from CHF 13m in 2024 to CHF 96m by 2033. The EBIT margin is expected to improve significantly over the forecast period, increasing from 10.1% in 2024 to 40.0% by 2033 since in this scenario more revenue comes from high-margin business Lokalee. With a mid-term revenue CAGR 2024-2028 of 47.20% fading to a perpetual growth rate of 2.5% and a sustainable long-term EBIT margin of 40% our DCF model derives a fair value of EUR 33.90 per share.

Acquisition of Swissnet & Lokalee

The acquisitions of Swissnet AG and Lokalee mark a transformative step for beaconsmind, now rebranded as Swissnet Group, positioning it as a leader in digital infrastructure and AI-driven solutions for hospitality, healthcare, and retail. These acquisitions combine Swissnet's telecommunications and IT services with Lokalee's innovative SaaS solutions for enhancing the guest journey in hospitality.

Swissnet Group's acquisitions of Swissnet AG and Lokalee enhance digital infrastructure, AI-driven hospitality solutions, and international expansion.

Swissnet AG brings established ICT services, including high-speed internet, mobile communications, fixed networks, and managed IT services, expanding Swissnet Group's offerings. The merger with Lokalee adds an AI-powered digital concierge platform, enhancing personalized guest services. This combination enriches Swissnet Group's product suite, creating synergies and expanding cross-selling opportunities, particularly in hospitality.

The acquisitions also pave the way for international expansion with Swissnet MENA, positioning the group in high-growth markets like the Middle East and North Africa. The integration of new technologies, cost synergies, and increased customer base underscores the transformative impact of these acquisitions.

Company profile of Swissnet AG
Swissnet AG is a leading ITS services provider in Switzerland and Germany, offering high-speed internet, mobile communications, fixed networks, cloud, and managed IT services. Renowned for its exceptional customer service, Swissnet caters to business clients, including Swiss and German SMEs as well as international corporations, establishing itself as a trusted partner in telecom and IT solutions.

Swissnet acquisition rationale
The merger between beaconsmind and Swissnet AG is a strategic fit, combining Swissnet's ICT capabilities with beaconsmind's location-based marketing technologies. This partnership creates operational synergies, enhances service efficiency, and expands market reach through cross-selling opportunities. Also, there is a large shared customer base in hospitality, healthcare, and retail sectors. The merger also brings 17 specialized experts to strengthen the group's capabilities in the Swiss market.
Financially, the acquisition ensures high free cash flow (CHF 1.5m), with Swissnet being debt-free and holding CHF 200k in cash at closing. We also estimate that Swissnet AG contributes revenues of CHF 7.7m in 2025 and an EBIT of CHF 1.58m. Beaconsmind benefits additionally from a CHF 15m tax loss carryforward.

The beaconsmind-Swissnet merger enhances ICT and marketing synergies, expanding reach and boosting financial stability.

Company profile of Lokalee
Lokalee is an innovative SaaS platform that offers hotels an AI-powered digital concierge, providing personalized travel recommendations and a single touchpoint for seamless access to in-room services – see graph below.

Lokalee offers a comprehensive solution for the entire guest journey, covering all stages from pre-stay to end-stay. During the pre-stay phase, Lokalee supports booking confirmations, online check-in, payment gateways, and personalized planning for excursions. During check-in, guests can benefit from mobile keys, self-upgrade options, and managed WiFi, ensuring a seamless experience.

Throughout the stay phase, Lokalee provides services like room service, streaming options, simplified in-room controls, and special guest programs. It also integrates infrastructure such as digital signage, conference technology, and unified communication solutions. In the end-stay phase, Lokalee facilitates smooth check-out processes, automated review collection, and tools for ongoing customer engagement. Overall, Lokalee combines advanced software and infrastructure to enhance guest satisfaction and streamline hotel operations.

Lokalee functionalities

Covering The Complete Guest Journey

Software

Pre Stay
- Booking confirmation
- Communication before arrival
- Online check-in
- Registration form
- Payment gateway
- WhiteLabel App
- Customer activation through voucher
- Individual loyalty programs
- Planning & booking of excursions, events, tours, etc.

Check In
- Mobile key in mobile app
- Kiosk, key issuance
- Self-upgrade
- Managed WiFi (Saas)
- Whitelabel App
- App user recognition in Wi-Fi
- Operational Wi-Fi networks (FO, restaurant, etc.)

Stay Phase
- In app service for
  - Hotel A-Z (General information)
  - Room service menu
  - Remote control
  - Netflix/Amazon streaming
  - POS – Book room service
  - Simplified communication
- Special experience programs for hotel guests during stay
- Discounted access to partner programs

End Stay
- PMS invoice viewing + Online check-out
- SaaS solution for collecting provider and product reviews
- Automated provision of review requests after checkout
- Ensuring of content reviews / confirmation before publication
- Customer Wi-Fi with advertising opt-in even beyond the duration of Wi-Fi usage
- Tools for automated loyalty programs and other tools for customer activation

Infrastructure

(Pre Stay)
- Failsafe 5G Fallback
- Provision of networks (TV/Phone)

(Check In)
- Digital signage and kiosk systems for indoor and outdoor applications
- Conference and projection technology for meeting and conference rooms
- Networking technology
- CCTV, video-based fire detection
- Interactive displays for Lokalee offering
- Interactive overview maps for orientation in large facilities and hotels

(Stay Phase)
- Digital/Interactive Signage
- CCTV, video-based fire detection
- VOIP telephone, SIP-Client
- Digital Signage und Kiosk Solutions (indoor und outdoor)
- Infrastructure for MICE (meeting / conferences)
- Network technology
- Unified communication solutions

Source: Swissnet Group , Quirin Privatbank

Lokalee uses real-time data for guest insights, optimizing hotel services, promotions, and profitability.

Lokalee's value proposition for hotels

With data sources drawn from apps and partner hotel databases, Lokalee gives hotels a wealth of information to better understand and serve their guests. The platform also enables optimized guest management by tracking changes in guest preferences in real time, allowing hotels to adjust their offers and promotions accordingly. Incremental revenue analysis tools give insight into all revenue generated from activities and experiences, helping maximize profitability across all guest touchpoints.

Additionally, Lokalee provides insight into touchpoint effectiveness, helping hotels identify low-performing areas and optimize them for a better guest experience. This detailed analysis allows marketing teams to make data-driven improvements, ensuring a seamless and personalized journey for guests while enhancing overall business performance.

Lokalee acquisition rationale

The integration of Lokalee with the Socialwave Hospitality Platform makes this acquisition a strategic fit for beaconsmind. By combining digital guest engagement with AI-driven travel recommendations, Lokalee adds a unique and robust service suite to beaconsmind's hospitality offerings, enhancing its overall value proposition.

Furthermore, the acquisition paves the way for establishing Swissnet MENA, leveraging Lokalee's network and expertise. This partnership positions Swissnet Group as a leading ICT provider for the hospitality sector in the MENA region, utilizing local resources and expanding the group's footprint in a high-growth market. We estimate Lokalee's revenue contribution in 2025 at CHF 1.7m.

Lokalee impressions
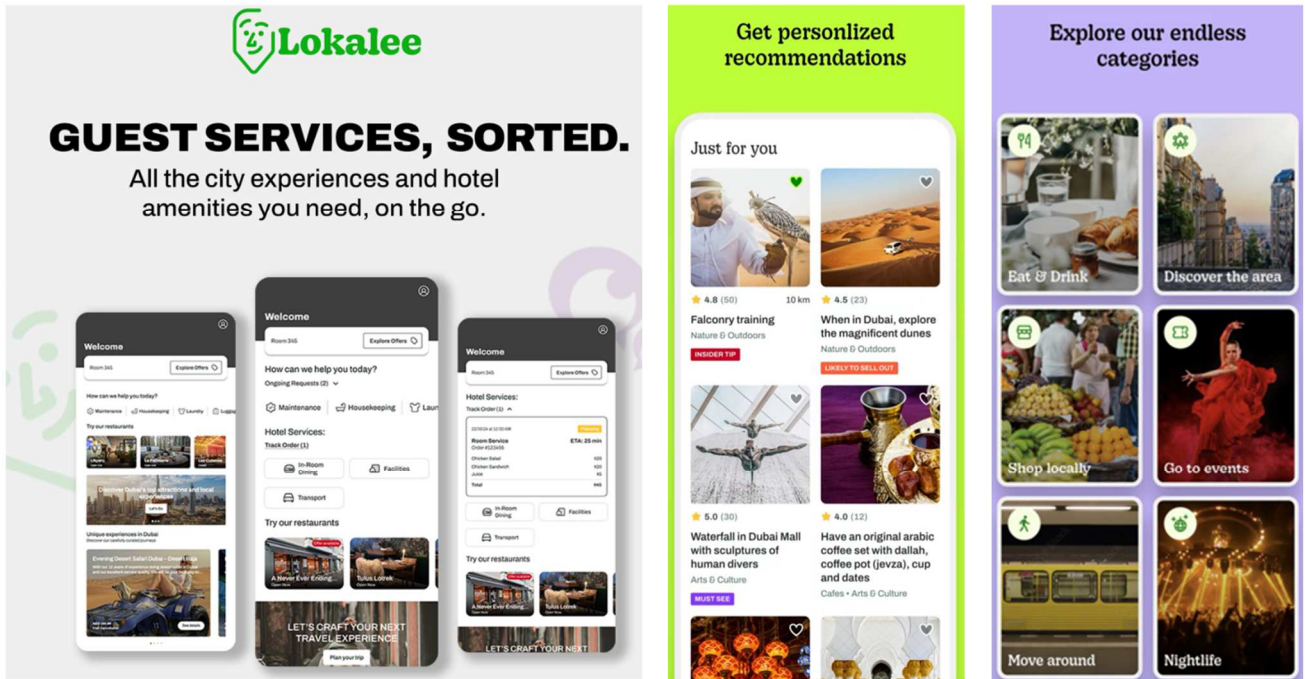
Source: Lokalee , Quirin Privatbank

Swissnet MENA leverages Swissnet's strengths to offer tailored ICT solutions, launching a retail SaaS product in 2025.

Swissnet MENA – joint venture

The acquisition opens up a natural opportunity for a new venture in MENA (Swissnet MENA) in collaboration with the key Lokalee shareholder, leveraging the existing network and expertise to position Swissnet Group as a leading ICT provider for hospitality in the region, utilizing resources from its subsidiaries.

Swissnet MENA leverages the strengths of Swissnet Group to deliver tailored infrastructure and communication solutions, focusing on the MENA hospitality and retail sectors. With a local presence established in Dubai, Swissnet MENA offers a robust and scalable platform that fosters close connections between businesses and customers throughout the region.

Looking ahead, Swissnet MENA is set to launch a new SaaS product in 2025, which will provide an all-in-one retail solution, integrating guest WiFi, in-store telephony, app connectivity, digital signage, and location-based marketing. Through its combined expertise in infrastructure and next-generation cloud telephony, Swissnet MENA aims to be the technology provider of choice for the region's hospitality and retail industries.

Benefits of the acquisitions

In our view, the acquisitions of Swissnet Group and Lokalee represent a transformational growth step for beaconsmind AG, bringing significant operational and financial benefits as outlined below.

The deals create cost and sales synergies through streamlined operations and cross-selling, boosting growth.

1. Access to new **technologies and intellectual property** will enrich beaconsmind's capabilities in digital infrastructure, location-based marketing, and AI-driven hospitality solutions, enhancing product offerings and maintaining a competitive edge.

2. The deals will generate substantial **cost and sales synergies**. Cost synergies will come from streamlined operations and shared resources, while sales synergies will result from cross-selling opportunities within the expanded customer base. These synergies will drive efficiency and revenue growth by introducing Swissnet's and Lokalee's complementary services to existing clients.

3. The acquisitions will increase the total **number of clients** from 7,035 to 10,285—a 46% growth—strengthening beaconsmind's market position and opening avenues for further service adoption.

4. Additionally, the acquisitions support **international expansion and market reach**, particularly in the Middle East and North Africa (MENA) region, through the establishment of Swissnet MENA, providing access to high-growth markets with rising demand for digital and ICT solutions.

Lokalee's AI concierge enhances personalized experiences, boosting value for hospitality clients and shareholders.

5. **Lokalee's AI value extension** enhances the group's ability to offer innovative, personalized experiences. With Lokalee's AI-driven digital concierge, beaconsmind can provide smarter, tailored services to hospitality clients, adding value for both customers and shareholders.

6. **Financially**, these benefits are expected to lead to substantial growth. Projected revenue for 2025 is set to rise by 79%, from CHF 15.4m to CHF 27.5m. Similarly, EBITDA is forecasted to grow by 86%, from CHF 3.6m to CHF 6.7m. This financial uplift highlights the transformational impact of these acquisitions, positioning beaconsmind as a leading global provider of digital infrastructure and marketing solutions.

Acquisitions increasing scale

Transformational Scale and Growth				
In CHF MM (except no. of clients)	beaconsmind Standalone			Swissnet Group
Number of Clients	7,035	+46%		10,285
Revenues 25E	15.4	+79%		27.5
EBITDA 25E	3.6	+86%		6.7

Source: Swissnet Group , Quirin Privatbank

Beaconsmind acquired Swissnet AG and Lokalee for CHF 21.3m, financed by cash, shares, and vendor loans.

Deal structure – price and financing

Beaconsmind acquired 100% shares of Swissnet AG and Lokalee. The total purchase price for Swissnet Group is CHF 9.7m, which is composed of CHF 3.5m in cash, a vendor loan of CHF 1.5m (to be repaid in two installments over 12 and 18 months), and the issuance of 860,000 beaconsmind shares to the sellers. Additionally, a cash capital increase of CHF 4.8m has been committed by core shareholders to help finance the acquisition.

For Lokalee, the acquisition price amounts to CHF 11.6m, including a vendor loan of CHF 1.3m and the issuance of 2.1m beaconsmind shares to the sellers. Both acquisitions will close concurrently, and a total of 2.9m new beaconsmind shares will be issued to the sellers of Swissnet and Lokalee, with all shares subject to a 12-month lock-up period.

In total, the combined purchase price for both acquisitions is CHF 21.3m, financed through cash, new share issuance, and vendor loans.

Transaction multiples for both acquisitions

As for Swissnet, the transaction is value accretive, with an EV/EBITDA multiple of 6.0x pre-synergies, which is about 9% higher than the median of previous transactions. However, in our view, synergies are expected to be particularly significant in the Swissnet deal. Therefore, the EV/EBITDA multiple should improve to 5.4x post-synergies. Additionally, Swissnet anticipates generating approximately CHF 1.5m in free cash flow in 2024, further enhancing the overall value for the group.

Swissnet's acquisition is value accretive, with EV/EBITDA improving from 6.0x to 5.4x post-synergies.

The EV/EBITDA multiple of the Lokalee deal with 2.9x is even 47% below the median of previous transactions. This is based on the FY26e EBITDA management projection. With our estimated 2026 EBIT of CHF 2.6m coming from Lokalee, the EV/EBIT would be 4.4x, still quite reasonable.

Transaction multiples Swissnet & Lokalee vs. previous transactions

in CHF m	Purchase price	Run rate or past revenue	Run rate or past EBITDA	EV/ revenue	EV/ EBITDA
Frederix (62%)	2.9	3.5	0.8	1.2x	6.1x
Netopsie	0.5	0.6	0.1	0.8x	5.0x
Socialwave	9.6	4.3	1.7	2.1x	5.6x
Kadsoft/T2	2.9	3.6	0.4	0.9x	5.4x
Median previous transactions				**1.1x**	**5.5x**
Swissnet	9.7	6.9	1.6	**1.4x**	**6.0x**
Relative to median				33%	9%
Lokalee	11.6	13.9	4.0	**0.8x**	**2.9x**
Relative to median				-24%	-47%

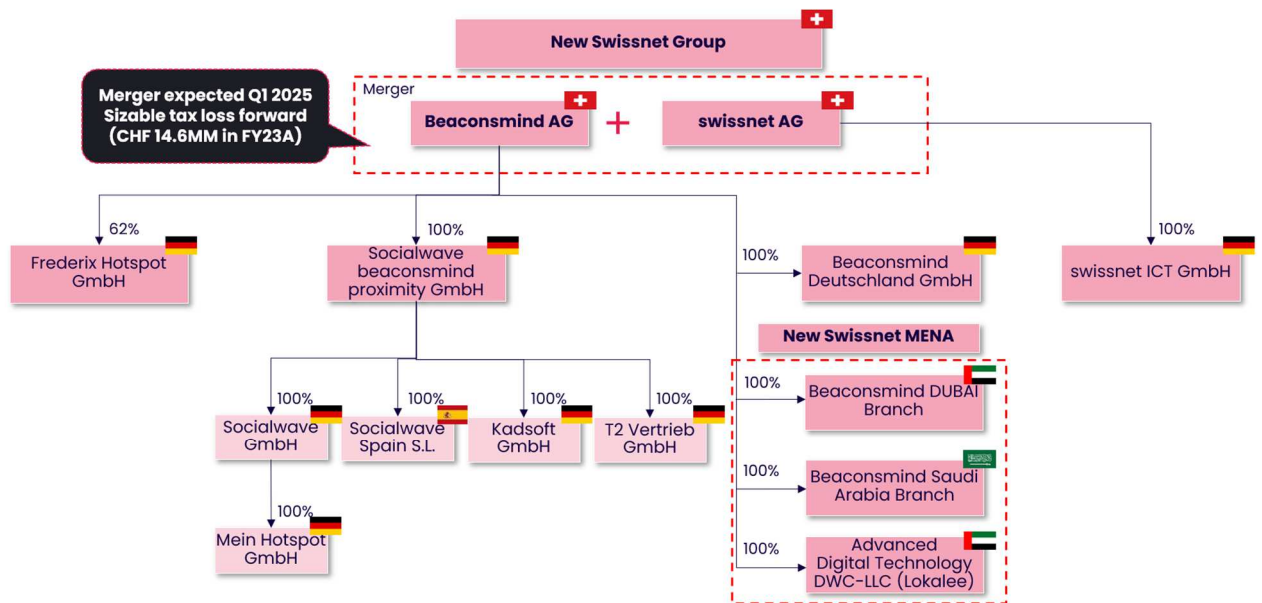Source: Swissnet Group, Quirin Privatbank

The new Swissnet Group

Strong operational synergies and market expansion in Europe and MENA.

Following the strategic acquisitions of Swissnet and Lokalee, beaconsmind has undergone a significant transformation and has been rebranded as the Swissnet Group. This transformation marks a new era for the company, positioning it as a leading provider of digital infrastructure and AI-driven solutions for the hospitality, healthcare, and retail industries. The new Swissnet Group benefits from an expanded product portfolio that integrates advanced technologies such as WiFi hotspots, AI-powered concierge services, location-based marketing solutions, and comprehensive telecommunication services.

With its international expansion strategy and the establishment of Swissnet MENA, the group is also expanding its market reach beyond Europe to the Middle East and North Africa. These moves underscore the company's commitment to becoming leader in digital infrastructure and location-based marketing. The acquisitions have provided the group with an extended value chain, significant operational synergies, and a platform for growth across key sectors. As a result, Swissnet Group is well-positioned for further growth and profitability over the next few years. The graph below shows the new group structure.

New Swissnet Group structure

Source: Swissnet Group , Quirin Privatbank

Swissnet Group's acquisitions boost key metrics, increasing clients, points of sale, and financial projections, despite a slight gross margin decline.

Key KPIs increased on almost all levels

Following the acquisitions of Swissnet and Lokalee/MENA, the newly formed Swissnet Group shows significant improvements across KPIs – see graph below. The number of clients has grown from 7,035 to 10,285, thanks to the addition of 3,000 clients from Swissnet and 250 from Lokalee/MENA. Similarly, the number of points of sale has increased from 31,731 to 58,731, largely due to the 25,000 points of sale contributed by Lokalee/MENA.

Financially, the group's projected revenue for 2025 has risen from CHF 15.4m to CHF 27.5m, and the expected EBITDA has increased from CHF 3.6m to CHF 6.7m. This demonstrates the positive financial impact of the acquisitions, contributing an additional CHF 8.5m in revenue from Swissnet and CHF 3.6m from Lokalee/MENA.
The gross margin for the new Swissnet Group is now projected at 69%, a bit down from beaconsmind's standalone margin of 77%.

Key KPIs of newly formed Swissnet Group

New Swissnet Group: Key KPIs

In CHF MM (except no. of clients and Point-of-Sales)	beaconsmind		swissnet		Lokalee/ MENA		Swissnet Group
Number of Clients	7.035	+	3,000	+	250	=	10,285
Number of Point-of-Sales	31,731	+	2,000	+	25,000[2]	=	58,731
Revenues 25E	15.4	+	8.5	+	3.6	=	27.5
EBITDA 25E	3.6	+	2.6	+	0.6	=	6.7
Gross Margin 25E	77%	+	59%	+	44%[1]	=	69%

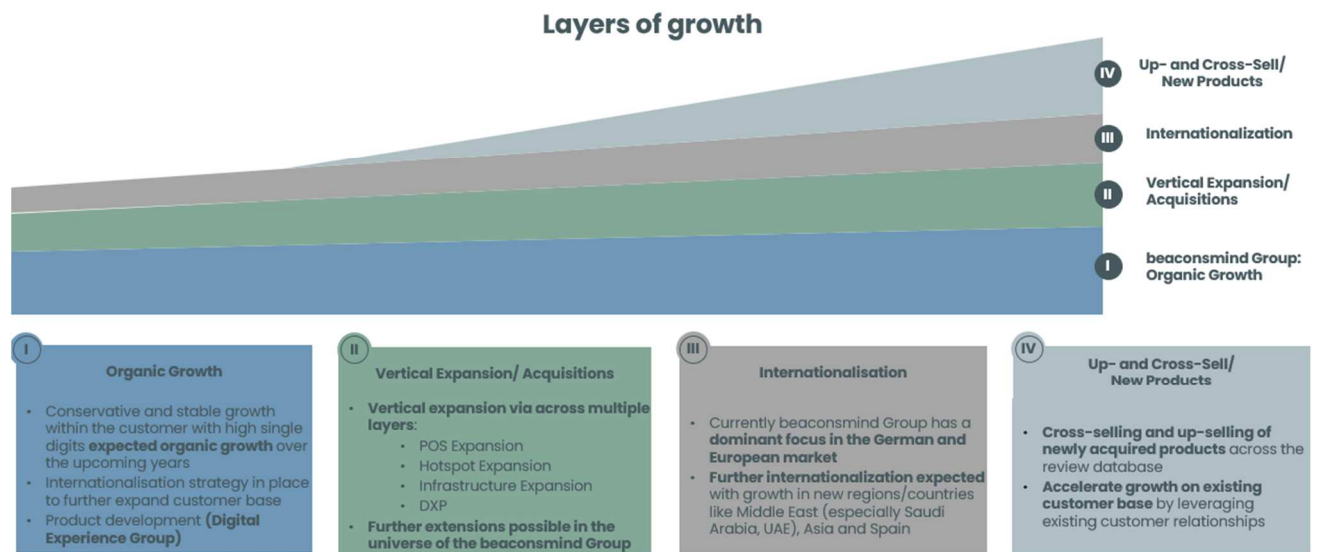Source: Swissnet Group , Quirin Privatbank

Swissnet Group's growth strategy includes organic growth, vertical expansion, internationalization, and up- and cross-selling, enhanced by recent acquisitions.

Multi-Layered Growth Strategy and Opportunities

Swissnet Group's growth strategy is built on four layers: organic growth, vertical expansion/acquisitions, internationalization, and up- and cross-selling. Together, these layers aim to enhance market presence and achieve sustainable long-term growth. The acquisitions of Swissnet and Lokalee further boost this potential. For an extended version see below in the section sales and margin estimates.

1. **Organic Growth**: Focused on steady growth with existing customers, targeting high single-digit growth. Recent wins include projects for Semperoper Dresden (EUR 200,000), CloudWiFi in over 770 Müller supermarkets, and ECE Group as a new client (EUR 500,000).
2. **Vertical Expansion/Acquisitions**: Acquisitions (e.g., Frederix, Netopsie, Socialwave) have expanded beaconsmind's capabilities in POS, hotspots, and IT infrastructure. Partnerships with at-visions and Lokalee enhance the technology value chain for hospitality and retail with AI-driven solutions.
3. **Internationalization**: Expanding from Germany and Europe into the Middle East, Asia, and Spain. Dubai serves as a hub for new markets, while Spain focuses on social media strategies in hospitality, targeting EUR 600,000 in annual revenue.
4. **Up- and Cross-Selling**: Leveraging new products to increase revenue per customer. Cross-selling technologies to clients like Lidl and Kaufland drives growth and strengthens customer loyalty.

Swissnet Group's growth strategy

Source: Swissnet Group , Quirin Privatbank

Swissnet Group's B2B marketplace offers infrastructure and software/SaaS solutions, enhancing connectivity, digital experiences, and hospitality services.

B2B marketplace of the newly formed Swissnet Group
The newly formed Swissnet Group has established a comprehensive B2B marketplace (see graph below) that spans both infrastructure and software/SaaS segments, providing end-to-end digital solutions. This marketplace includes a range of offerings that cater to connectivity, digital experiences, and hospitality services.

In the **Infrastructure Segment**, Swissnet Group provides services for strengthening infrastructure, including LAN and WLAN solutions, supported by companies like Kadsoft and T2. Additionally, it offers hotspot services through partners like Frederix, focusing on WLAN and similar hotspot solutions. This infrastructure segment is designed to enhance digital connectivity across various business environments.

The **Software/SaaS Segment** includes a variety of solutions:

- **Swissnet Group** provides personalized digital experiences, customer management, and customized services that transform digitalization into powerful marketing channels.
- **Point-of-Sales (POS)** offerings, in collaboration with Socialwave, focus on expanding WiFi and POS solutions across different retail settings.
- **Review Solutions** are provided through an exclusive partnership with eKomi, enhancing feedback collection and distribution for improved customer insights.
- **Hospitality SaaS** solutions offer enhanced technology for guest-facing services, supported by integrated technology like hotspot access points.
- **Hospitality/MENA** focuses on delivering a comprehensive, AI-powered service suite for the entire guest journey, in collaboration with at-visions and Lokalee.

B2B market place
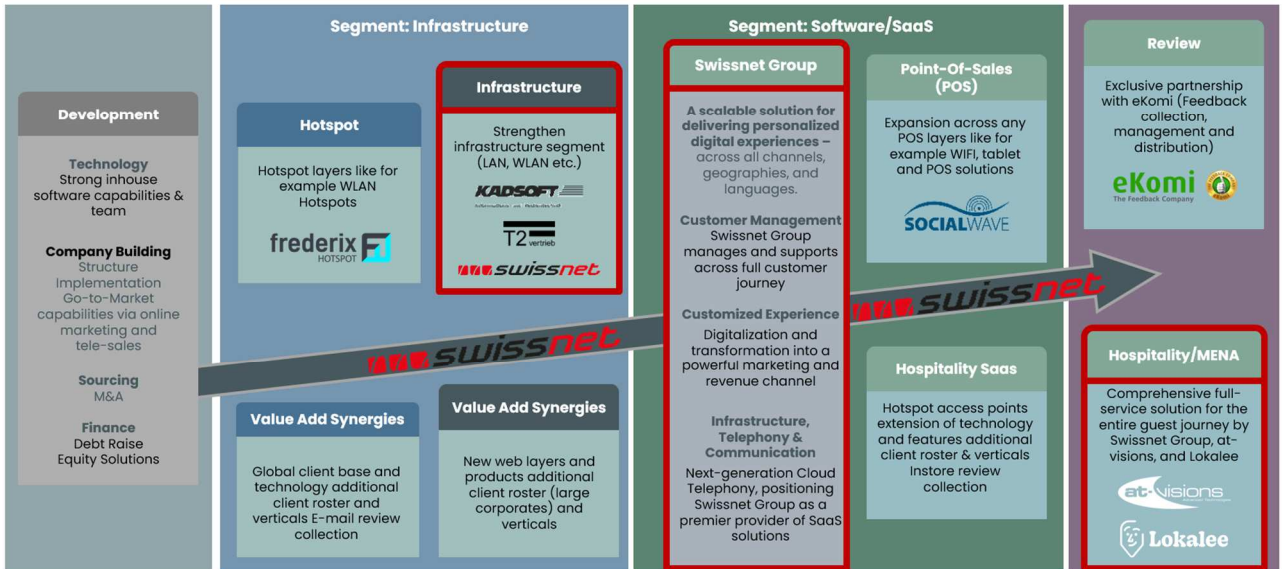
Source: Swissnet Group , Quirin Privatbank

Swissnet Group aims to lead in digital infrastructure and AI-driven solutions, focusing on global growth, financial targets, innovation, and trusted partnerships.

New vision

The management of the new Swissnet Group envisions becoming a global leader in digital infrastructure and location-based marketing, offering innovative, AI-driven solutions for retail, healthcare, and hospitality. Their strategy focuses on four key areas:

1. **Global Expansion**: Scaling operations to over 30,000 locations worldwide, establishing themselves as the preferred partner for seamless and scalable digital solutions.
2. **Growth**: Targeting significant financial growth, Swissnet Group aims to achieve CHF 60m in revenue and CHF 20m in EBITDA within the next four years, driving global expansion and profitability.
3. **AI-Driven Innovation**: Embedding AI across all products to provide cutting-edge solutions, enhancing customer engagement and efficiency for their clients.
4. **Trusted Partnership & Sustainability**: Building long-term relationships through quality delivery and fostering a culture based on partnership, fairness, and trust.

Swissnet Group's AI-driven strategy enhances data insights for hospitality, healthcare, and retail, improving customer engagement, operational efficiency, and targeted marketing campaigns.

Go-to-Market Approach and Sales Strategy of the New Swissnet Group

The new Swissnet Group employs an AI-driven technology strategy that targets key sectors such as hospitality, healthcare, and retail. Leveraging artificial intelligence, the group optimizes data collection and analysis to provide clients with deep insights into guest, patient, or customer behavior. These AI-powered insights enable faster and more precise decision-making, significantly enhancing operational efficiency. Swissnet's approach combines standardized WiFi and hotspot solutions with advanced AI integration to help businesses run targeted, location-based marketing campaigns. Solutions from Frederix and Socialwave allow companies to engage customers at the right time and place, boosting satisfaction and revenue. Lokalee's new AI solution further enhances Swissnet's platform for the hospitality industry, providing a more comprehensive toolset for improving the customer journey.

Key Elements of the Go-to-Market Strategy

1. **Standardized Solutions with Customization Options**
   The Swissnet Group primarily offers standardized solutions aimed at the hospitality, healthcare, and retail sectors. These products are designed for rapid deployment, providing immediate value to customers. Where needed, these standardized offerings can be customized, but the focus remains on efficiency and scalability. This approach allows for quick implementation across different business sizes, delivering measurable benefits from the outset.

Swissnet's standardized, scalable, AI-driven solutions offer a competitive edge over rivals like m3connect and Hotsplots.

2. **Competitive Edge through New Technology**
   The use of standardized solutions brings stability, cost-efficiency, and adaptability across multiple industries. Compared to competitors like m3connect and Hotsplots, Swissnet's offerings are distinguished by their scalability and ease of integration. This makes them particularly attractive to clients looking to replace existing solutions with more modern, AI-driven alternatives.

3. **Technology and Scalability as Sales Drivers**
   The Swissnet Group designs its solutions to be easily scalable, accommodating both small and large enterprises. In sectors like hospitality and retail, these standardized products can be deployed quickly and efficiently, providing a competitive advantage over companies focused solely on custom-built or low-cost basic technologies. Scalability is key in ensuring the solutions are accessible and beneficial to a wide range of customers.

4. **Strategic Partnerships for Market Expansion**
   Strategic partnerships are central to Swissnet's expansion strategy. By collaborating with partners outside the group, Swissnet extends the reach of its standardized solutions and effectively taps into new customer bases. The focus on proven, scalable solutions facilitates easy onboarding for clients who want to switch from competitor offerings.

5. **Quality and Support as Key Differentiators**
Swissnet positions itself firmly on the basis of quality, service, and technological innovation. While lower-cost competitors like Hotsplots rely on price competition, Swissnet differentiates through reliability, comprehensive customer support, and advanced technology. This focus not only eases the transition for new customers but also ensures long-term loyalty through a commitment to superior service.

Swissnet differentiates itself from low-cost competitors by focusing on quality, advanced technology, and comprehensive customer support.

Company profile of "old" beaconsmind

Original business model – LBM marketing
Originally, before all the acquisitions, beaconsmind's business model focused mostly on providing location-based marketing (LBM) software, primarily using Bluetooth Low Energy (BLE) beacons. These beacons allowed retail clients to track customers within their physical stores, enabling highly targeted, real-time marketing campaigns. The beaconsmind Suite software gathered and analyzed data such as customer locations, preferences, and behaviors, allowing businesses to deliver personalized promotions and enhance the shopping experience. This solution aimed to help retailers increase customer engagement, boost in-store sales, and implement effective omnichannel strategies by bridging the gap between offline and online interactions.

Business model transformation through several acquisitions
The initial beacon technology, though innovative, faced challenges in gaining widespread acceptance. Additionally, unfavorable economic conditions further hindered the rollout and limited growth opportunities. To overcome these obstacles, beaconsmind shifted focus towards a more stable and accessible core business—Wi-Fi and hotspot solutions. This approach offered lower adoption barriers, making it easier for clients to integrate the technology while also providing an entry point for them to explore the benefits of beacon technology. To support this new direction, beaconsmind expanded its capabilities through strategic acquisitions, targeting companies with strong expertise in Wi-Fi and IT infrastructure - establishing a stronger foundation for growth and broadening its market reach.

Beaconsmind shifted from beacon technology to Wi-Fi and hotspot solutions, lowering adoption barriers and expanding through strategic acquisitions.

Therefore, in 2023, beaconsmind went through a major transformation, changing its business structure and growth path. The company successfully acquired five German companies—Frederix, Netopsie, Socialwave, T2, and Kadsoft—each with a strong focus on Wi-Fi hotspots and IT infrastructure. This move led to the reorganization of beaconsmind's operations into two main business segments: Infrastructure and SaaS.

New Swissnet Group technology suite - two segments

Source: Swissnet Group , Quirin Privatbank

The Infrastructure segment now includes the key businesses of Frederix, Netopsie, T2, and Kadsoft, which form the backbone of beaconsmind's technology. Meanwhile, the SaaS segment includes Socialwave and the original beaconsmind Suite, offering advanced software services. Building on this transformation, beaconsmind continues to grow with the recent acquisitions of Swissnet and Lokalee, setting itself up for further growth. We see extensive synergy potential between those two business lines.

New management since mid-2023

In July 2023, beaconsmind experienced a major shift in management, which signaled the start of its new organizational structure. Max Weiland, the founder and former CEO and Chairman, stepped down, and his responsibilities were taken over by Jonathan Sauppe. Sauppe, who was previously the CEO of FREDERIX, an acquired subsidiary, also served as a board member and led the Wi-Fi hotspot vertical. With over a decade of industry experience, Sauppe has a strong grasp of the business and its potential.

Beaconsmind's new leadership under Jonathan Sauppe focuses on expanding Wi-Fi hotspot capabilities, enhancing digital infrastructure, and delivering integrated solutions for key sectors.

With Sauppe leading the way, beaconsmind is well-positioned to capitalize on the growing opportunities in the Wi-Fi hotspot market. The combined capabilities of beaconsmind's beacon technology and Wi-Fi solutions enable the company to deliver powerful omnichannel marketing strategies for clients. The recent acquisitions of Swissnet and Lokalee further expand beaconsmind's ability to offer integrated digital infrastructure, enhancing customer engagement and creating synergies across various sectors, including retail, hospitality, and healthcare.

Latest reported results show substantial growth

In October, the company released its H1 2024 management report showcases substantial revenue growth, largely fueled by the strategic acquisitions made in 2022 and 2023. The acquisitions of FREDERIX, Socialwave, Netopsie, T2, and Kadsoft were key drivers of this growth, with T2 and Kadsoft's revenues being consolidated for the first time following the closure of the deals at the end of 2023.
Sales for H1 2024 rose by 122% yoy, reaching CHF 5.9m. This increase was primarily attributed to the contributions from the newly acquired companies, including the first-time consolidation of T2 and Kadsoft.
The adjusted EBITDA for H1 2024 stood at CHF 1.1m, reflecting the positive impact of these acquisitions. The adjustments, amounting to CHF 0.55m, were mainly linked to legal, restructuring and personnel costs associated with the acquisitions.

2024 targets confirmed and well in reach

Given the strong H1 performance and the new contracts secured during this period, management remains confident in achieving the 2024 targets, which include sales of CHF 12.9m and an adjusted EBITDA of CHF 2.5m.

New customers & European expansion

New customers - beaconsmind continued to expand its customer base. In the beginning of the year, the company secured a project with the Semperoper in Dresden to provide projector technology, while retailer Müller implemented beaconsmind's CloudWifi solutions across more than 770 supermarkets in the DACH region and Spain. The company also welcomed ECE Group, a major shopping center operator, as a new client. European expansion - beaconsmind has further deepened its collaboration with a leading European retailer, which plans to adopt the Auto App Login solution at approximately 940 locations across Europe. Auto App Login enables customers to automatically connect to the Wi-Fi as soon as they enter a store. In addition, the company announced its expansion into the Spanish market by establishing a local entity. This move aligns with beaconsmind's strategy to tap into the high adoption rate of digital marketing solutions in Spain.

beaconsmind expanded in Europe with new projects, clients, and entry into the Spanish market.

Beaconsmind provides innovative Wi-Fi, digitalization, and marketing solutions, enhancing customer engagement and operational efficiency.

Beaconsmind expanded Auto App Login to 940 stores, enhancing customer convenience and digital engagement.

Beaconsmind launched smart lighting poles in Dubai, enhancing urban connectivity and real-time communication.

Example customer projects by beaconsmind

Beaconsmind Group has shown a strong ability to provide innovative solutions that address the needs of clients across different industries. With a focus on Wi-Fi infrastructure, digitalization, and location-based marketing, Beaconsmind's products have made a real difference in improving customer engagement, enhancing digital experiences, and increasing operational efficiency. The projects below highlight how Beaconsmind delivers practical, impactful solutions tailored to each client's needs.

Shopping Centers in Germany (European Real Estate Company)

Beaconsmind Group, through its subsidiary FREDERIX Hotspot GmbH, successfully implemented high-level internet access and CloudWiFi solutions across shopping centers in Germany for a leading European real estate company. The comprehensive project involved gateway upgrades, new installations, and long-term technical support, significantly enhancing the network infrastructure for over 3 million daily visitors. FREDERIX will provide ongoing support to ensure network stability and quality, thereby improving customer experience and satisfaction across all centers.

Leading European Retailer

Beaconsmind expanded its partnership with a leading European retailer by implementing the "Auto App Login" solution across approximately 940 stores in Germany and Europe. This feature enables automatic Wi-Fi connection as soon as customers enter the store, providing a seamless shopping experience. The Auto App Login enhances the digital infrastructure, allowing centralized management of connectivity and enabling personalized digital communication at the point of sale, which benefits both customer convenience and engagement.

Müller Group

Beaconsmind deployed its FREDERIX CloudWiFi solution for premium customer Wi-Fi in over 770 Müller stores across the DACH region and Spain, with plans for further expansion to Hungary, Croatia, and Slovenia. The solution offers centralized Wi-Fi management, enabling Müller to monitor and analyze usage across all stores efficiently. The modular cloud hotspot allows the collection of usage statistics, which helps improve customer service and support loyalty programs, streamlining various aspects of the customer experience.

Die Zimmerei (Student Dormitory Operator)

Beaconsmind collaborated with Reos GmbH to develop a digitalization strategy for "Die Zimmerei," a student dormitory operator managing over 3,000 apartments across Germany and Austria. Beaconsmind established a VPN structure across the dormitories, including innovative camera surveillance. This implementation aimed to unify and streamline data management, reducing administrative complexity. The project supports future expansion into Wi-Fi infrastructure and additional digital services for student housing, presenting significant potential growth opportunities.

Smart Urban Lighting Eco System

In collaboration with WE-EF Leuchten GmbH and Axis Communications AB, Beaconsmind launched the Smart Urban Lighting Eco System at trade fairs in Dubai. The system features multifunctional smart lighting poles equipped with cameras, pollutant sensors, loudspeakers, charging stations, and WiFi hotspots. This innovative solution provides cities and municipalities with tools to enhance connectivity and real-time communication, bridging the gap between digital and physical urban environments and creating new opportunities for engaging residents and visitors.

Semperoper Dresden

Beaconsmind, through its subsidiary KADSOFT, provided new projector technology for the Semperoper Dresden, one of Germany's largest opera houses. The installation included advanced lamp-free laser projection technology with a hermetically sealed optical block, offering up to 20,000 hours of maintenance-free operation. This modernized stage lighting allows for greater flexibility in performances while reducing the need for physical set construction, ultimately enhancing both the technical capabilities and audience experience.

Beaconsmind deployed Wi-Fi in 15 Vitanas nursing homes, enhancing care documentation and staff efficiency.

Beaconsmind modernized German schools with media technologies, enhancing hybrid learning.

Vitanas Nursing Homes

Beaconsmind strengthened its collaboration with Vitanas Group by deploying FREDERIX CloudWiFi across 15 nursing homes in Germany, providing Wi-Fi coverage for around 2,500 care places. The project leverages existing cabling to reduce installation costs, allowing Vitanas to efficiently manage hotspots across multiple locations. This initiative supports digital care documentation and ensures better access to patient information for caregivers, which enhances both staff efficiency and the quality of care provided to residents.

Educational Institutions Modernization

Beaconsmind Group has expanded its reach in the education sector by modernizing schools and universities across Germany with innovative media technologies. With a project volume exceeding EUR 1.5m, Beaconsmind installed ceiling microphones, specialized camera systems, and powerful Wi-Fi hotspots to support hybrid learning environments. These solutions enhance educational quality by ensuring that both on-site and remote students can seamlessly participate in classes, thereby supporting collaborative and effective learning experiences. The group expects continued growth in this sector, with plans to further expand its presence and offer advanced learning technologies.

Expansion into Spain with WiFi Marketing Product

Beaconsmind Group expanded into the Spanish market with the establishment of the subsidiary Socialwave Spain S.L., focusing on the hospitality and gastronomy sectors. The expansion aims to leverage the growing demand for digital marketing solutions in Spain, particularly in the hospitality industry. By offering its proven WiFi marketing product, Beaconsmind targets significant growth in this market, with an expected annual revenue of EUR 600,000. This strategic move highlights Beaconsmind's commitment to exploring new markets and enhancing its international presence.

Client portfolio

Source: Swissnet Group , Quirin Privatbank

Overview of past acquisitions

Beaconsmind made several acquisitions since 2023, broadening its customer network and driving synergies.

Since 2023, beaconsmind completed the following acquisitions: Frederix, Netopsie, Socialwave, and T2 and Kadasoft. These acquisitions were financed using a combination of cash and shares supported by several capital increases. The newest additions to the list are now Swissnet and Lokalee as of November 19, which we discussed above. As can be seen in the table below, the median price multiples paid for the acquisitions were EV/revenue of 1.1x and EV/EBITDA of 5.5x, which seems reasonable. Management turned a single-product, single company set up into a synergetic group with focus on profitability and growth. The acquisitions allowed the company to substantially broaden its customer network. We estimate high cost synergies between those companies and beaconsmind in the mid-term between CHF 500k to 800k per year.

Swissnet Group's acquisitions

in CHF m	Purchase price	Run rate or past revenue	Run rate or past EBITDA	EV/ revenue	EV/ EBITDA
Frederix (62%)	2.9	3.5	0.8	1.2x	6.1x
Netopsie	0.5	0.6	0.1	0.8x	5.0x
Socialwave	9.6	4.3	1.7	2.1x	5.6x
Kadsoft/T2	2.9	3.6	0.4	0.9x	5.4x
Swissnet	9.7	6.9	1.6	1.4x	6.0x
Lokalee	11.6	13.9	4.0	0.8x	2.9x
Median				**1.1x**	**5.5x**

Source: Swissnet Group, Quirin Privatbank

1. FREDERIX Hotspot GmbH

Beaconsmind acquired FREDERIX, expanding into WiFi solutions and integrating synergies for customer growth.

beaconsmind AG acquired a controlling 51% stake in FREDERIX Hotspot GmbH on 21 November 2022, marking a strategic expansion into the WiFi hotspot sector. An additional 11% stake were acquired on 28 July 2023, increasing its total ownership to 62%. FREDERIX, headquartered in Hannover, Germany, provides smart, cloud-based WLAN hotspot technologies and corporate WiFi solutions. The acquisition aligned with beaconsmind's growth strategy, adding complementary offerings to its existing Point-of-Sales solutions, and enhancing its product portfolio with WiFi services that cover industries like retail, healthcare, and public transport.

FREDERIX added an extensive client base with over 10,000 points of sale, including major food retailers like Lidl, with approximately 12,000 locations globally, and Kaufland, with more than 1,450 locations worldwide. These clients present a significant opportunity for beaconsmind to implement its location-based marketing solutions effectively.

Additionally, the partnership with eKomi Holding GmbH, a key shareholder of FREDERIX, strengthened beaconsmind's offering by integrating eKomi's review platform, providing end-to-end B2B customer solutions. As part of the deal, Michael Ambros, CEO of eKomi, joined beaconsmind's board as Deputy Chairman, while Jonathan Sauppe, CEO of FREDERIX, led the newly established WiFi hotspot vertical at beaconsmind and later became CEO of whole beaconsmind.

The acquisition positioned beaconsmind for strong growth by extending its value chain and diversifying its customer base. With this move, beaconsmind aimed to solidify its market presence and capitalize on the synergies between location-based marketing, WiFi solutions, and customer feedback management.

Deal structure

The acquisition was executed through the issuance of 155,500 new beaconsmind shares at EUR 13 per share, valuing the deal at EUR 2.02m. Additionally, an 11% stake was acquired on 28 July 2023 for approximately EUR 1m. The new shares were issued at a 19% premium to the closing price, and beaconsmind gained full financial control of FREDERIX, including cash flow access. The deal was financially accretive, doubling beaconsmind's revenue to around EUR 5.5-6.0m and helping beaconsmind move

towards profitability by mid-2023. FREDERIX generated EUR 3.5m in revenue with EUR 0.5m in EBITDA, and cost synergies of EUR 0.3m were anticipated.

2. Netopsie

Beaconsmind acquired Netopsie, expanding its hotspot offerings and enhancing synergy and cross-selling opportunities.

beaconsmind AG, through its subsidiary FREDERIX Hotspot, acquired 100% of the shares of Ingenieurbüro Netopsie on 23 February 2023, further expanding its activities in the hotspot segment. Netopsie, a provider of in-house DSL, TV, LAN, and WLAN solutions, serves a variety of sectors including hospitality, healthcare, education, and sports venues. This acquisition aligned with beaconsmind's strategic growth in the hotspot vertical, enhanced its existing offering and provided complementary infrastructure solutions.

This acquisition enabled beaconsmind to leverage Netopsie's expertise in networking and infrastructure solutions, provided comprehensive in-room connectivity solutions without the need for new cabling. High synergy effects and cross-selling opportunities were expected, especially by integrating Netopsie's technologies with beaconsmind's existing Bluetooth Low-Energy and hotspot WiFi solutions. Customers gained access to a broader set of solutions that also include data management and feedback options, supported by eKomi's SaaS review platform.

Stefan Gerecke, the CEO of Netopsie, continued to contribute to FREDERIX with a long-term commitment to build out the new solution vertical. This move significantly strengthened beaconsmind's presence in the networking infrastructure space and diversified its customer and revenue base.

Deal structure

The acquisition was completed for a total purchase price of EUR 500,000, consisting of an immediate cash payment of EUR 200,000 and an additional EUR 300,000 payable over five years. The transaction was financed through FREDERIX's current liquidity, making it a cost-effective move for beaconsmind. Netopsie, with annual sales revenues of EUR 650,000 and an EBITDA of approximately EUR 100,000, was consolidated under FREDERIX, bringing immediate financial accretion and synergy potential. The company is debt-free, cash flow positive, and has a broad customer base including key accounts like TUI, TUI Blue, and Robinson Club.

3. Socialwave

Beaconsmind acquired Socialwave, enhancing its Wi-Fi hotspot offerings and realizing immediate synergies and growth potential.

beaconsmind AG acquired 100% of the shares of Socialwave GmbH on 31 March 2023, expanding its B2B Point-of-Sales solution portfolio. Socialwave is a market leader in location-based marketing services, offering guest Wi-Fi, Bluetooth, NFC, and QR-code technologies for data collection, marketing campaigns, and customer analytics. The company serves a diversified customer base, including clients like Pizza Hut, BMW, and Caritas, generating run-rate revenues of EUR 4.5m and an EBITDA of EUR 1.8m.

The acquisition came with strong synergy effects and immediate cost synergies of around EUR 0.4m across Socialwave, FREDERIX, and beaconsmind. The integration strengthened beaconsmind's Wi-Fi hotspot vertical, expanded its reach, and enhanced product offerings, making it a strong fit to accelerate growth and improve profitability.

Socialwave's founders became shareholders in beaconsmind, with Felix Schönfelder continuing as Managing Director. This strategic move reinforced beaconsmind's role in the Wi-Fi hotspot segment and positioned the company for further growth, with plans for future acquisitions to deepen its value chain.

Deal structure

The EUR 9.6m purchase was financed through low-coupon debt, cash from a recent capital increase, and 350,000 newly issued beaconsmind shares to Socialwave's founders, with a lock-up of 6-12 months. The acquisition closed at the end of April, with full consolidation of Socialwave's financials into beaconsmind's group, including FREDERIX and Netopsie.

4. KADSOFT and T2

beaconsmind Group completed the acquisition of KADSOFT and T2 Vertrieb on 25 October 2023. The acquisitions represent a significant milestone, expanding beaconsmind's customer network and enhancing its ability to deliver comprehensive IT infrastructure and software solutions. Moving forward, beaconsmind plans to explore further acquisitions, deepen its value chain, and focus on organic growth, cross-selling,

beaconsmind strengthens its Infrastructure segment with FREDERIX, Netopsie, KADSOFT, and T2.

and international expansion. KADSOFT focuses on IT infrastructure, media infrastructure, and consulting, while T2 Vertrieb specializes in telecommunications systems. Both companies complement beaconsmind's business strategy and strengthen its Infrastructure segment, which now includes FREDERIX, Netopsie, KADSOFT, and T2, while the Software/SaaS segment comprises Socialwave and the former beaconsmind Suite.

Deal structure
The acquisitions added EUR 3.0m in revenues and EUR 0.6m in EBITDA. The EUR 2.9m deal was financed through cash and 300,000 newly issued beaconsmind shares, concluding beaconsmind's strategic transformation into two segments: Infrastructure and Software/SaaS.

Extensive technological value proposition
With the acquisitions in 2023, beaconsmind has enhanced its capabilities in the Wi-Fi hotspot sector, positioning itself as a comprehensive provider of advanced connectivity and marketing solutions. By integrating Wi-Fi hotspot technology with Bluetooth Low Energy (BLE) beacons, beaconsmind is elevating its product offerings to a new level. This combination allows for seamless customer tracking and engagement, providing businesses with more powerful tools to connect with their audiences.

beaconsmind integrates Wi-Fi and BLE beacons for advanced connectivity, analytics, and personalized marketing solutions.

The integrated software solutions offer real-time, detailed analytics, enabling businesses to gain insights into customer behaviors both within individual locations and across multiple sites. This data-driven approach allows beaconsmind's clients to refine their marketing strategies, understand customer preferences, and optimize their operations. The value proposition can be seen in the graph below. By leveraging the expanded capabilities of its Suite software, beaconsmind is now better equipped to deliver personalized, data-backed marketing, helping clients enhance customer engagement and achieve their growth objectives.

Technological value proposition

From Bluetooth Low Energy Hardware, Software and Cloud WiFi Hotspot Technology:

Bluetooth Beacon — The Bluetooth beacons localize and identify the mobile app user

Mobile App — The app is the main communication channel with the customer

Suite Software — Suite collects app-user/ location-based data & serves as push message manager

Cloud/Guest WiFi — Users can access more than just the Internet over WLAN. Our solutions leverage the potential of WLANs for your customers

Digitial signature solution — Specializes in Multitouch and Multiuser technology, developing interactive software and hardware solutions for large touch screens

Source: Swissnet Group , Quirin Privatbank

Competitive analysis

Market and Competition

Swissnet: a regional champion competing against industry giants

Swissnet operates as a regional champion in the telecommunications and IT infrastructure sector, competing effectively against large players like Telekom, Vodafone, and Swisscom. The company leverages its regional focus and tailored service approach to carve out a distinct position in a highly competitive market dominated by established giants. Swissnet's ability to navigate this competitive landscape is supported by its emphasis on flexibility, customer-centric services, and deep local market knowledge, which allow it to address underserved segments more effectively than its larger rivals.

Strengths in flexibility and customer focus

Swissnet's advantage lies in its flexible and personal service offering, which addresses customer needs more precisely compared to standardized solutions from larger competitors. This approach appeals to both enterprise and smaller clients, building strong relationships and fostering high loyalty.

Pricing power and service differentiation

Swissnet's personalized, responsive services allow it to command higher prices compared to larger competitors. Unlike major players competing on scale, Swissnet differentiates through quality and customization, maintaining healthy margins and positioning as a premium regional provider.

Navigating a competitive market

Despite operating in a market dominated by large incumbents, Swissnet uses its regional advantages—deep local knowledge and proximity to customers—to offer agile, responsive services. Focusing on underserved areas with high-quality, tailored services allows Swissnet to compete effectively against much larger players.

Opportunities and threats

Swissnet's regional focus opens opportunities, particularly with ongoing digital transformation trends among SMEs. Many smaller enterprises seek dependable partners, aligning well with Swissnet's model. The convergence of telecom and IT services also presents growth potential.

However, Swissnet faces challenges from larger competitors with greater resources for infrastructure and marketing. Market consolidation is also a risk, as larger players may expand into Swissnet's strongholds. Continued innovation and exceptional customer service will be key to overcoming these threats.

Frederix, Socialwave, beaconsmind: specialized connectivity and marketing solutions

Frederix, Socialwave, and the original beaconsmind company operate in overlapping markets, each providing advanced Wi-Fi, hotspot technologies, and SaaS-based location-driven marketing solutions. Their offerings cater primarily to sectors like hospitality, healthcare, and retail. The market in which Frederix, Socialwave, and beaconsmind operate is characterized by strong competition and rapid technological innovation. Each of these companies differentiates itself through its specialized solutions and the ability to gather and leverage data for targeted marketing strategies. Their core strength lies in providing integrated, data-driven solutions that help their clients deliver personalized, effective services.

Frederix: sector-focused specialization

Frederix is specialized in the hospitality, healthcare, and retail markets, offering advanced Wi-Fi, hotspot technologies, and SaaS services. In the hospitality industry, Frederix collaborates with Socialwave to enable hotels to carry out targeted location-based marketing campaigns, enhancing guest experiences while providing hoteliers with insights into guest behaviors. This combined approach significantly boosts service quality and customer satisfaction, setting Frederix apart in a competitive market.

Swissnet competes with telecom giants by focusing on flexibility, customer-centric services, and local expertise.

Swissnet competes effectively by leveraging regional knowledge and agile services in underserved areas.

Frederix, Socialwave, and beaconsmind provide data-driven Wi-Fi and marketing solutions for competitive industries.

Frederix provides specialized, secure Wi-Fi solutions for healthcare and retail, emphasizing reliability and customer engagement.

In healthcare, Frederix provides secure and stable Wi-Fi solutions for hospitals and care facilities, which are crucial for applications like telemedicine and providing Wi-Fi access to patients and staff. By focusing on secure, high-availability infrastructure, Frederix has established a strong position in environments where reliability is essential.

In retail, Frederix helps merchants enhance the shopping experience through Wi-Fi-based systems, enabling location-based marketing campaigns and gathering valuable data on customer behavior. The combination of constant connectivity and data-driven analytics allows Frederix to stand out in a crowded market, emphasizing both customer engagement and operational efficiency.

In our view, Frederix's strength is its sector-focused specialization and deep experience in providing stable, secure Wi-Fi solutions to sensitive environments such as healthcare and hospitality. This specialization enables Frederix to build trust and a loyal customer base in these high-requirement sectors.

Socialwave: integration of infrastructure and marketing analytics

Socialwave combines Wi-Fi infrastructure with data-driven marketing, enhancing customer engagement and providing actionable insights.

Socialwave offers an innovative platform for Wi-Fi management and location-based marketing. It operates predominantly in shopping centers and gastronomy businesses, enabling companies to provide free Wi-Fi to customers while collecting valuable marketing data. This dual-purpose approach gives Socialwave a competitive edge, allowing businesses to conduct targeted marketing campaigns based on customer location and behavior. Socialwave's primary differentiation from competitors lies in its integrated approach, which not only provides Wi-Fi infrastructure but also serves as a comprehensive tool for data collection and analysis. This combination helps companies improve their marketing strategies and enhance customer satisfaction. Socialwave's competitive advantage in the market is based on effectively blending infrastructure with data-driven marketing insights, which is highly attractive to businesses seeking to optimize their customer engagement. In our view, Socialwave, is providing a compelling value proposition for businesses looking to enhance customer engagement and gather actionable insights. In our opinion, this dual capability gives Socialwave a unique edge in crowded markets like gastronomy and retail.

beaconsmind: pioneering location-based marketing

The original beaconsmind business has been a pioneer in the field of location-based marketing (LBM) for retail chains. By installing Bluetooth beacons in physical stores and integrating them with its proprietary Software Suite, beaconsmind allows retailers to interact with customers through targeted marketing campaigns, bridging the gap between digital and physical shopping experiences. The company's ability to converge online and offline data offers retailers valuable insights into customer preferences, helping drive loyalty and boost sales. beaconsmind differentiates itself by leveraging its expertise in Bluetooth beacon technology, creating highly targeted and personalized marketing campaigns that competitors find difficult to replicate. This capability, combined with the integration of analytics, provides a holistic solution for retail chains looking to enhance the customer journey and capitalize on in-store opportunities.

Lokalee offers a full-service digital hotel experience, differentiating through personalized services and growth opportunities.

Lokalee – differentiation through full service and personalization

Lokalee provides innovative hospitality solutions through a custom white-label app that enhances the guest experience. The app enables hotels to offer personalized services, such as curated offers, local event information, and custom itineraries, setting Lokalee apart from competitors offering partial solutions. Lokalee's full-service digital experience, from booking to check-out, is a key differentiator in the market. Lokalee has growth opportunities, particularly with large hotel chains seeking enhanced guest experiences. However, competition from established tech providers remains a challenge. To stay competitive, Lokalee must continue refining its technology and expanding partnerships.

Comprehensive guest experience solution

Lokalee's app provides a seamless guest journey from booking through check-out, using AI-driven algorithms for personalized experiences. This approach allows hotels to connect more deeply with guests, offering a cohesive solution that stands out from fragmented competitor offerings. Many competitors offer only specific elements rather than a complete solution. Lokalee's holistic approach covers the entire guest journey, efficiently delivering tailored services and positioning it well against competitors.

Competitor comparison

Swissnet and their main competitors

Swissnet differentiates by offering flexible, customized services with a focus on close customer relationships.

Swissnet differentiates itself through a flexible and comprehensive service structure. While larger competitors like Deutsche Telekom offer standardized and often impersonal solutions, Swissnet focuses on building close customer relationships, providing fast service, and delivering customized offerings. This quality allows Swissnet to command higher pricing by positioning itself on service excellence and reliability. Regional competitors such as Quickline may offer more cost-effective solutions, but they lack the depth of tailor-made services and the capacity to handle larger enterprise projects that Swissnet provides. Swissnet's focus on customer-specific solutions and its responsiveness make it a preferred partner for both large enterprises and smaller businesses seeking dependable and personalized services.

Example of main competitors:

1. **Deutsche Telekom** – As one of the largest providers in Europe, Deutsche Telekom offers a comprehensive range of telecommunications and IT services for business customers. The company provides an extensive product portfolio but often lacks the flexibility required for customized client solutions. Its size and standardized offerings make it less adaptable compared to Swissnet, particularly when it comes to providing tailor-made services for specific customer needs.

2. **Sunrise (Switzerland)** – As a major telecommunications provider in Switzerland, Sunrise directly competes with Swissnet in the telecommunications and IT services sector. Sunrise has a strong presence in mobile and fixed-line communications, with a primary focus on standardized services. This focus often means less room for customization, which is a core strength of Swissnet in differentiating its offerings to meet unique customer requirements.

Quickline focuses on standard telecom services for households and small businesses, unlike Swissnet's enterprise solutions.

3. **Quickline** – As a smaller regional competitor, Quickline is a Swiss telecommunications provider specializing in local and regional markets. It offers broadband internet, telephony, and television services, primarily targeting households and small businesses. Compared to Swissnet, Quickline is more focused on standard products, with less emphasis on customized solutions for larger corporate clients. This limited capacity to support major enterprise projects allows Swissnet to position itself as the go-to provider for businesses seeking more personalized and scalable telecommunications and IT solutions.

Socialwave: Affordability, flexibility, and comprehensive functionality

Socialwave offers affordable WiFi solutions with integrated marketing, analytics, and data-driven customer engagement tools.

Socialwave distinguishes itself by offering not just WiFi solutions but also integrated marketing and analytics tools, which allow businesses to execute targeted marketing campaigns. Socialwave combines connectivity and marketing to provide companies with the ability to offer free WiFi to customers while simultaneously gathering valuable customer data. Unlike Purple WiFi, which has fewer customization options, or Cloud4Wi, which is often more expensive, Socialwave delivers a tailored solution that caters to both small and large businesses seeking to enhance customer engagement through data-driven insights. This combination of affordability, flexibility, and comprehensive functionality makes Socialwave a preferred choice for companies looking for an integrated, effective marketing platform.

Example of main Competitors:

1. **Purple WiFi** – Purple WiFi is a major provider of WiFi solutions with integrated marketing and analytics capabilities, offering location-based marketing similar to Socialwave. Purple WiFi has a strong international presence but tends to provide fewer customization options compared to Socialwave. Its standardization allows for scalability, but it often lacks the flexibility needed for more niche or region-specific client needs.

2. **Cloud4Wi** – Cloud4Wi specializes in WiFi marketing solutions and focuses on cloud-based platforms for location-based marketing. It targets large enterprise clients and offers a similar solution to Socialwave but at higher costs. While

Cloud4Wi provides robust features, its pricing structure and focus on large clients make it less accessible for smaller businesses or regional establishments compared to Socialwave's flexible pricing and service approach.

Frederix: Competitor Comparison

Frederix differentiates itself through the close integration of WiFi services with marketing and analytics solutions. Unlike m3connect, which targets larger enterprises with higher-priced solutions, Frederix provides a flexible and cost-effective offering that is well-suited for mid-sized companies as well as very large clients, such as Lidl and Kaufland, that require both stable network infrastructures and location-based marketing campaigns. Frederix is capable of managing a large number of locations simultaneously (e.g., Lidl's >12,000 stores). Compared to Hotsplots, Frederix goes beyond simple WiFi hotspot solutions by offering additional features such as location-based campaigns and analytics. Frederix positions itself between these two competitors, offering a balance of quality, flexibility, and data-driven marketing at a competitive price.

Example of main Competitors:

1. **m3connect** – m3connect is a German provider of WiFi and network services with a focus on the hospitality sector. They offer comprehensive WiFi solutions for hotels, restaurants, and other hospitality venues. Their strength lies in providing large-scale network infrastructures that span multiple locations, including international projects. While m3connect is known for its tailored solutions, these are often more expensive and primarily targeted at larger hotel chains, which may not suit mid-sized enterprises looking for more cost-effective options.

2. **Hotsplots** – Hotsplots specializes in WiFi hotspots, primarily serving small to mid-sized businesses in the hospitality and healthcare sectors. They provide an affordable WiFi hotspot solution but lack the integrated features for marketing and analytics that Frederix offers. Hotsplots mainly targets smaller hotels or care facilities that do not require comprehensive data analytics or advanced marketing capabilities.

Frederix offers integrated WiFi, marketing, and analytics for mid-sized companies and large clients like Lidl.

Sales and margin estimates

beaconsmind leverages Swissnet Group's multi-layered growth strategy, including acquisitions, to accelerate market presence.

Multi-Layered Growth Strategy and Opportunities

The graph below illustrates Swissnet Group's multi-layered growth strategy, which beaconsmind is leveraging to accelerate its market presence and scale its offerings. This strategy is built on four primary layers of growth: organic growth, vertical expansion/acquisitions, internationalization, and up- and cross-selling of new products. Together, these layers form a comprehensive growth strategy. In our view, the company is well-equipped to enhance its market presence and achieve sustainable long-term growth. The recent acquisitions of Swissnet and Lokalee further support this multi-layered growth strategy. These acquisitions align well with beaconsmind's focus on providing a comprehensive range of digital marketing and connectivity solutions, further boosting the company's growth potential across all four strategic layers.

beaconsmind's organic growth focuses on expanding within existing customers, supported by product development and significant client wins.

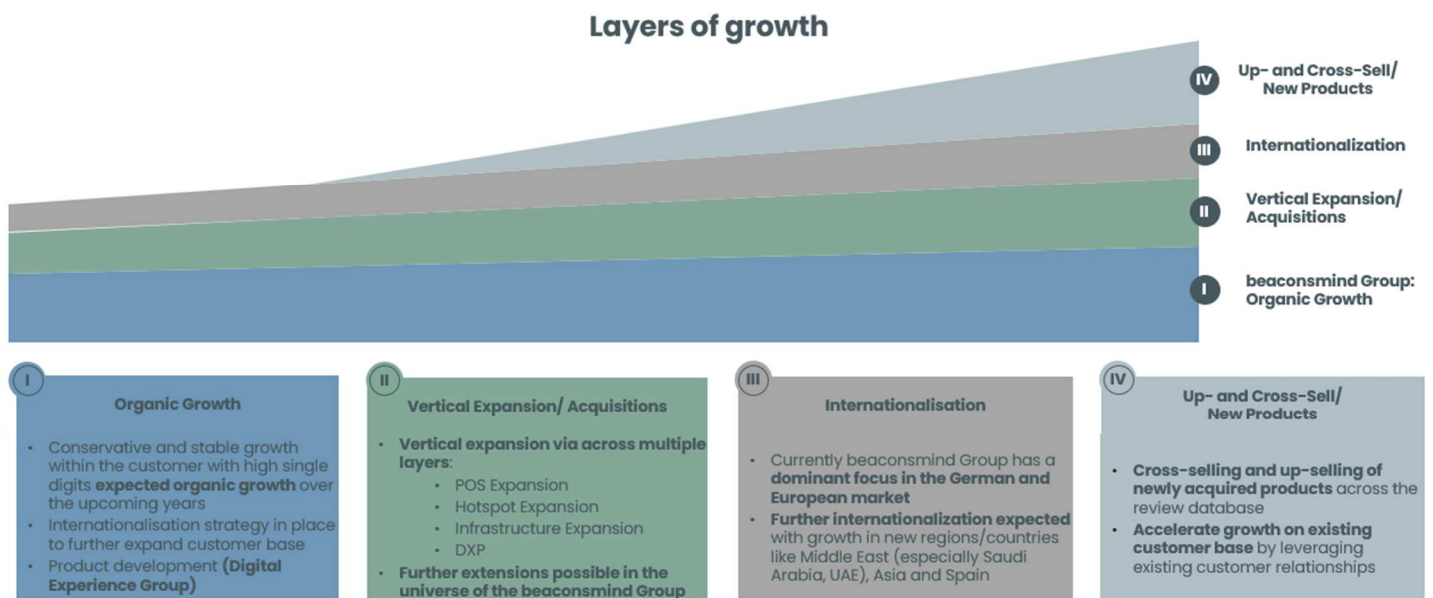1. **Organic growth**: Organic growth: This foundational layer is focused on steady and sustainable growth within existing customers, targeting high single-digit growth in the coming years. Organic growth is bolstered by ongoing product development initiatives, such as the Digital Experience Group, which aims to enhance customer engagement and retention. By building on its existing relationships, beaconsmind can achieve a stable revenue base that supports further expansion activities. Over the last six months, beaconsmind has announced several significant new and existing upselling client wins, demonstrating the strength of its organic growth strategy. Notable achievements include the delivery and installation of new projection technology for the stage at the Semperoper Dresden, generating projected revenue of EUR 200,000. Moreover, the implementation of beaconsmind CloudWiFi solutions in over 770 Müller supermarkets across the DACH region and Spain is expected to bring in revenue of around EUR 130,000, with additional rollouts planned in Hungary, Croatia, and Slovenia. Additionally, beaconsmind secured ECE Group, a major shopping center operator, as a new customer, with an initial project revenue of around EUR 500,000 and the potential for 200 more rollouts worldwide.

beaconsmind's vertical expansion through acquisitions enhances its capabilities in Wi-Fi, IT infrastructure, and digital solutions.

2. **Vertical expansion/acquisitions**: Beaconsmind's strategic acquisitions of companies like Frederix, Netopsie, Socialwave, T2, and Kadsoft have significantly expanded its vertical capabilities. This layer focuses on growth through the expansion of Points of Sale (POS), hotspots, and infrastructure, which will enhance beaconsmind's presence in the Wi-Fi and IT infrastructure sectors. These acquisitions also open up opportunities for further extensions into new product lines and markets, strengthening beaconsmind's position as a one-stop-shop for digital marketing and connectivity solutions. beaconsmind recently announced that three technology leaders in their respective fields, at-visions, Lokalee and beaconsmind have formed a strategic sales and technology cooperation with a focus on the technology value chain for the broader hospitality and retail segments. The partnership will further extend and enhance the customer journey offering a full technology value chain including AI-based customized guest-facing technology to boost guest experience while providing an integrated hardware and software solution through both at-visions and beaconsmind's product range.

3. **Internationalization**: International market expansion plays a critical role in beaconsmind's growth strategy. Currently, the company has a strong foothold in the German and European markets. However, the expansion plans include growth into new regions such as the Middle East, Asia, and Spain, which have shown increasing demand for advanced digital infrastructure and marketing technologies. The establishment of entities in regions like the UAE and partnerships with local businesses present significant potential for revenue growth and geographic diversification. The strategic positioning in Dubai serves as a hub for the company's expansion efforts, providing a gateway to untapped markets and a multitude of growth opportunities in the region and beyond. Growing demand for innovative social media strategies in Spain, particularly in

the hospitality and gastronomy sectors, also motivates the expansion of beaconsmind Group in Spain. Annual revenue of EUR 600,000 is expected in Spain and rollouts and upselling of existing clients, e.g. Müller, are planned.

4. **Up- and cross-selling/new products**: The final layer focuses on accelerating growth through up-selling and cross-selling opportunities. By leveraging newly acquired products and integrating them into existing customer relationships, beaconsmind can enhance its value proposition and increase revenue per customer. The cross-selling of new technologies and solutions across the existing client base, including large-scale clients like Lidl and Kaufland, will be instrumental in driving incremental growth. This approach not only strengthens customer loyalty but also maximizes the returns from beaconsmind's expanded portfolio.

Growth Layers

Layers of growth

I Organic Growth	II Vertical Expansion/ Acquisitions	III Internationalisation	IV Up- and Cross-Sell/ New Products

• Conservative and stable growth within the customer with high single digits **expected organic growth** over the upcoming years
• Internationalisation strategy in place to further expand customer base
• Product development **(Digital Experience Group)**
	• **Vertical expansion via across multiple layers**:
	  • POS Expansion
	  • Hotspot Expansion
	  • Infrastructure Expansion
	  • DXP
	• **Further extensions possible in the universe of the beaconsmind Group**
		• Currently beaconsmind Group has a **dominant focus in the German and European market**
		• **Further internationalization expected** with growth in new regions/countries like Middle East (especially Saudi Arabia, UAE), Asia and Spain
			• **Cross-selling and up-selling of newly acquired products** across the review database
			• **Accelerate growth on existing customer base** by leveraging existing customer relationships

Source: Swissnet Group , Quirin Privatbank

beaconsmind's revenue model combines one-time setup fees with recurring service revenues for stability and growth.

Understanding the revenue/billing models
Below, we provide a comprehensive overview of how beaconsmind structures its billing across different business segments, highlighting the mechanisms through which revenue is generated. Understanding these revenue models helps to illustrate how the company derives income, ensuring a balanced mix of one-time and recurring revenue streams. This structure provides stability through initial setup fees while fostering growth potential through recurring service revenues. By examining these models, we can better understand how beaconsmind not only sustains its operations but also scales effectively, adapting to client needs and expanding its market reach.

Infrastructure segment revenue model
In the Infrastructure segment, beaconsmind generates revenue through a combination of one-time fees and recurring payments. When a new client signs a contract, they are charged an initial installation fee, which is roughly CHF 30,000 per location, and a hardware cost of approximately CHF 40,000 per location. These one-time payments are significant, especially for large-scale clients with multiple locations. Additionally, there is a recurring SaaS maintenance fee of around CHF 300 per location per month, which contributes to annual recurring revenue (ARR). This blend of one-time and recurring revenue streams provides a solid foundation for both short-term and long-term income,

ensuring stability while also allowing room for growth as new clients are onboarded and existing clients expand their coverage.

For example, the graph below shows how revenue is structured for a healthcare client with 50 locations and 3,750 Wi-Fi beacons. In the first year, SaaS software fees total CHF 180,000, installation fees are CHF 1.5m and hardware revenue is CHF 2m. This mix of one-time fees and recurring revenue provides a reliable and scalable foundation, supporting initial revenue generation while offering substantial opportunities for ongoing growth as clients increase their adoption of beaconsmind's services.

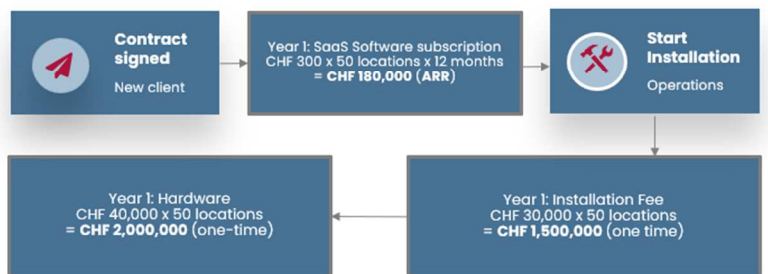**Example pricing contract in infrastructure segment**

Source: Swissnet Group , Quirin Privatbank

beaconsmind's SaaS revenue includes one-time installation and hardware fees plus recurring software subscriptions.

SaaS segment revenue model

In the SaaS segment, beaconsmind generates revenue through both recurring software subscriptions and one-time fees for installation and hardware. When a new client signs a contract, they are charged an installation fee, which is approximately CHF 200 per Point of Sale (POS). Additionally, there is a one-time cost for hardware, which is about CHF 120 per Wi-Fi beacon. Alongside these initial costs, the client is also charged a recurring SaaS software fee of CHF 90 per POS per month, contributing to Annual Recurring Revenue (ARR).

For example, the graph below shows how revenue is structured for a client with 1,000 stores and 3,000 Wi-Fi beacons. In the first year, SaaS software fees total CHF 1,080,000, installation fees are CHF 200,000, and hardware revenue is CHF 360,000. This blend of one-time and recurring revenues provides a solid and scalable financial foundation, allowing beaconsmind to ensure both initial income and ongoing growth opportunities as clients expand their use of the services.
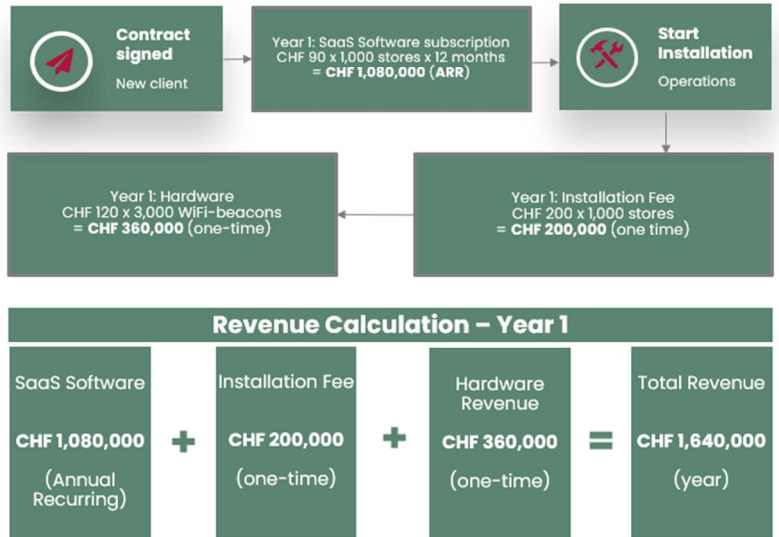
Example pricing contract in SaaS segment

Source: Swissnet Group , Quirin Privatbank

Swissnet Group projects revenue growth from CHF 12.9m in 2024 to CHF 46.4m by 2028, driven by diverse growth layers.

Revenue projection

The revenue projections for Swissnet Group, including beaconsmind, Swissnet, Swissnet MENA, and Lokalee, illustrate strong growth potential from 2024 to 2028 with a high CAGR of 37.7% as illustrated in the graph below. The overall group revenue is expected to grow from CHF 12.9m in 2024 to CHF 46.4m by 2028. This growth is driven by the growth layers outlined in the section above. The combination of steady growth from beaconsmind, Swissnet's established presence in Europe, the rapid development of Swissnet MENA, and Lokalee's promising solutions sets a strong foundation for Swissnet Group's overall growth strategy. In our view, this diverse revenue base not only ensures stability but also positions the company to capitalize on emerging opportunities across different markets and sectors.

beaconsmind's growth is driven by adoption of location-based solutions, international expansion, and product innovation.

- **beaconsmind**: beaconsmind's revenue is expected to grow from CHF 12.9m in 2024 to CHF 20.4m in 2028. This growth is primarily driven by the increasing adoption of its location-based marketing and Wi-Fi solutions by major retail clients such as Lidl and Kaufland. The company's established relationships and expansion into international markets provide a stable foundation for growth. While the initial rapid growth is expected to taper off slightly as the market matures, synergies between the SaaS and Infrastructure segments, along with continued product innovation, will support sustained revenue growth over the projection period.

- **Swissnet**: Swissnet's revenue is expected to grow from CHF 6.9m in 2024 to CHF 9.8m in 2028. As a well-established IT services provider in Switzerland and Germany, Swissnet delivers internet, mobile communication, and cloud services, primarily to SMEs. The steady but slower growth rate is due to the mature nature of the telecom market and the gradual realization of merger synergies with beaconsmind. While cross-selling opportunities and efficiency gains are

Swissnet MENA is projected to generate CHF 10.6m by 2028, driven by MENA market expansion and rising demand for digital solutions.

expected, these will take time to fully materialize, resulting in moderate growth over the projection period.

- **Swissnet MENA**: Swissnet MENA is projected to begin generating revenue in 2025, reaching CHF 10.6m by 2028. This growth is driven by the expansion into the Middle East and North Africa (MENA) region, which presents significant opportunities due to rising demand for digital infrastructure and connectivity solutions. Supported by strategic partnerships and local expertise, Swissnet MENA is well-positioned to tap into this rapidly growing market. However, the growth potential comes with higher execution risks, including navigating regulatory environments and establishing a foothold in a new region.

- **Lokalee**: Lokalee's revenue is expected to grow from CHF 1.7m in 2025 to CHF 5.6m by 2028. Lokalee's concierge solutions add significant value to beaconsmind's offerings by enhancing customer experience. However, as Lokalee is still in the early stages of market penetration, the growth has been modeled conservatively. The projections reflect the cautious optimism given the early development phase and the gradual adoption expected in its target markets.

Overall revenue development
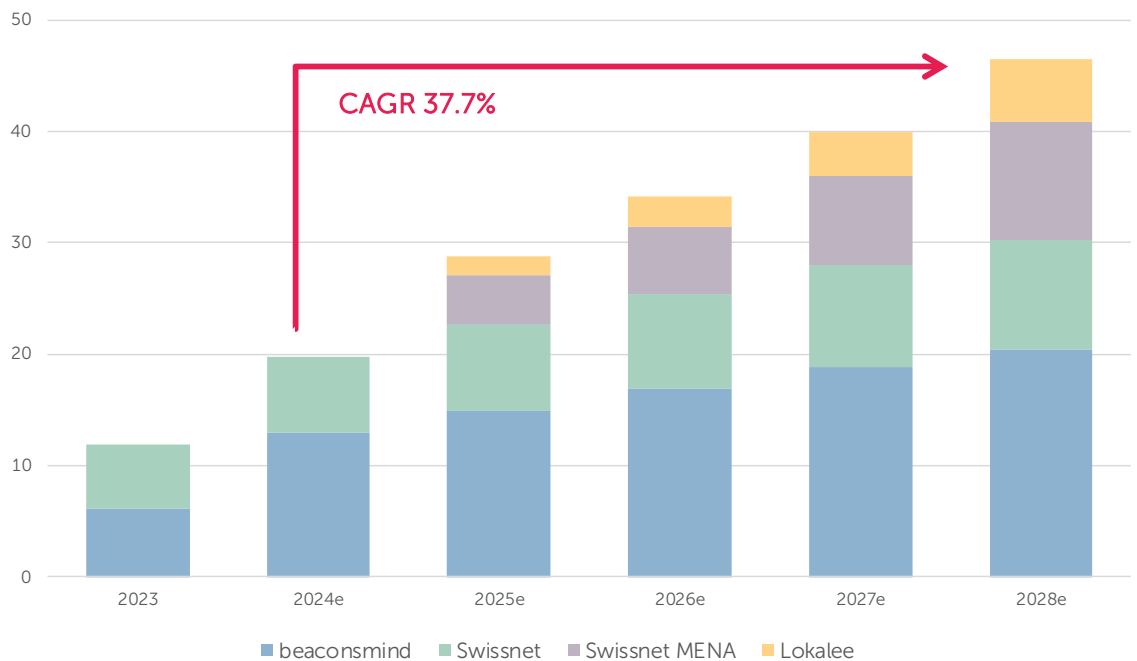
Source: Swissnet Group , Quirin Privatbank

beaconsmind Group's EBIT margin is projected to improve from 10.1% in 2024 to 25.2% in 2028, driven by economies of scale, operational efficiencies, and acquisition integration.

Projected margin development

The EBIT margin for beaconsmind Group is projected to improve across all segments from 2024 to 2028. Overall, the group's EBIT margin is expected to rise from 10.1% in 2024 to 25.2% in 2028, driven by economies of scale, operational efficiencies, and the strategic integration of recent acquisitions. Each business line contributes differently to the margin development, reflecting its unique characteristics, market position, and growth trajectory. Below, we provide a detailed analysis of the EBIT margin projections for beaconsmind, Swissnet, Swissnet MENA, and Lokalee, explaining the rationale behind each projection.

- **beaconsmind**: The EBIT margin for beaconsmind is projected to grow from 10.1% in 2022 to 15.0% by 2028. The gradual increase in EBIT margin is driven by economies of scale as beaconsmind expands its client base and increases adoption of its Wi-Fi and beacon technology solutions. The early-stage investments in technology and customer acquisition are expected to taper off, leading to improved operational efficiency and lower cost per client over time. Additionally, synergies from integrating the SaaS and infrastructure segments contribute to operational streamlining and margin improvement. As the company might focus on higher-value services, profit margins are likely to benefit from enhanced pricing power and reduced overhead relative to revenue.

Swissnet's higher starting margin stems from its mature business model and recurring telecom revenue, with projected EBIT margin improvements due to efficiency gains and operational synergies.

- **Swissnet**: Swissnet's EBIT margin is expected to grow from 17.8% in 2022 to 23.8% by 2028. Swissnet, as an established provider of high-speed internet, telecom, and IT services, has a relatively higher starting margin compared to beaconsmind. This is primarily due to its mature business model and recurring revenue from telecom services, which generally come with higher margins once infrastructure is in place. The projected increase in EBIT margin reflects a stable cost structure and efficiency gains from the merger with beaconsmind. As Swissnet continues to benefit from operational synergies, the margin is expected to improve further. The incremental margin gains are likely due to optimized resource allocation and an increasing client portfolio, which spreads fixed costs over a larger revenue base.

- **Swissnet MENA**: The EBIT margin for Swissnet MENA is expected to grow from 15.5% in 2025 to 22.7% by 2028. This growth is largely attributed to the expansion into the Middle East and North Africa (MENA) region, which presents significant opportunities due to rising demand for digital infrastructure and connectivity solutions. Supported by strategic partnerships and local expertise, Swissnet MENA is well-positioned to tap into this rapidly growing market. However, the growth potential comes with higher execution risks, including navigating regulatory environments and establishing a foothold in a new region. As Swissnet MENA gains market traction, operational efficiencies and improved pricing power are expected to drive margin growth.

Lokalee's EBIT margin is expected to improve significantly as market adoption increases, driven by the scalability of its SaaS-based concierge solution and reduced customer acquisition costs.

- **Lokalee**: Lokalee's EBIT margin is expected to grow significantly from 7.0% in 2025 to 70.0% by 2028. Lokalee starts with a relatively low EBIT margin, reflecting the initial costs of market entry, product development, and scaling operations. However, as Lokalee's concierge solution gains market adoption, there is a significant improvement in operating leverage. The sharp increase in EBIT margin is driven by the relatively low incremental cost of scaling the SaaS-based concierge solution once the initial infrastructure is set up. As Lokalee's client base expands and the product becomes more established, the margin benefits from reduced customer acquisition costs and increased recurring revenue from existing clients. This high scalability, typical of successful SaaS models, allows for rapid margin expansion as revenue grows without a corresponding increase in variable costs.

DCF Valuation

Our DCF model values Swissnet Group at EUR 19.40 per share, with a Buy recommendation based on projected growth and a WACC of 9.75%.

Base case scenario

We have derived our target price for the new Swissnet Group from our DCF model. With a WACC of 9.75% (resulting from a risk-free rate of 3.50%, market premium of 5% and a beta of 1.3), a mid-term revenue CAGR 2024-2028 of 37.70% fading to a perpetual growth rate of 2.5% and a sustainable long-term EBIT margin of 30% our DCF model derives a fair value of EUR 19.40 per share. Hence, we reinitiate the Swissnet Group with a Buy recommendation. We also accounted for beaconsmind's tax loss carryforward of CHF 15m.

Revenues

We model strong growth for Swissnet Group's revenue, projecting sales to increase from CHF 13m in 2024 to CHF 71m by 2033. This growth is driven by strategic expansion into new regions, particularly the MENA market, along with growing customer adoption of Swissnet Group's diverse portfolio of innovative solutions across multiple business segments. Strategic acquisitions, combined with organic growth initiatives, provide a well-diversified, adaptable, and scalable revenue base.

Swissnet Group's EBIT margin is projected to rise from 11.4% in 2024 to 30.0% by 2033, driven by economies of scale, operational efficiencies, and synergies from acquisitions.

Margin development

The EBIT margin is expected to improve significantly over the forecast period, increasing from 11.4% in 2024 to 30.0% by 2033. This substantial improvement is driven by economies of scale, enhanced operational efficiencies, and synergies realized from the integration of acquired businesses. Each segment within Swissnet Group—beaconsmind, Swissnet, Swissnet MENA, and Lokalee—contributes uniquely to this margin expansion, reflecting their respective levels of maturity, market dynamics, and scalability potential.

WACC

Our WACC of 9.75% results from a risk free rate of 3.5%, market premium of 5% and a beta of 1.3 reflecting a higher risk profile due to the early stage of Lokalee and Swissnet MENA. I our view, a beta of 1.3 reflects also the more mature businesses that offset the risk profile of Lokalee and Swissnet MENA.

DCF Model for Swissnet Group

(CHF m)	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TV
Sales	13	29	34	40	46	53	59	65	69	72	
growth yoy	114.6%	123.3%	18.5%	17.2%	16.1%	13.9%	11.6%	9.3%	7.1%	4.8%	
EBIT	1.3	4.1	6.5	8.9	11.7	13.9	16.0	18.1	20.1	21.7	
EBIT margin	10.1%	14.4%	19.1%	22.2%	25.2%	26.2%	27.2%	28.1%	29.1%	30.0%	
Taxes	0.0	0.0	0.0	-0.8	-2.0	-2.4	-2.7	-3.1	-3.4	-3.7	
Tax rate	0%	0%	0%	9%	17%	17%	17%	17%	17%	17%	
Depreciation	1.2	1.9	1.8	1.7	1.6	1.2	0.9	0.8	0.8	0.7	
% of sales	9.1%	6.6%	5.2%	4.2%	3.4%	2.2%	1.6%	1.3%	1.1%	1.0%	
Capex	-0.1	-0.2	-0.2	-0.2	-0.1	-0.3	-0.5	-0.6	-0.7	-0.7	
% of sales	1.0%	0.6%	0.5%	0.4%	0.3%	0.7%	0.8%	0.9%	1.0%	1.0%	
Δ NWC	-1.1	-2.5	-0.8	-0.8	-0.9	-1.0	-1.2	-1.3	-1.4	-1.4	
% of sales	8.6%	8.7%	2.3%	2.1%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	
FCF	1.2	3.3	7.3	8.7	10.3	11.3	12.6	14.0	15.4	16.6	236.4
growth yoy	nm	nm	nm	18.9%	17.6%	9.7%	11.7%	11.4%	10.0%	7.6%	2.5%
PV FCF	1.2	3.0	6.0	6.5	7.0	7.0	7.1	7.2	7.2	7.1	101.1

PV Forecast Period	59
PV Terminal Value	101
Enterprise value	161
- Net Debt / Net Cash	7
- Pension Provisions	0
Equity value	154
Number of shares	8.5
Value per share (EUR)	19.40

Sensitivity Analysis		Terminal growth rate				
		1.5%	2.0%	2.5%	3.0%	3.5%
	8.78%	19.3	20.3	21.5	22.9	24.5
	9.26%	17.9	18.7	19.7	20.8	22.2
WACC	9.75%	16.6	17.3	18.1	19.1	20.2
	10.24%	15.4	16.1	16.8	17.6	18.5
	10.73%	14.4	15.0	15.6	16.2	17.0

Risk free rate	3.50%	Equity ratio	100%
Cost of debt	4.50%	Company beta	1.3
Market Premium	5.00%	WACC	9.75%

Source: Quirin Privatbank

'Blue Sky' DCF scenario values Swissnet Group at EUR 33.90 per share, projecting rapid growth and margin improvement.

Blue sky scenario

Additionally, we are creating a DCF model with a 'Blue Sky' scenario, as Lokalee and Swissnet MENA are still in early stages, making their growth potential difficult to assess. This optimistic scenario considers possible higher growth rates and market penetration, should these business segments scale faster than expected and successfully establish their products in the market. We model strong growth for Swissnet Group's revenue, projecting sales to increase from CHF 13m in 2024 to CHF 96m by 2033. The EBIT margin is expected to improve significantly over the forecast period, increasing from 10.1% in 2024 to 40.0% by 2033 since in this scenario more revenue comes from high-margin business Lokalee.

With a WACC of 9.75% (resulting from a risk-free rate of 3.50%, market premium of 5% and a beta of 1.3), a mid-term revenue CAGR 2024-2028 of 47.20% fading to a perpetual growth rate of 2.5% and a sustainable long-term EBIT margin of 40% our DCF model derives a fair value of EUR 33.90 per share.

"Blue Sky" DCF Model for Swissnet Group

(CHF m)	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	TV
Sales	13	31	43	52	61	69	78	85	92	96	
growth yoy	114.6%	142.6%	36.1%	21.4%	17.0%	14.6%	12.2%	9.8%	7.4%	5.0%	
EBIT	1.3	4.9	10.4	14.8	18.2	22.3	26.5	30.8	34.9	38.5	
EBIT margin	10.1%	15.5%	24.4%	28.6%	30.1%	32.1%	34.1%	36.1%	38.1%	40.0%	
Taxes	0.0	0.0	-0.1	-2.5	-3.1	-3.8	-4.5	-5.3	-6.0	-6.6	
Tax rate	0%	0%	1%	17%	17%	17%	17%	17%	17%	17%	
Depreciation	1.2	1.9	1.8	1.7	1.6	1.3	1.1	1.0	1.0	1.0	
% of sales	9.1%	6.1%	4.2%	3.2%	2.6%	1.8%	1.4%	1.2%	1.1%	1.0%	
Capex	-0.1	-0.2	-0.2	-0.2	-0.2	-0.5	-0.6	-0.8	-0.9	-1.0	
% of sales	1.0%	0.6%	0.5%	0.4%	0.3%	0.7%	0.8%	0.9%	1.0%	1.0%	
Δ NWC	-1.1	-2.9	-1.7	-1.3	-1.3	-1.4	-1.6	-1.8	-1.9	-2.0	
% of sales	8.6%	9.3%	4.0%	2.6%	2.1%	2.1%	2.1%	2.1%	2.1%	2.1%	
FCF	1.2	3.7	10.1	12.4	15.3	17.8	20.8	24.0	27.2	29.9	426.1
growth yoy	nm	nm	nm	22.8%	22.8%	16.7%	16.8%	15.3%	13.1%	10.3%	2.5%
PV FCF	1.2	3.3	8.3	9.3	10.4	11.1	11.8	12.4	12.7	12.8	182.3

PV Forecast Period	93
PV Terminal Value	182
Enterprise value	276
- Net Debt / Net Cash	7
- Pension Provisions	0
Equity value	269
Number of shares	8.5
Value per share (EUR)	33.90

Sensitivity Analysis		Terminal growth rate				
		1.5%	2.0%	2.5%	3.0%	3.5%
	8.78%	33.77	35.60	37.73	40.22	43.19
	9.26%	31.17	32.71	34.48	36.53	38.95
WACC	9.75%	28.88	30.19	31.68	33.39	35.38
	10.24%	26.86	27.98	29.25	30.69	32.35
	10.73%	25.06	26.03	27.12	28.34	29.74

Risk free rate	3.50%	Equity ratio	100%
Cost of debt	4.50%	Company beta	1.3
Market Premium	5.00%	WACC	9.75%

Source: Quirin Privatbank

Management overview

Jonathan Sauppe - CEO

Jonathan Sauppe appointed CEO of beaconsmind, bringing 13 years of IT infrastructure and Wi-Fi experience.

On July 28, 2023, beaconsmind AG appointed Jonathan Sauppe as the new CEO of the group. Sauppe, who had been a board member and head of the Wi-Fi Hotspot vertical, leads the group from the new operational headquarters in Munich, Germany. He joined beaconsmind in November 2022 after the acquisition of FREDERIX Hotspot, where he had previously served as CEO and played a significant role in expanding the Wi-Fi business division. Sauppe is an experienced tech entrepreneur with over 13 years in IT infrastructure and Wi-Fi retail solutions. As CEO of FREDERIX, he successfully built the business, securing large clients like Lidl and Kaufland, and driving substantial growth in sales and profitability, particularly over the last four years. Sauppe's strong background in technology management, coupled with his hands-on experience leading FREDERIX, makes him well-suited to guide beaconsmind's transformation and growth. He holds a Diplom degree in economics, law, and politics from the University of Göttingen, and his leadership is expected to be pivotal in achieving beaconsmind's strategic objectives.

Boris Tölzel - Co-CEO Infrastructure

Boris Tölzel serves as the Co-CEO of Infrastructure at Swissnet AG, bringing over 13 years of leadership experience in the ICT industry. His extensive background includes a strong focus on mergers and acquisitions, making him a driving force in market expansion strategies for the company. He is also a core shareholder.

Samir Abi Frem - CEO Lokalee

Samir Abi Frem, Founder and CEO of Lokalee, leverages hospitality and tech expertise for tailored solutions.

Samir Abi Frem is the Founder and CEO of Lokalee, bringing decades of experience in the global hospitality sector. His background in computer science, IT, and hotel management provides valuable insights into the needs of Lokalee's clients. Abi Frem's industry expertise supports Lokalee's ability to enhance customer experiences through tailored concierge solutions for the hospitality and retail sectors.

Shareholder structure

Swissnet Group's largest shareholder is Crown Fund, followed by the Lokalee Shareholder and by people from the management. The freefloat currently amounts to 16.8%.

Swissnet Group's shareholder structure

Legend:
- Crown Fund
- Swissnet Shareholders
- eKomi Holding GmbH
- SW Shareholders
- Management
- Lokalee Shareholder
- Free Float

Pie chart values: 43.5%, 4.6%, 4.6%, 6.6%, 7.4%, 16.5%, 16.8%
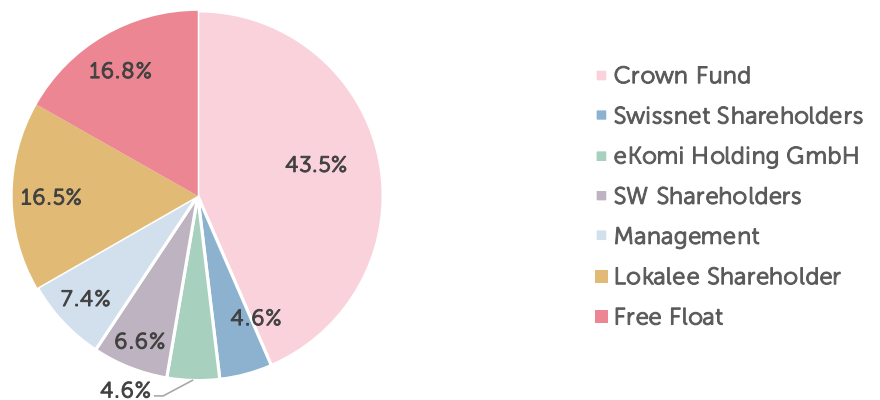
Source: Swissnet Group, Quirin Privatbank

SWOT analysis

Strengths

Swissnet Group diversified beyond LBM software, offering Wi-Fi, IT solutions, and concierge services.

- **Diversified service portfolio**: Swissnet Group has successfully diversified its offerings beyond the original beaconsmind location-based marketing (LBM) software to include Wi-Fi infrastructure, managed IT solutions, and concierge services, thereby reducing reliance on any one business segment. Key clients have further growth potential, which strengthens Swissnet Group's ability to expand within its existing customer base.

- **Strategic acquisitions**: The acquisitions of Swissnet, Swissnet MENA, and Lokalee have enhanced operational capabilities and extended the group's market reach. These acquisitions offer valuable synergies, enabling cross-selling opportunities and a strong foundation for expanding customer offerings.

Integration of beaconsmind technology and Wi-Fi helps bridge digital and physical customer experiences.

- **Strong technological foundation**: The integration of Bluetooth beacons, the beaconsmind SaaS suite, and Wi-Fi infrastructure supports retailers and hospitality businesses in bridging digital and physical customer experiences, adding substantial value to their engagement efforts.

- **Experienced management team**: Jonathan Sauppe, appointed CEO in July 2023, brings over 13 years of experience in IT infrastructure and Wi-Fi retail solutions. Previously CEO of FREDERIX, he successfully expanded the Wi-Fi division and secured key clients like Lidl and Kaufland. Co-CEO Boris Tölzel adds significant ICT expertise, while Samir Abi Frem offers deep knowledge of the hospitality sector. Together, their combined leadership supports Swissnet Group's strategic growth initiatives.

Weaknesses

- **Early-stage segments**: Swissnet MENA and Lokalee are still in their early stages, which creates uncertainty in terms of market traction and profitability. Their growth potential is promising, but it requires significant investment and time to establish a stable revenue stream.

Acquisition integration poses challenges, including cultural alignment and temporary inefficiencies delaying synergy realization.

- **Integration challenges**: Integrating multiple acquisitions always presents challenges, including aligning cultures, systems, and processes. These factors can create temporary inefficiencies and slow down synergy realization.

- **Dependency on retail sector**: A significant portion of Swissnet Group's business depends on the retail sector, which can be conservative and slow to adopt new technology. This dependency could limit growth during periods of weak retail performance.

Opportunities

- **Expansion in the MENA region**: Swissnet MENA presents a significant growth opportunity due to the increasing demand for advanced digital infrastructure and connectivity solutions across the Middle East and North Africa. The region remains largely underserved, allowing Swissnet Group to capitalize on first-mover advantages.

- **Growing adoption of digital solutions**: There is a rising trend in digital transformation across industries, particularly in retail and hospitality. Swissnet Group is well-positioned to leverage this trend by offering comprehensive solutions that integrate LBM, Wi-Fi, and IT services, enhancing its value proposition to clients.

Lokalee's scalable SaaS model offers growth and margin expansion potential in the hospitality sector.

- **Scalability of lokalee**: Lokalee, with its concierge service solutions, has strong growth potential, particularly in the hospitality sector. As it scales, Lokalee's SaaS-based model provides significant opportunities for margin expansion due to its high scalability and relatively low variable costs.

- **Cross-selling opportunities**: With a broad portfolio of services, Swissnet Group can leverage cross-selling opportunities between its various business units, enhancing customer value and driving revenue growth across all segments.

Threats

- **Competitive market**: The technology and telecom sectors are highly competitive, with both established players and new entrants offering similar services. This competition could lead to pricing pressure and challenges in customer acquisition and retention.

Economic uncertainty may limit discretionary spending, affecting Swissnet's revenue growth from retail and hospitality clients.

- **Economic uncertainty**: The group's revenue growth is partly dependent on discretionary spending by retail and hospitality businesses, which can be affected by economic downturns. Economic uncertainty could hinder investment in new technology by potential clients, impacting revenue growth.

- **Regulatory risks**: Expansion into new regions, especially the MENA region, may expose Swissnet Group to regulatory and compliance challenges. Navigating different regulatory environments could slow down the growth and increase operational costs.

- **Integration risk**: The complexity of integrating acquired companies could lead to operational disruptions or challenges in achieving expected synergies, which could affect profitability in the short to medium term.

Company description

Founded in 2015 in Switzerland, beaconsmind Group, is a pioneer in location-based marketing (LBM) software for retail chains. By integrating Bluetooth beacons and its Software Suite, Swissnet Group enables retailers to merge digital and physical shopping experiences. Through strategic acquisitions, the group has expanded its offerings beyond LBM to include Wi-Fi infrastructure, managed IT solutions, and customer engagement tools for retail and hospitality. Key business units include Swissnet, Swissnet MENA, and Lokalee, each contributing to market expansion and enhanced customer services. Swissnet Group leverages technology to bridge digital and physical interactions, providing innovative solutions that drive customer engagement and operational efficiency.

Revenues by business unit 2025e

Lokalee
5.9%

Swissnet
MENA
15.6%

beaconsmind
51.7%

Swissnet
26.7%
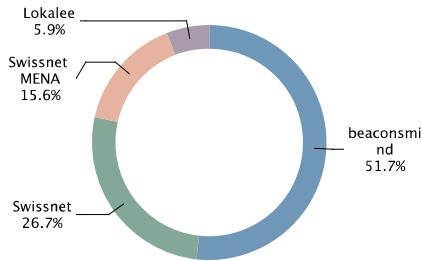
Source: Company data

Shareholder structure

Free float
16.8%
Lokalee
Shareholder
16.5%
Management
7.4%
SW
Shareholders
6.6%
eKomi
Holding
GmbH
4.6%

Crown
Fund
43.5%

Swissnet
Shareholders
4.6%
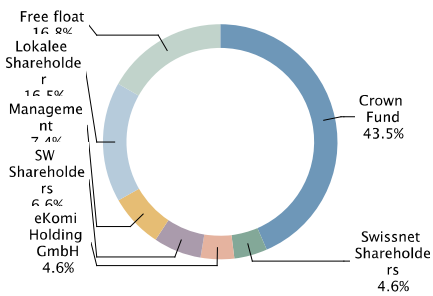
Source: Company data

EPS: Quirin Privatbank vs. consensus

	2024E	2025E	2026E
Quirin Privatbank	0.20	0.45	0.73
BBG Consensus			
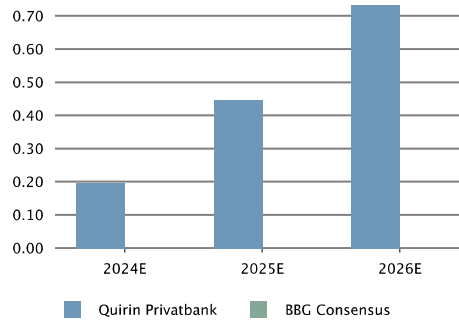
Source: Quirin Privatbank Research, Bloomberg

Profit & loss statement

pro forma values post-mergers & capital increase

Profit & loss statement (CHF m)	2022	YOY	2023	YOY	2024e	YOY	2025e	YOY	2026e	YOY
Sales	0.6		6.0	987.0 %	12.9	114.6 %	28.8	123.3 %	34.1	18.5 %
Unfinished Goods	1.0		2.0		2.0		2.0		2.0	
Other own work capitalized	0.0		0.2		0.3		0.8		0.9	
Other operating earnings	1.0		2.0		2.0		2.0		2.0	
Cost of goods	-0.1		-1.2		-2.1		-4.8		-5.4	
Gross profit	0.6		6.2		13.2		29.6		35.0	
Personnel expenses	-1.3		-3.9		-7.3		-15.9		-18.5	
Depreciation	-0.4		-1.6		-1.2		-1.9		-1.8	
Other operating expenses	-2.3		-2.8		-1.4		-2.8		-2.8	
EBITDA	-3.2		-1.8	-42.3 %	2.5	-234.9 %	6.0	144.1 %	8.3	37.4 %
EBITDA margin (%)	-574.68		-30.51		19.17		20.96		24.30	
EBIT	-3.6		-3.5	-3.3 %	1.3	-137.5 %	4.1	218.1 %	6.5	57.4 %
EBIT margin (%)	-647.92		-57.66		10.08		14.36		19.07	
Net financial result	-0.1		-0.8		-0.3		-0.3		-0.3	
Exceptional items	0.0		2.0		2.0		2.0		2.0	
Pretax profit	-3.7		-4.3	16.4 %	1.0	-124.6 %	3.8	264.3 %	6.3	63.6 %
Pretax margin (%)	-662.57		-70.97		8.13		13.27		18.32	
Taxes	0.0		0.0		0.0		0.0		0.0	
Tax rate (%)	0.05		-1.03		0.00		0.00		0.00	
Earnings after taxes	-3.7		-4.3		1.0		3.8		6.3	
Group attributable income	-3.7		-4.3	18.5 %	1.0	-123.5 %	3.8	272.1 %	6.2	64.1 %
No. of shares (m)	2.8		4.7		8.5		8.5		8.5	
Earnings per share (CHF)	-1.35		-1.20	-10.7 %	0.20	-116.4 %	0.45	126.8 %	0.73	64.1 %

Source: Company data, Quirin Privatbank estimates

Balance sheet

pro forma values post-mergers & capital increase

Balance sheet (CHF m)	2022	2023	YOY	2024e	YOY	2025e	YOY	2026e	YOY
Assets									
Cash and cash equivalents	0.5	0.8		6.7		16.9		26.5	
Accounts receivables	0.2	2.7		5.8		12.7		14.9	
Inventories	0.1	0.5		1.1		2.3		2.7	
Total current assets	0.9	4.0	343.7 %	13.5	237.1 %	32.0	136.7 %	44.1	37.9 %
Fixed assets	0.3	1.0		3.0		2.7		2.5	
Goodwill	0.0	2.9		7.2		7.2		7.2	
Other intangible assets	0.3	11.0		25.0		23.5		22.2	
Other fixed assets	2.4	0.4		0.4		0.4		0.4	
Total fixed assets	3.0	15.3	413.8 %	35.6	132.2 %	33.9	-4.9 %	32.2	-4.8 %
Total assets	3.9	19.3	397.5 %	49.1	153.9 %	65.9	34.1 %	76.4	16.0 %
Equity & Liabilities									
Subscribed capital	0.3	0.5		0.8		0.8		0.8	
Reserves & other	16.5	26.9		46.9		46.9		46.9	
Revenue reserves	0.0	-0.3		0.7		4.5		10.7	
Accumulated other comprehensive	-14.8	-19.9		-19.9		-19.8		-19.8	
Shareholder's equity	2.0	6.9	249.8 %	28.4	308.9 %	32.1	13.4 %	38.4	19.4 %
Minorities	0.0	0.2		0.2		0.2		0.3	
Shareholder's equity incl. minorities	2.0	7.1	259.4 %	28.6	301.1 %	32.4	13.4 %	38.6	19.3 %
Long-term liabilities									
Pension provisions	0.0	0.0		0.0		0.0		0.0	
Financial liabilities	0.0	6.4		9.1		9.1		9.1	
Other liabilities	0.3	0.2		0.5		1.2		1.4	
Total long-term debt	0.3	6.7	2007.9 %	9.6	44.7 %	10.3	6.7 %	10.5	2.1 %
Short-term debt									
Trade payables	0.9	1.0		2.2		4.8		5.6	
Financial debt	0.0	0.9		0.9		0.9		0.9	
Other liabilities	0.7	3.7		7.8		17.5		20.7	
Total short-term debt	1.6	5.6	249.6 %	10.9	96.1 %	23.2	112.8 %	27.2	17.5 %
Total equity & liabilities	3.9	19.3	397.5 %	49.1	153.9 %	65.9	34.1 %	76.4	16.0 %

Source: Company data, Quirin Privatbank estimates

Financial key ratios

pro forma values post-mergers & capital increase

Key ratios	2022	2023	2024e	2025e	2026e
Per share data (CHF)					
EPS	-1.35	-1.20	0.20	0.45	0.73
Book value per share	0.7	2.0	5.5	3.8	4.6
Free cash flow per share	-0.2	-1.4	0.8	1.2	1.1
Dividend per share	0.00	0.00	0.00	0.00	0.00
Valuation ratios					
EV/Sales	50.00	5.18	4.68	1.74	1.19
EV/EBITDA	-8.7	-17.0	24.4	8.3	4.9
EV/EBIT	-7.7	-9.0	46.5	12.1	6.2
P/E	-7.3	-4.3	34.1	15.1	9.2
P/B	13.6	2.6	1.2	1.8	1.5
Dividend yield (%)	0.0	0.0	0.0	0.0	0.0
Growth					
Sales growth (%)	n.a.	987.0	114.6	123.3	18.5
Profitability ratios					
EBITDA margin (%)	-574.7	-30.5	19.2	21.0	24.3
EBIT margin (%)	-647.9	-57.7	10.1	14.4	19.1
Net margin (%)	-662.2	-72.2	7.9	13.2	18.2
ROCE (%)	-155.9	-25.1	3.4	9.7	13.2
Financial ratios					
Total equity (CHF m)	2.0	6.9	28.4	32.1	38.4
Equity ratio (%)	51.0	35.9	57.7	48.8	50.2
Net financial debt (CHF m)	-0.5	6.5	3.3	-6.9	-16.5
Net debt/Equity	0.5	0.4	0.6	0.5	0.5
Interest cover	-35.8	-6.8	-2.7	6.1	12.9
Net debt/EBITDA	0.2	-3.6	1.3	-1.1	-2.0
Payout ratio (%)	0.0	0.0	0.0	0.0	0.0
Working Capital (CHF m)	-1.2	1.0	2.1	4.6	5.4
Working capital/Sales	-2.10	0.16	0.16	0.16	0.16

Source: Company data, Quirin Privatbank estimates

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Some of the information required for this financial analysis was provided by the issuer. In addition, public sources (e.g. Bloomberg) that are generally believed to be reliable were used.

The levels of change expressed in each rating categories are:

BUY > +10%

HOLD <=-10% and < = +10%

SELL > -10%.

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Sebastian Droste, financial analyst, hereby certifies that all of the views expressed in this report accurately reflect my personal views about any and all of the subject securities or issuers discussed herein. In addition, I hereby certify that no part of my compensation was, is, or will be, directly or indirectly related to the specific recommendations or views expressed in this research report, nor is it tied to any specific investment banking transaction performed by the Bank or its affiliates.

Price and Rating History (last 12 months)

Date	Price target-EUR	Rating	Initiation
20.11.2024	19.40	Buy	20.11.2024

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https://research.quirinprivatbank.de/content/disclosures

Competent supervisory authority

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