

wallstreet:online AG^{*5a,11}

Rating: Buy

Target price: € 37.70
(previously: € 37.70)

Current rate: € 23.00
17/09/2021 / ETR
(10:48 am)
Currency: EUR

Master data:

ISIN: DE000A2GS609
WKN: A2GS60
Ticker symbol: WSO1
Number of shares³: 15.10
Market cap³: 347.30
Enterprise value³: 340.73
³ in m / in m EUR
Freefloat: 38.4%

Transparency level:
Basic Board

Market segment:
Freiverkehr
(Open Market)

Accounting:
HGB

Financial year: 31/12

Designated Sponsor:
mwb fairtrade

Analysts:

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Date and time of completion:
17/09/2021 (11:31 am)

Date and time of the first distribution:
20/09/2021 (10:00 am)

Validity of the target price: until
max. 31/12/2022

* Catalogue of possible conflicts of interest on page 6

Company profile

Industry: Internet service provider / Fintech

Focus: online advertising, financial community, financial news, online brokerage

Employees wallstreet online Group: >200 (as of 07/21)

Foundation: 1998

Headquarters: Berlin

Executive Board: Matthias Hach (CEO), Roland Nicklaus (CFO), Michael Bulgrin, Stefan Zmojda, Oliver Haugk



The wallstreet:online group operates Smartbroker - a multi-award-winning online broker that is the only provider in Germany to combine the extensive product range of traditional brokers with the extremely favourable conditions of neobrokers and to provide access to the capital market free of charge. With more than 190,000 custody account customers and assets under management of more than € 6.0 billion, the Berlin-based financial services provider is already one of the most important providers on the neo-broker market 18 months after the launch of the Smartbroker. wallstreet:online AG and its subsidiaries stand for 20 years of experience in the distribution of investment products. At the same time, the company operates four stock market portals with a wide reach (wallstreet-online.de, boersenNews.de, FinanzNachrichten.de and ARIVA.de). With around 455.0 million page views (as of 2/2021), the group is by far the largest publisher-independent financial portal operator in the German-speaking world and also the largest financial community. More than 500,000 users are registered in the wallstreet-online.de forums alone.

in m € \ FY-end	31/12/2020	31/12/2021e	31/12/2022e	31/12/2023e
Revenue	28.21	49.10	61.35	72.55
EBITDA	4.52*	5.70	20.02	28.15
EBIT	2.03*	3.19	17.22	25.15
Net profit	3.55	2.18	12.01	17.54

*Key figures adjusted for a special effect (sale of investment) in the amount of € 3.01 million

Key figures in EUR				
Earnings per share	0.25	0.14	0.80	1.16
Dividend per share	0.00	0.00	0.00	0.00

Key figures in EUR				
EV/Revenue	12.08	6.94	5.55	4.70
EV/EBITDA	75.38	59.78	17.02	12.10
EV/EBIT	167.85	106.81	19.79	13.55
P/E ratio	97.83	159.31	28.92	19.80
P/B ratio	11.49			

Financial calendar

22/11 – 24/11/2021: Eigenkapitalforum
07/12 – 08/12/2021: MKK

****latest research from GBC:**

Date: Publication / Target price in EUR / rating
09/08/2021: RS / € 37.70 / BUY
09/03/2021: RS / € 29.00 (split adjusted) / BUY
07/10/2020: RS / € 120.00 / BUY
13/07/2020: RS / € 95.00 / BUY

** The research studies listed above can be viewed at www.gbc-ag.de or requested from GBC AG, Halderstr. 27, D 86150 Augsburg, Germany.

Notice according to MiFID II regulation for research "Minor Non-Monetary Contribution": This research meets the requirements for the classification as "Minor Non-Monetary Contribution". For further information, please refer to the disclosure under "I. Research under MiFID II".

HY1 2021: Continuation of dynamic customer and revenue growth; Significant profitability increase expected in HY2; GBC estimates and price target confirmed

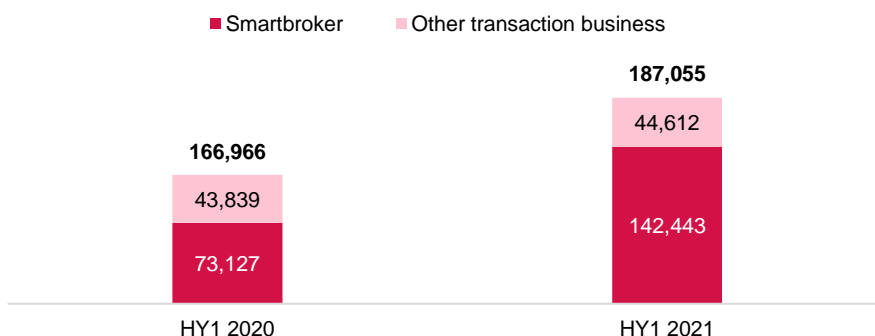
Sales development HY1 2021

Selected key figures w:o Group (pro forma*; in € million)	HY1 2020	HY1 2021
Revenues	15.10	23.80
EBITDA	1.30	0.60
Operational EBITDA	1.30	1.10
Smartbroker Customer Acquisition Costs (CAC)	3.30	7.90
Operational EBITDA before CAC	4.60	9.00

Sources: wallstreet:online; GBC *Pro forma full consolidation of wallstreet:online capital AG as at 1.1.2021

wallstreet:online AG (wallstreet:online) was able to continue its dynamic growth course in the first six months of the current financial year. Compared to the same period of the previous year, consolidated revenues on a pro forma basis increased significantly by 57.0% to € 23.80 million (HY1 2020: € 15.10 million). The jump in revenues was mainly driven by organic growth effects (54.0% organic vs. 3.00% inorganic).

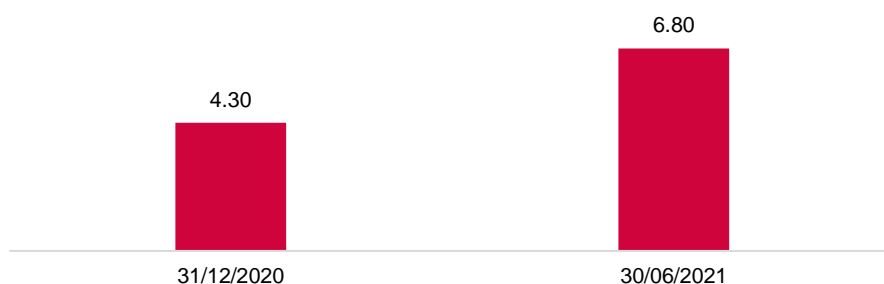
Development of the total number of clients under management in the transaction business



Sources: wallstreet:online AG, GBC AG

New records were also achieved in terms of customer growth. In the first six months of the current fiscal year, the total number of customers increased significantly by around 70,000 (of which approx. 69,000 were Smartbroker customers) to approximately 187,000 (of which approx. 142,000 were Smartbroker customers). At the same time, client assets under management (AUM) rose from € 4.30 billion as of 31/12/2020 by 59.0% to € 6.80 billion as of 30/06/2021.

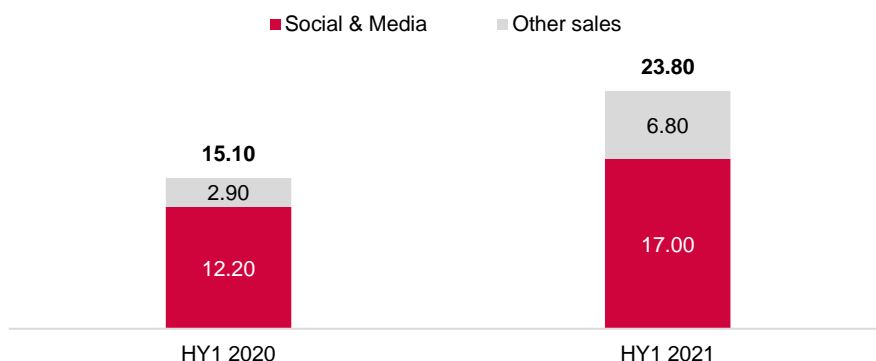
Development of client assets under management (in € billion)



Sources: wallstreet:online AG, GBC AG

The main reason for such positive revenue development was the continued high level of interest in financial information and products, as well as a renewed increase in the overall reach of the portals as a result of technical and commercial innovations and further developments. Thus, the total reach of the portals and communities at the end of the first half of the year increased by approximately 37.0% year-on-year to 2.30 billion page impressions (HY1 2020: 1.70 billion).

Development of segment sales (pro forma*; in € million)

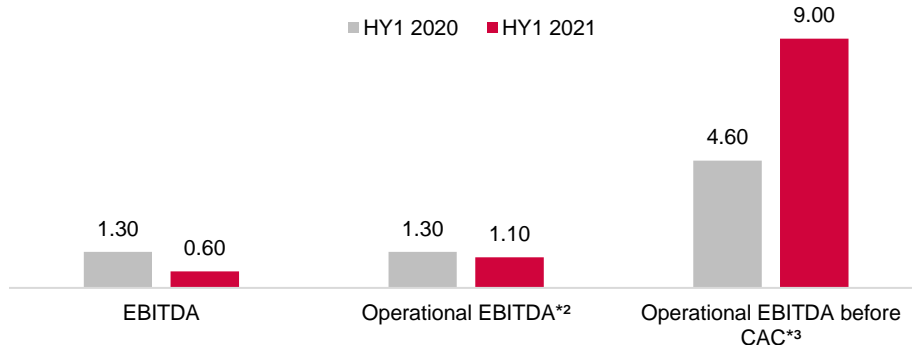


Sources: wallstreet:online AG; GBC AG *Pro forma full consolidation of wallstreet:online capital AG as at 01/01/2021

In terms of the composition of Group revenues, 71.4% of the revenues generated in the first half of the year were attributable to the core business Social & Media. In this business segment, segment revenues increased significantly by around 39.0% year-on-year to € 17.00 million (HY1 2020: € 12.20 million). This positive development was mainly due to the "tailwind" from the capital market and the acquisition of new customers in the key account area as well as the optimization of residual space marketing.

In addition, other revenues, which mainly relate to B2B media and projects (mainly the Smartbroker project), also increased significantly by around 135.0% to € 6.80 million.

Development of EBITDA and operational EBITDA (pro forma*1; in € million)



Sources: GBC AG; wallstreet:online AG *1 Pro forma full consolidation of wallstreet:online capital AG as at 01/01/2021 *2 less special costs due to a capital measure; *3 before Smartbroker customer acquisition costs (CAC)

At the earnings level, a decline in EBITDA to € 0.60 million (1.HY 2020: € 1.30 million) was recorded in the first half of 2021 due to high investments in the expansion of the brokerage business (Smartbroker customer acquisition costs: € 7.90 million) and special costs incurred due to the capital measure carried out (special costs incurred: € 0.50 million). Adjusted for these two effects, an operational EBITDA before customer acquisition costs in the amount of € 9.00 million was achieved and, thus, a significant jump in earnings compared to the same period of the previous year (HY1 2020: € 4.60 million).

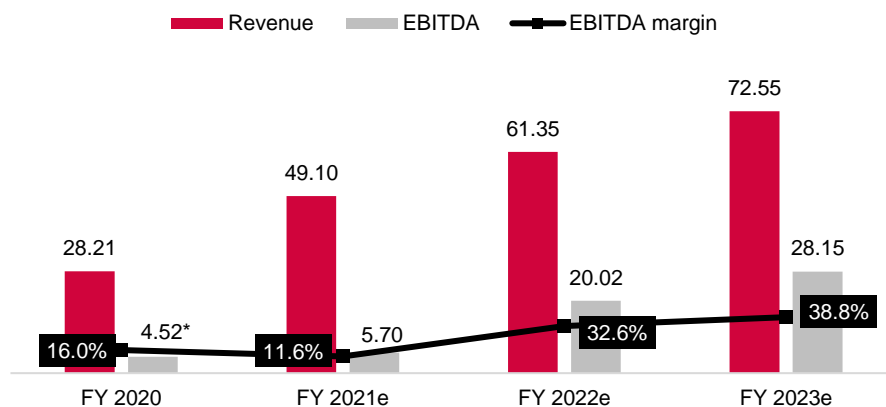
Forecast

P&L (in € million)	FY 2020	FY 2021e	FY 2022e	FY 2023e
Revenues	28.21	49.10	61.35	72.55
EBITDA	4.52 ²	5.70	20.02	28.15
Adjusted EBITDA ¹	n.s.	18.20	35.36	46.29
EBIT	2.03 ^{*2}	3.19	17.22	25.15
Net profit	3.55	2.18	12.01	17.54

Sources: wallstreet:online AG; GBC AG; ¹before new customer acquisition costs (Smartbroker); ² adjusted for a special effect (sale of investment) of € 3.01 million

In the context of the publication of the half-year figures, the wallstreet:online management confirmed its previous corporate guidance (on a pro forma basis, i.e. assuming full consolidation of wallstreet:online capital AG as of January 1, 2021) for FY 2021. Accordingly, the management board continues to expect a year-on-year increase in revenue from approximately € 45.0 million to approximately € 50.0 million and an increase in operational EBITDA to € 4.00 million to € 6.00 million. Expenses for new customer acquisition for the Smartbroker are budgeted at approximately € 12.50 million in the current fiscal year 2021. Accordingly, the company expects EBITDA before new customer acquisition costs of € 16.50 million to € 18.50 million. In view of the convincing half-year figures and the confirmed corporate guidance, we are also maintaining our previous estimates for the current financial year and subsequent years.

Expected development of revenues and EBITDA (in € million)



Sources: wallstreet:online AG; estimates GBC AG *adjusted for special effect of € 3.01 million

Overall, we remain convinced that the wallstreet:online Group should succeed in significantly expanding its market positions in both core business areas (social & media, online brokerage) as part of the initiated transformation into a financial services provider with an integrated financial community and thus continue its dynamic growth course. The even closer integration of the two core business areas in the future and the resulting advantages should additionally drive future revenue and earnings growth. Further sales impulses should result from the planned introduction of a smartphone app at the Smartbroker (Q1 2022) and a new trading interface (HY1 2022). In addition, we expect that the planned establishment and expansion of our own transaction-side IT infrastructure will have a positive impact on the future performance of the company, as this will increase flexibility and speed in terms of product developments and at the same time significantly reduce cost expenses.

Against the backdrop of our unchanged forecasts, we confirm our previous price target of € 37.70 (previously: € 37.70). In view of the current share price level, we thus continue to assign a Buy rating and see significant upside potential.

ANNEX

I.

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The analysts responsible for this analysis are:

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Other person involved in this study:

Jörg Grunwald, Executive Board

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