

Hold (Initiation)

29.08.2024

EUR 60.00 (Initiation)

New stock for your WATCHlist - Initiate MWB with HOLD

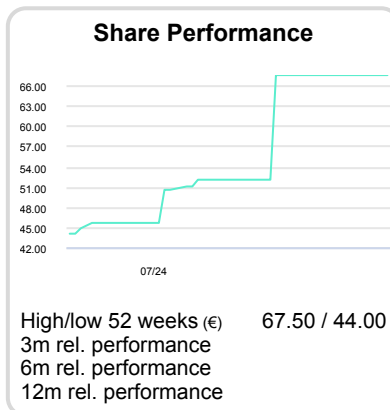
With its reputation for **authenticity and trustworthiness**, MWB has made a name for itself by **busting counterfeit watches** on social media, having built a **substantial online community of 220k Instagram followers**. The company is a unique play in the growing **online secondhand market for luxury watches**, which BCG expects to grow by **54% p.a. to CHF 31bn by 2026e** (CHF 5.5bn in 2022). The online share of the secondhand market for luxury watches currently stands at 25%, but is set to reach 60% (similar to e.g. shopping for clothing at 70% online penetration), implying a **strong catch-up potential**.

MWB's USP and strong differentiation against peers such as Chrono24 and chronext are its elaborate and trusted network as well as its multi-year luxury watch expertise by the two founders and **"anti-fake ambassadors"** Leon Schelske and Robin Haas. More importantly, MWB enables customers access to hard-to-get luxury watches and ensures finding a buyer for every seller and vice versa. Within only 7 days they can fulfill the client's desire, all the while guaranteeing 100% authenticity. This stellar value proposition explains why MWB sold 410 luxury watches in FY'23 with a selling prices of up to € 460k.

MWB's **capital light business model** provides the company with strong gross margins of c. 5% carried by the company's high level of customer pre-payments. MWB does not purchase any watch that has not already been paid for, and hence keeps **working capital and market risk to a minimum**. As sales look set to grow at a c. 44% CAGR 23-26e, scalability should allow for **profitability improvement** to achieve a positive EBITDA margin by 2024e.

The company capitalizes on the continued **imbalance between firsthand and secondhand market**, as the former leads to **scarcity of desired brands and models**. Moreover, new buyers are **becoming ever more digitally savvy** (e.g. Gen Z, millennials), which should accelerate the online penetration, superbly positioning MWB for future growth.

MWB provides an excellent opportunity to participate in a **vibrant growth story in a luxury niche market**. However, the strong share price movement of more than 50% post IPO already surpassed our PT of € 60.00 (based on DCF), which is why we recommend to **HOLD**.



Market data

Share price (in €)	67.50
Market cap (in € m)	15.5
Number of shares (in m pcs)	0.2
Enterprise value (in € m)	15.2
Ø trading volume (6 months)	24

Identifier

Bloomberg	MWB AV
Reuters	MWB.AV
WKN	A4032H
ISIN	DE000A4032H1

Key shareholders

Leon Schelske (CEO)	15.2%
Robin Haas (CEO)	15.2%
GE Ventures AG	65.7%
Free Float	4.0%

Estimates changes

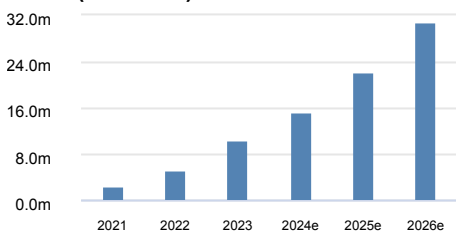
	2024e	2025e	2026e
Sales	0.0	0.0	0.0
EBIT	0.0	0.0	0.0
EPS	0.0	0.0	0.0

Comment on changes

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	2.6	5.4	10.4	15.5	22.3	30.8
Sales growth	n.a.	107.8%	92.9%	49.3%	44.5%	38.0%
EBITDA	0.0	-0.2	-0.1	0.2	0.6	0.9
Net debt (if net cash=0)	-0.1	-0.1	-0.2	-0.3	-0.8	-1.4
FCF	0.0	-0.1	0.0	0.2	0.5	0.6
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	n.a.	n.a.	n.a.	0.94	2.01	2.78
EBITDA margin	1.1%	-3.2%	-0.8%	1.5%	2.5%	3.0%
ROCE	n.a.	n.a.	n.a.	103.2%	79.0%	67.9%
EV/sales	n.a.	n.a.	n.a.	1.0	0.7	0.5
EV/EBITDA	n.a.	n.a.	n.a.	65.4	26.3	15.2
PER	n.a.	n.a.	n.a.	71.5	33.5	24.3
Adjusted FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	4.5%

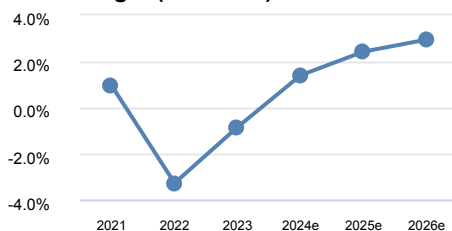
Source: Company data, NuWays, Close price as of 27.08.2024

Sales (2021-26e)



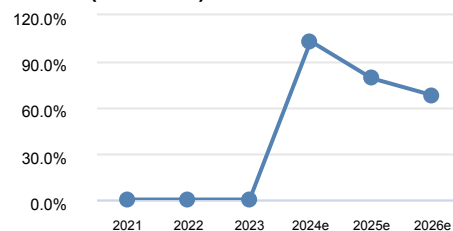
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

ROCE (2021-26e)



Source: NuWays Research

Company description

MWB is an emerging player in the European secondhand market for luxury watches since 2021 has proven itself as an expert for luxury watches since 2019, by exposing luxury watch counterfeits in social media under the pseudonym "Munich Wrist Busters".

Guidance

- FY'24 Sales: € 14-16m
- Mid-term: € 30-50m sales in next 2-4 years

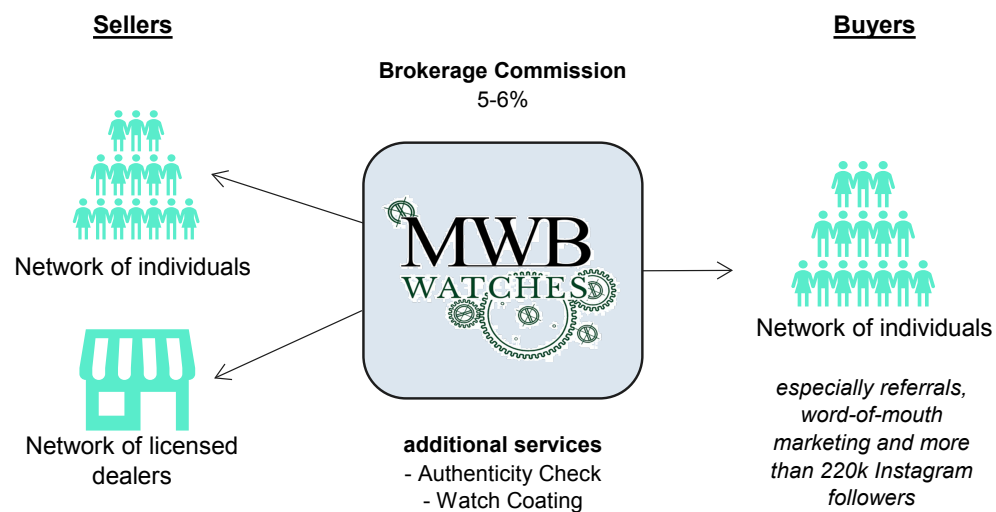
Table of Contents

Introducing MWB	3
Competitive Quality	5
Growth	7
Valuation	15
Theme	17
Company Background	18
Financials	20
Disclosures	23
Contacts	25

Introducing MWB

MWB has been an **emerging player** in the European secondhand market for luxury watches since 2021 and was already able to make a name for itself as a **proven expert for luxury watches** since 2019, by exposing luxury watch counterfeits in social media under the pseudonym "**Munich Wrist Busters**". Since then, MWB has been using the awareness and popularity as well as the trust acquired as a "counterfeit detector" for the **distribution, purchase, and sale** as well as trading of authentic, worn or unworn luxury watches on the **secondhand market**.

MWB acts as a broker between buyers and sellers



Source: NuWays

In doing so, MWB technically purchase and sell watches only after they have **already been successfully brokered** at that point in time, which reduces **both risks and capital intensity** compared to the competition. On average, MWB receives a 5-6% brokerage margin for every watch sold. While MWB technically buys watches on their own account and then resells them later, it economically acts as a broker. Hence, its sales represent the "transaction volume" and its COGS represent the cost of purchasing the watches, yielding a gross-margin of 5-6%.

In addition, various products and services related to luxury watches are offered, such as search orders for customers to find individual and sometimes rare models within a very short time. Apart from the authentication that naturally takes place when buying or selling a watch via MWB, the company also **offers additional services** such as **repairs & checks** by third party watchmakers as well as their own ceramic watch protection.

Through the **strong network of private customers** (especially in social media with more than 220k followers on Instagram), but also of watch dealers worldwide, **MWB finds the right seller for every buyer** and vice versa within a very short time period. Moreover, MWB guarantees the authenticity of the watches with certificates issued by certified, external watchmakers. As the original "counterfeit detector", **MWB enjoys a special level of trust** in contrast to other dealers and online marketplaces for luxury watches. Due to the high level of reliability, the personal customer service as well as the fast and uncomplicated order execution and processing, MWB is well positioned to be the **quality leader in the secondhand market** for luxury watches in the DACH region.

MWB AG	Luxury Watches	Add-on Services
Description	 	 
	trade, purchase and sale of authentic, worn or unworn, pre-owned luxury watches	authenticity- and theft-check, repair, service, ceramic watch coatings, etc.
Exemplary brands		 
Price range	€ 5k - 500k per watch	
Sales (in € m)	15.5	
# of watches sold	600	
average selling price (in € k)	22.8	
gross margin	5.2%	
gross profit (in € m)	0.8	
Customers	 + 	
	esteemed network of high income, private individuals & more than 230k followers on Instagram	
Competitors (Secondhand market only)	   	

Source: NuWays; all numbers FY'24 estimates

Competitive Quality

- Strong credibility and industry expertise of founders makes customers trust MWB.
- Superb customer journey provides a hassle-free experience.
- Sweet spot: MWB enables access to desired watches within days.
- Capital light business and scalable business model by acting as a broker.

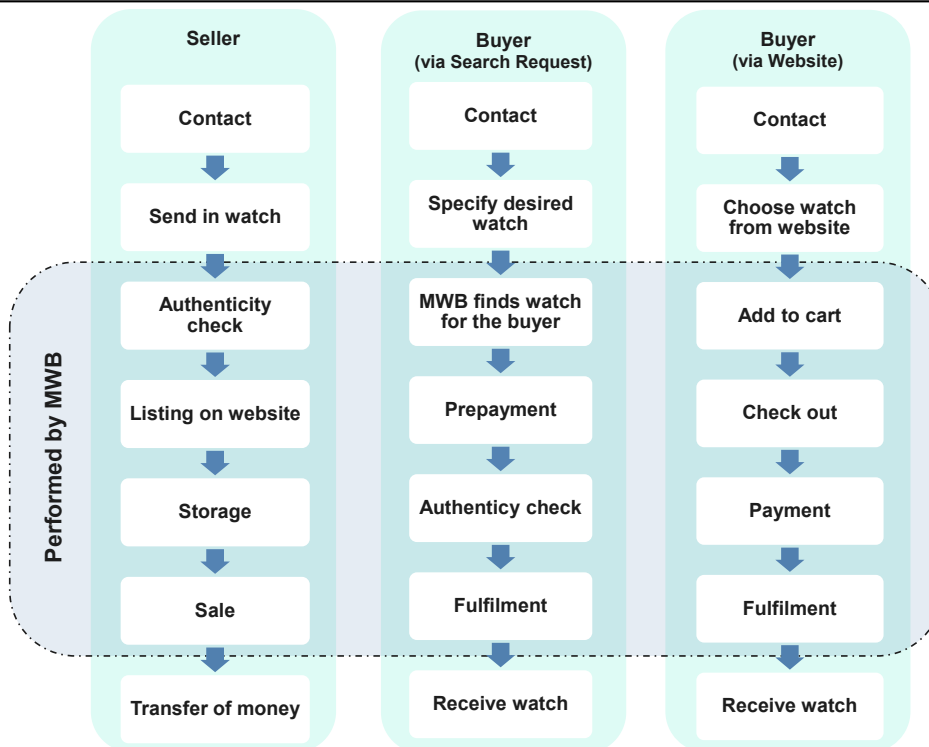
Trust as the currency for luxury products

Buying a luxury watch is often a highly emotional and unique matter, for which trust, high quality service and a personal connection are of utmost importance. After all, spending a 5-digit amount for a watch is a highly personal experience. Hence, as with other luxury products, it's a **people's business**. Buyers and sellers are less prone to buy and sell from anonymous individuals. Therefore, we **consider MWB to be leading when it comes to trust and personal relations**, especially as they have already made a name as "antifake ambassadors".

Superb customer journey

For both, buyers and sellers, **MWB provides a hassle-free experience**. For example, if someone wants to sell their watch via the secondhand market (e.g. eBay, Chrono24, etc.), one has to do the listing, the fulfilment and collect the money. MWB takes over these tasks in return for a 5-6% commission, that sellers are willing to pay and is still below MWB's peers (e.g., 6.5% at Chrono24). Moreover, with its profound experience and the necessary authenticity check, **MWB has better chances to sell the watch quickly and at a better price**.

MWB provides an excellent customer journey



Source: NuWays

For buyers, the **customer experience is key**. Therefore, MWB is always in close contact with buyers. Most importantly, MWB uses its market experience as well as a broad network of private sellers and licensed dealers to **find a desired watch for**

the buyer. Therefore, the buyer can either browse many websites and contact many dealers himself, or can allow **MWB to find the watch** for him, relieving the buyer from that task. Moreover, MWB offers the buyers insured **shipment or a personal pick-up** at the office in Munich.

In addition to a more convenient buying and selling process, MWB always keeps a **close personal relation with their customers** and keeps them personally informed, almost daily, ensuring a **feeling of comfort and care** for the customers as opposed to the competition.

Sweet spot: access to watches within days

MWB guarantees buyers access to desired watch models within 7 days, including fulfilment. Their so-called "Let your dream watch find you" offering already accounts for c. 65-75% of watch sales and is **very popular among first and regular customers**. Instead of waiting years on the firsthand market and searching all kinds of dealers and web shops on the secondhand market, the customer just asks MWB to find the desired model for him. So far, **MWB has a 100% success rate** for finding a watch for buyers within a few days thanks to their elaborate network of sellers.

Capital light and scalable business model

Technically, MWB buys watches on their own account and then resells them later, yielding c. 5% retail margins. However, they only do that to ensure authenticity and the highest quality standards, but more importantly, **only when there is a buyer who has already pre-paid the purchase**. This has the advantage that MWB does not incur the risk of building inventory that it will not get rid of later and only binds liquid assets in working capital for a couple of days. Furthermore, the **quick inventory** turnover virtually **eliminates the risk of volatile secondhand market prices** and hence potential losses.

Therefore, **MWB economically should be viewed as a brokerage business**, despite technically being a retailer.

MWB's platform approach is currently mainly handled manually, but is being automated further to achieve more scalability hence more efficient processes.

Growth

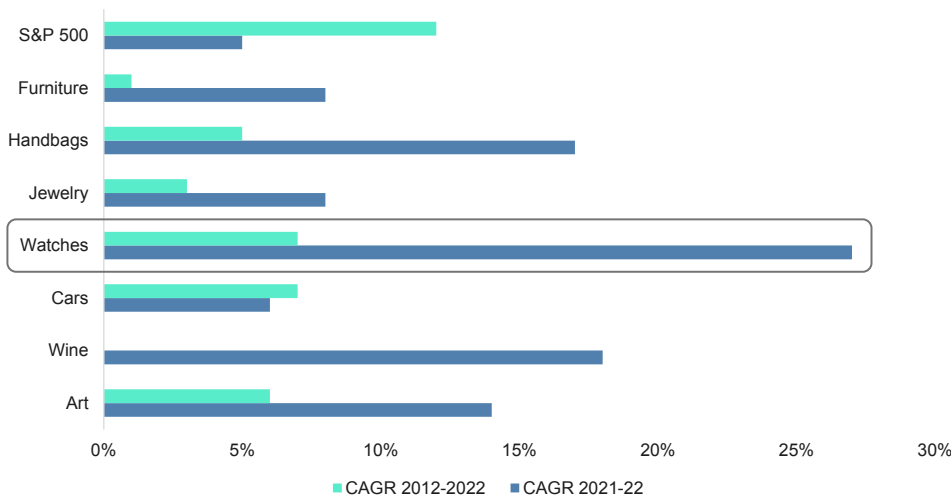
- Rising demand coupled with limited supply in the firsthand market leads to a vibrant secondhand market that is shifting online.
- Strategic growth initiatives should foster dynamic top-line growth.
- Rising profitability due to gross margin improvements and scale effects.

Rising demand ...

Next to an overall **growth of the upper class spending capability**, we identified three major **growth trends for MWB**:

- (1) The unbroken **desire to differentiate, feel superior or fulfil a lifelong dream** embodied by a luxury watch,
- (2) The ongoing shift towards alternative asset classes such as **luxury watches as an investment**, witnessed by a general **watch price increase of 7% on average over the past decade**. Especially in the short-term, **luxury watches have experienced the highest asset price inflation**, outperforming all other luxury asset classes and the S&P 500.

Growth rates of luxury assets







Source: BCG, NuWays

In particular, the **“Big Three”** watch brands (Rolex, Audemars Piguet and Patek Philippe), which we consider as the **most relevant for MWB**, have seen an even stronger performance, with an **average growth rate of 20% p.a.** over the past 5 years. While this growth rate will likely normalize to lower levels in FY24e, we nevertheless expect the underlying growth rate to continue strongly with double-digits.

- (3) The **“New Luxury”** trend, especially embodied by **Millennials, Gen Z and HENRYs** (High Earners, Not Rich Yet), fueled by social media and the rising **trend towards self-portrayal in public** should lead to growing demand for luxury watches by a wave of new buyers. This also leads to a **higher velocity of ownership**, as the younger generations especially are more interested in purchasing a new watch every few months or years.

A recent study conducted by BCG (2023) shows that typical luxury watch buyers can be categorized into four types and are more or less likely to actively engage on the secondhand market.

Four categories of luxury watch buyers

Buyer Type	Classic Timeless	Fashionable Professional	Luxury Watch Hobbyist	Collector / Investor
				
Purchase Frequency	low	moderate	moderate	high
Characteristics	high income	educated, confident	status-conscious	profit-oriented
Watch focus	timeless pieces with strong brand heritage	trendy, stylish, exclusive	technically complex and strong brand	ultra-luxury
Engagement on the Secondhand Market	unlikely	high	intermittently	very active

Source: BCG, NuWays

The **Collector/Investor and the Fashionable Professional** (i.e., HENRYs) are especially **of vital importance for a secondhand market**, as they engage regularly, whereas the Classic Timeless is more focused on the firsthand market. For example, the Collector/Investor type accounts for c. 44% of watch sales on the secondhand market. Therefore, the **Collector/ Investor and the Fashionable Professional** are the **target group for MWB**.

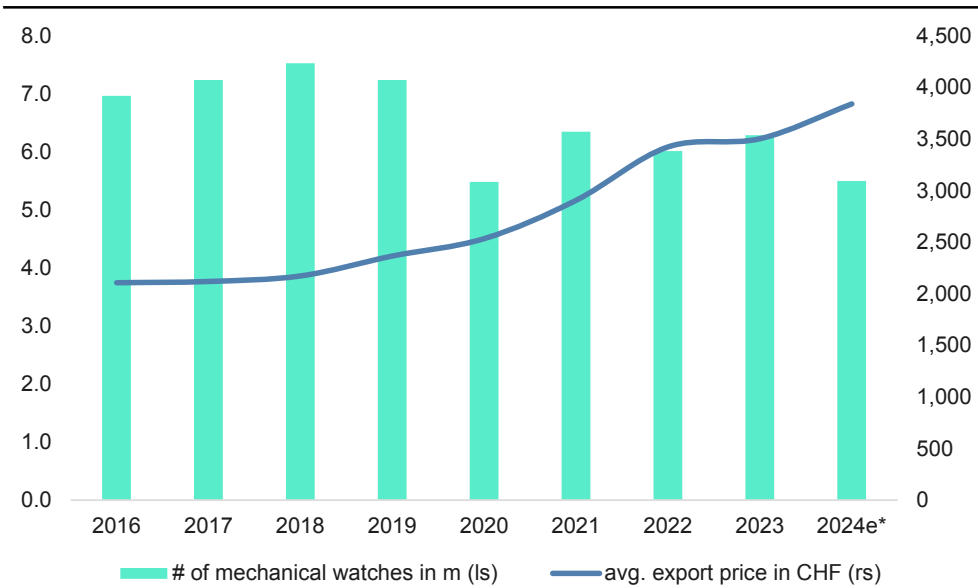
... coupled with a limited supply on the firsthand market...

As could be seen in the automobile industry during the pandemic, where supply chain disruptions led to falling supply of new automobiles, the Swiss watch manufacturers also struggled with lower outputs. However, in contrast to the automotive industry, the **ramp-up of watch production to pre-COVID levels has not taken place in order to maintain artificial scarcity**.

Moreover, the main luxury watch manufacturers such as Rolex, A. Lange & Söhne or Patek Philippe only produce a limited number of watches every year. Rolex, for example, has always capped its production capacity to c. 1m pieces per year and **does not indicate to ramp up capacities** in the medium-term.

Therefore, the **scarcity of luxury watches** on the firsthand market looks set to **further increase**.

Stagnating supply (Swiss mechanical watches)



Source: Federation of the Swiss Watch Industry, NuWays / * H1 2024 numbers annualized

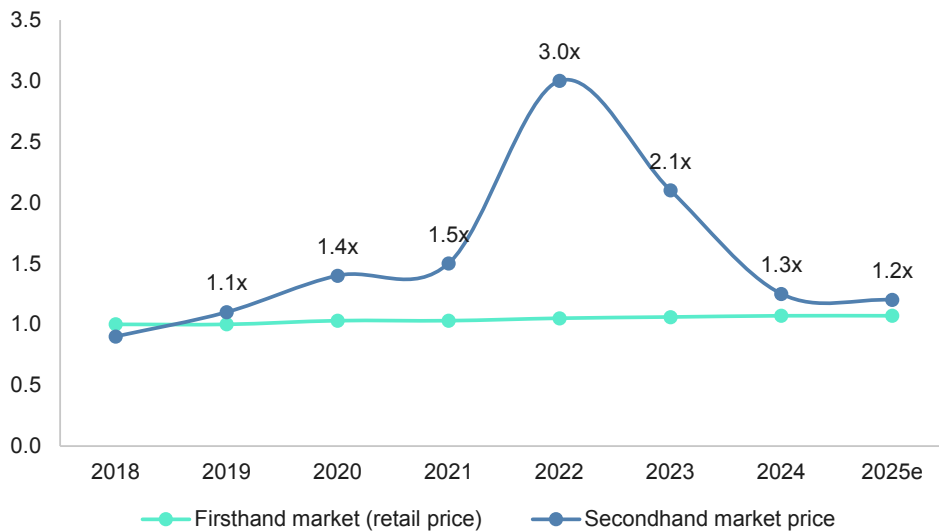
The rise in average export price (on the firsthand market) results from a **shift towards** higher priced watches, a trend that remains intact and was especially fueled during COVID. For example, the share of Swiss watches sold in the highest price category (> CHF 3k) grew from 6% in 2015 to 14% as of H1'24, whereas the share of the lowest price category (< CHF 200) saw a decline from 66% to 55% in the same period. This seems to reflect the **growing desire to differentiate** with a higher priced luxury watch as well as the the ongoing shift towards **luxury watches as an investment, in our view.**

Consequently, the observable demand shift towards higher priced watches in the firsthand market should also be **observed in the secondhand market**, as the drivers mentioned above hold true for the firsthand and secondhand market, in our view.

... lead to a vibrant secondhand market, ...

Secondhand market prices have decoupled from firsthand market prices, especially at MWB's main focus of selected watch manufacturers (i.e., Rolex, Audemars Piguet, Patek Philippe, etc.), indicating that **buyers are willing to pay a substantial price premium for a luxury watch which is otherwise unattainable via the firsthand market.** This development has peaked in FY22 (c. 3x price premium) because supply on the firsthand market dropped due to supply chain issues. This has now normalized to 10-30% price premiums for selected brands (e.g. Patek Philippe, AP and Rolex) and given the ongoing high demand, we regard the secondhand market price premium to remain at 10-20% going forward, especially for scarce models and brands, to which MWB has a unique access to.

Price premiums for pre-owned watches on the secondhand market



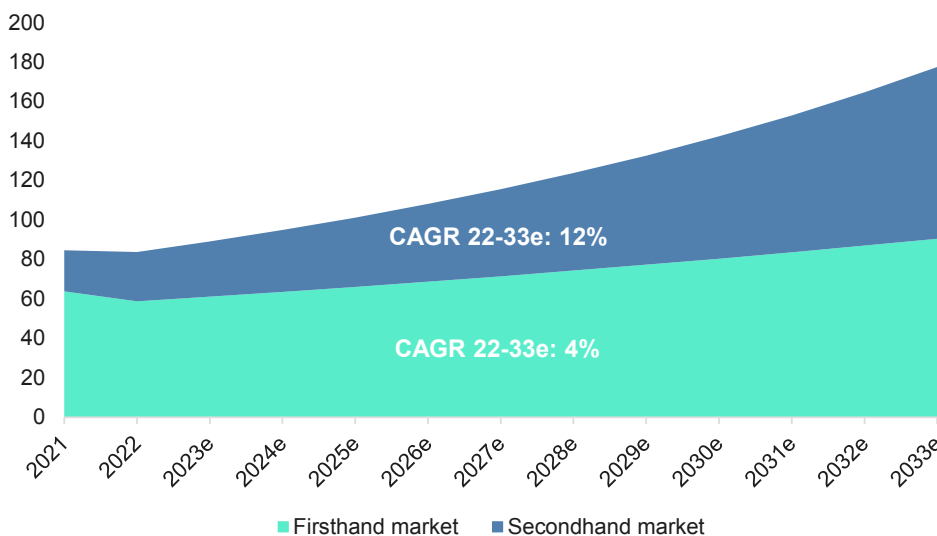
Source: WatchBox, BCG, FHS, Altagamma, Chrono24, WatchCharts, NuWays

Like high-end bags and artwork, luxury watches possess not only a value-preserving but also a highly value-generating quality, further strengthening the case for an upward trajectory of the price premiums of second-hand watches over first-hand watches, as mentioned above.

Currently, c. 30% of total luxury watch revenues are already generated via the secondhand market, which looks set to further increase and **even outperform the firsthand market by 2033e**, as supply remains highly limited while growing demand for watches should lead to even more switches to the secondhand market due to the long waiting times.

MWB's unique access to watches on the secondhand market which are unattainable on the firsthand markets, is seen as one of the main growth drivers for MWB.

Secondhand market to overtake firsthand market by 2033e (\$ bn)



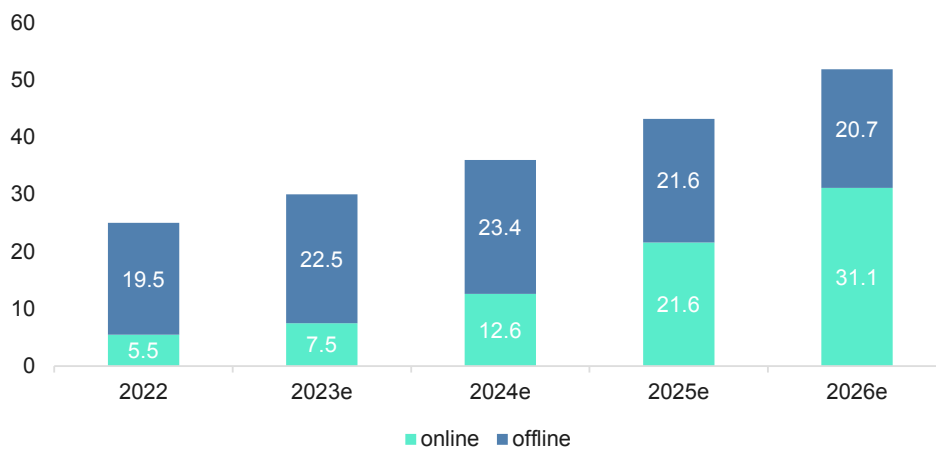
Source: BCG, LuxeConsult, NuWays

... that is shifting online.

By FY26e, the share of **online share on the secondhand market is estimated to reach 60%**, according to BCG. Currently, c. **25% of sales on the secondhand market** are conducted online, showing a strong catch-up potential, compared to regular online shopping (e.g. clothing) where the online penetration already stands c. 70%. This can be explained by a reluctance to buy high-price products online. But with online payment methods getting ever more secure and accepted, and also with a new wave of buyers (Millennials, Gen Z and HENRYs, as mentioned above) that are more digitally savvy, the **online share of the secondhand watch market** looks set to outgrow the offline share and continue sustainably at high growth rates (CA-GR 23-26e: 60%), in our view.

Afterall, the online market is the better choice to match buyers and sellers thanks to a broader reach and accessibility, than the offline market.

Online outperformance in the secondhand watch market (market size in CHF bn)



Source: BCG, Medium.com, NuWays

All in all, MWB looks set to capitalize from strong market tailwinds going forward. Especially its fully digital approach towards customer acquisition and matchmaking should help MWB to attract new buyers and sellers which in turn increases the platforms' popularity and match-making capability.

Top line growth fueled by strategic initiatives post IPO

MWB plans to further expand its reach and popularity and hence growth, thanks to several promising post-IPO initiatives:

Initiative	Start of Initiative			Impact	use of IPO proceeds
	2023	2024	2025		
Digitalization of offer and purchase processes	x			increased operating leverage, but short-term burden on profitability	x
Digital certificate of authenticity via NFT		x		increased customer retention via platform approach	x
Diversification of dealers	x			increased gross margin thanks to better acquisition prices	
Increase of brokerage margin		x		MWB aims for 6% (currently 5.5%) brokerage commission, still below peers (Chrono24: 6.5%)	
Performance Marketing		x		increased popularity, new leads and higher customer base	x
Targeted offline marketing	x			increased popularity, new leads and higher customer base	x
MWB Full-Service Care Package	x			recurring service revenues and increased customer loyalty and retention	
Hidden Marketplace		x		broader product offering and access to watches	
MWB-App			x	increased customer loyalty and retention	x

Source: Company data, NuWays

While we consider **targeted marketing as the most important step to fuel new top-line growth**, the other initiatives also play an important role. Especially the streamlining and digitalization of processes should not only help margin expansion, but more importantly form the foundation for future growth thanks to significant productivity improvements. Hence, MWB should be able to handle significantly more watches with only a minor additional workforce and OPEX.

For our growth assumption, we assume the following:

- Number of watches sold should grow strongly from 104 in FY22 to 600 in FY24e, thanks to a growing pool of potential buyers and sellers and due to increased popularity and ongoing word-of-mouth and post-IPO performance marketing.
- The average selling price looks set to stay flat at around € 21k per watch going forward, as during COVID the price hikes on the secondhand market saw its peaks in FY22 and have now normalized again. This also explains the steep decline in average selling price from FY22 to FY23 (-57% yoy). Also, with the increased number of watches sold the average selling price should revert to its mean and fluctuate less going forward.

Both KPIs should lead to sales growing from € 5.4m in FY'22 to € 31m until FY26e, which is in line with MWB's mid-term targets of € 30-50m within the next 2-4 years.

MWB AG	FY 2022	FY 2023e	FY 2024e	FY 2025e	FY 2026e	CAGR 2023e-26e
# of watches sold yoy	104	410 294%	600 46%	850 42%	1,150 35%	41%
average selling price (in € k) yoy	48.1	22.4 -53%	22.8 2%	23.3 2%	23.8 2%	
Sales from watch brokerage yoy	5.0	9.2 71%	13.7 49.3%	19.8 44.5%	27.3 38%	44%
Other sales (e.g. complementary products) yoy	0.4	1.2 227%	1.7 49.3%	2.5 44.5%	3.5 38%	44%
Total Sales yoy	5.4	10.4 93%	15.5 49.3%	22.3 44.5%	30.8 38.0%	44%

Source: NuWays

Gross margin improvements and better fixed cost coverage

As mentioned above, the strategic initiatives of MWB have yet to bear fruit. However, the management feels comfortable with increasing its gross margin in the brokerage business to 6%, as feedback from customers remains positive, and customers are very satisfied with MWB's service. Noteworthy, with its current commission (i.e. gross margin) of 5.5%, MWB still operates below their competitor Chrono24 (6.5% brokerage commission).

The decline in gross margin from 9% in FY21 to FY22 is attributable to the change in business model from retail towards a brokerage and because in FY22, MWB still had watches in their books, whose prices have fallen in the meantime, which burdened the gross margin. Due to the brokerage business operated now, this cannot happen in the future.

Cost of goods sold (i.e. the purchase prices MWB pays for the watches) should grow accordingly. Hence, gross profit looks set to grow by 74% p.a. to € 1.9m by FY26e.

We consider the real EBITDA margin driver to be top line growth that ensures a better fixed cost coverage. Other OPEX (e.g., rent, insurance, etc.) and personnel expenses (currently 3 FTEs, including management; eNuW: one additional FTE per year until FY26e) should grow substantially slower than sales, thanks to the productivity increases of the scalable platform business driven by automated and digital processes. All in all, we therefore expect EBITDA to grow to € 0.9m by FY26e. As MWB does not maintain a large asset base and should not build up one going forward, we expect no significant D&A. Furthermore, no negative or positive financial result is incurred, as MWB operates debt free, and the excess cash is not sufficient to receive any meaningful interest income. Also, we expect the tax rate for FY23e to amount to 0% and gradually increase to 30% by FY26e, as the tax loss carried forward (eNuW: € 0.22m) is constantly melted down. All in all, this should pose MWB to reach break-even in FY24e and net income to amount to € 0.6m by FY26e.

MWB AG		FY 2021	FY 2022	FY 2023e	FY 2024e	FY 2025e	FY 2026e	CAGR 2023-26e
Sales		2.58	5.37	10.35	15.45	22.33	30.81	44%
	yoy		108%	93%	49%	44%	38%	
COGS		2.34	5.12	10.00	14.65	20.99	28.96	
Gross profit		0.24	0.25	0.35	0.80	1.34	1.85	74%
	yoy		3%	42%	128%	67%	38%	
	gross margin	9.4%	4.6%	3.4%	5.2%	6.0%	6.0%	
Personnel expenses		0.10	0.20	0.18	0.23	0.33	0.46	
Other operating income & expenses		0.11	0.22	0.26	0.34	0.45	0.46	
EBITDA		0.03	-0.17	-0.08	0.23	0.56	0.92	neg.
	yoy		neg.	neg.	neg.	141%	66%	
	EBITDA margin	1%	-3%	-1%	2%	3%	3%	
Depreciation & Amortisation		0.00	0.00	0.00	0.02	0.02	0.02	
EBIT		0.02	-0.17	-0.08	0.22	0.54	0.91	neg.
	yoy		neg.	neg.	-365%	151%	68%	
	EBIT margin	1%	-3%	-1%	1%	2%	3%	
Financial result		0.00	0.00	0.04	0.00	0.00	0.00	
EBT		0.02	-0.17	-0.05	0.22	0.54	0.91	neg.
	yoy	neg.	-807%	-74%	-572%	151%	68%	
	EBT margin	1%	-3%	0%	1%	2%	3%	
Tax expense		0.01	0.00	0.00	0.00	0.08	0.27	
	tax rate	37%	0%	0%	0%	15%	30%	
Net Income		0.02	-0.17	-0.05	0.22	0.46	0.64	neg.
	yoy	neg.	neg.	neg.	neg.	113%	38%	
	net income margin	1%	-3%	0%	1%	2%	2%	

Source: NuWays

Valuation

- DCF yields a fair value of € 60 per share.
- Limited Peer Group analysis supports fair valuation with implied PT of € 80.00 per share.

We base our valuation for MWB on a Discounted Cash Flow model, which derives a **fair value of € 60 per share**, with the terminal value accounting for 66% of total value. The key assumptions of our model are:

- **Terminal EBIT margin:** 3.5%, estimating conservative margin improvements due to low operating leverage.
- **Terminal growth rate:** 2.5%.
- **WACC:** 10.6%, derived from a 2.5% risk-free rate, a Beta of 1.8 to account for the low visibility and MWB's young character and a 4.5% equity risk premium.

Looking at the sensitivity analysis below, a 1pp higher or lower terminal year EBIT margin would imply a fair value of € 70 or € 49 respectively.

DCF (EUR m) (except per share data and beta)	2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	Terminal value
NOPAT	0.2	0.5	0.6	1.0	1.2	1.4	1.5	1.6	1.6
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in long-term provisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capex	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital increase	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow	0.2	0.5	0.6	1.0	1.2	1.4	1.5	1.5	1.6
Present value	0.2	0.4	0.5	0.7	0.7	0.8	0.8	0.7	8.7
WACC	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%	10.6%

DCF per share derived from	
Total present value	14
thereof terminal value	64%
Net debt (net cash) at start of year	0
Financial assets	0
Provisions and off balance sheet debt	0
Equity value	14
No. of shares outstanding	0.2
Discounted cash flow per share	59.5
upside/(downside)	-12%

Share price	67.50
-------------	-------

Sensitivity analysis DCF		Long term growth				
		1%	1.5%	2.5%	3.0%	3.5%
WACC	12.6%	42.2	44.7	47.8	49.5	51.5
	11.6%	45.8	49.0	52.9	55.2	57.7
	10.6%	50.3	54.4	59.5	62.6	66.1
	9.6%	56.0	61.3	68.2	72.5	77.4
	8.6%	63.3	70.5	80.2	86.3	93.7

DCF avg. growth and earnings assumptions	
Short term growth (2023-2025)	46.9%
Medium term growth (2025 - 2031)	19.1%
Long term growth (2030 - infinity)	2.5%
Terminal year EBIT margin	3.5%

WACC derived from	
Cost of borrowings before taxes	4.5%
Tax rate	0.0%
Cost of borrowings after taxes	4.5%
Required return on invested capital	10.6%
Risk premium	4.5%
Risk-free rate	2.5%
Beta	1.8

Sensitivity analysis DCF		EBIT margin terminal year				
		1.5%	2.5%	3.5%	4.5%	5.5%
WACC	12.6%	32.7	40.2	47.8	55.3	62.8
	11.6%	34.9	43.9	52.9	61.9	70.8
	10.6%	37.7	48.6	59.5	70.4	81.2
	9.6%	41.5	54.8	68.2	81.6	95.0
	8.6%	46.6	63.4	80.2	97.0	113.9

Source: NuWays

We conduct a peer group analysis to support our DCF-Valuation. However, the comparison is extremely limited and should only be viewed as additional information. The peer group includes:

Chrono 24, based in Germany, is an online platform for pre-owned watches, where buyers and sellers are connected.

Chronext is a digital platform for purchase and sale of vintage and luxury preowned watches, based in Switzerland. Next to the platform approach, it also buys and sells watches on its own accounts.

Watchmaster is one of Europe's largest buyers and seller of pre-owned watches on own accounts. It declared insolvency in November 2022 due to a theft of watches worth € 10m and the business is in the process of being closed.

Watchbox WatchBox is a platform for buying, selling, and trading pre-owned luxury watches, based in the US.

Watchfinder & Co is an online retailer of second-hand watches, based in the UK.

Watches of Switzerland Group is Britain's leading licensed brick-and-mortar retailer for swiss luxury watches, but also buys and sells pre-owned watches.

A current valuation for the peer group can only be observed for Watches of Switzerland, as it is the sole publicly listed company. However, for the private companies, we used the latest transactions multiples available.

Peer Group	Currency	Business Model	Metric equivalent to MWB's sales	Metric equivalent to MWB's gross profit	latest valuation	EV / Sales latest
Chrono24	EUR	Platform	Transaction Volume	Sales	2021	0.7x
Chronext	CHF	Trade/ Platform	Transaction Volume	Sales	2021	0.7x
Watchmaster	EUR	Platform	Transaction Volume	Sales	2018	1.2x
Watchbox	USD	Trade	Sales	Gross profit	2022	2.5x
Watchfinder & Co	USD	Trade	Sales	Gross profit	2019	1.3x
Watches of Switzerland Group	GBP	Trade	Sales	Gross profit	2023	1.2x
Median						1.2x
MWB AG (EV / Sales 2024e)						1.0x
(+) premium / (-) discount						-19%
implied fair value per share						80.1

Source: FactSet, Crunchbase, NuWays

Due to the business characteristic that MWB buys and sells the watches on their own accounts, the **correct metrics need to be compared**. For example, Chrono24 does not buy and resell watches on own accounts, but solely acts as a broker. Therefore, MWB's sales should be compared to Chrono24's transaction volume. The same holds true for MWB's gross profit, which is comparable to Chrono24's sales figure.

MWB's current valuation of **1.0x EV/Sales**, compares fairly to the 1.2x median EV/ sales of the peer group, supporting our view of a **fair valuation**.

Theme

- Change in business model reduces risk and earnings volatility
- Rolex' step into the secondhand market highlight its importance

Increased focus on search should boost growth and unmask MWB's profitability potential

When MWB started operating in 2021/2022, the company derived most revenue and profit from its commission and trade business. While this did allow for potentially higher gross margins (depending on the purchase price obtained by MWB on the open market), it also incurred higher personnel and operating expenses in terms of communicating with and mediating between prospective sellers and buyers, posting the respective watches on the firm's website, and having longer time periods between buying and reselling watches.

The firm then introduced its **search request business** in 2022/2023 and subsequently witnessed **stronger revenue growth along with lower personnel and operating expenses**, despite lower gross margins (averaging 5.5% on sales via search requests). Importantly, the search business – which is presently conducted mostly manually - offers **greater potential for automation and thus additional cost savings** as management hinted toward increased investments in its digital platform and IT infrastructure. The founders stated that this **transition has already** proven highly successful and promising and revealed that in 2023 between 65% and 75% of its business came from search requests, demonstrating the huge upside potential this shift entails.

Rolex' step into the secondhand market highlights its importance

Rolex's entry into the secondhand market in December 2022 marked a **paradigm** shift in the luxury watch industry. Now Rolex-certified secondhand watches can be bought and resold by licensed Rolex dealers with an official Rolex certificate of authenticity. In our view, this **underpins the huge potential of the secondhand market**, that Rolex wants to be a part of. Moreover, this should lead to an overall stimulation of the secondary market, as it could lead to even more first-time buyers that try to get their hands on Swiss luxury watches. So far, **Rolex only conducts its secondhand market business** offline, providing further tailwinds for MWB's business model as MWB focuses on the online channels and thus might be even better at finding sellers. Additionally, the licensed Rolex dealers can even become a part of MWB's elaborate network of sellers.

Company Background

History

2019: founding of Instagram channel with now more than 220k followers

2021: Set-up of company Wristbusters GmbH and first profitable revenues of € 2.1m with second-hand watches

2022: Exceeded the € 5m revenues threshold

2023: Exceeded the € 10m revenue threshold.

2024: IPO

Business model

MWB is active in the distribution, purchase, and sale as well as trading of authentic, worn or unworn luxury watches on the secondhand market, both online and offline. In doing so, MWB does not purchase any watch that has not already been resold at that point in time. Therefore, MWB should be viewed economically as a brokerage business, despite technically being a retailer.

Furthermore, MWB offers additional services such as third-party authenticity checks & repairs as well as their own highly specialized DIY watch coatings.

Management

Leon Schelske – Co-CEO / Founder

Mr Schelkse has been a luxury-watch enthusiast since the age of 16. He earned his first luxury watch by working as a cashier and got annoyed by people showing off fake watches. Together with Mr Haas, he founded and operated the Instagram channel „Munich Wrist Busters“, exposing fake watches on social media. Leon is responsible for the acquisition and sale.

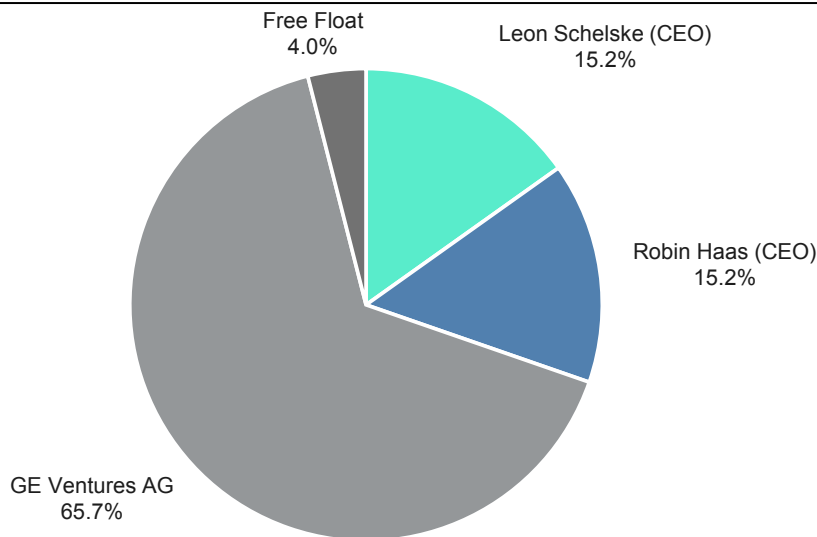
Robin Haas – Co-CEO / Founder

Mr Haas is co-Founder of MWB and a knowledgeable watch professional. Mr. Haas is responsible for acquisition and marketing, both on- and offline. Alongside with Mr Schelkse, he has been featured in manifold media appearances such as GQ, WELT and Business Punk.

Shareholder Structure

MWB has 229,000 shares outstanding, tradable on the direct market plus segment of Vienna's stock exchange. The founders each hold 15.2% of shares, accompanied by the early venture capital firm GE Ventures AG, holding 65.7%. The remaining 4% are attributable to the free float.

Shareholder Structure



Source: Handelsregister, NuWays

Investment risks

- **Competitive risks:** increasing competition from both online and offline retailers in a highly fragmented market with low barriers to entry could lead to loss of customers and market share.
- **Market risks:** a sharp rise in supply on the firsthand market, which could lead to a dry out of the secondhand market, should render MWB's business model at risk, which is focused on the secondhand market.
- **Operational risks:** marketing expenses could turn out to be unsuccessful and lead to costs without any incurred sales.
- **Personnel risks:** MWB is particularly dependent on the competence and expertise of its founders and Management Board members. To achieve further growth, an expansion of workforce could become necessary, which may be challenging to recruit.
- **Theft risks:** Due to MWB's exposure to watches being worth five or six figures that have to be store temporarily with an external provider, MWB's security precautions could prove to be insufficient to prevent theft.
- **Fraud risks:** MWB may unknowingly purchase counterfeit or stolen goods. Next to the reputational risk, buyers could assert claims for rescission.
- **Reputational risks:** MWB depends largely on the reputation of its online platform. Negative reviews on rating portals or negative reporting in the media could lead to customers making their purchases on other platforms or in retail stores.

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	2.6	5.4	10.4	15.5	22.3	30.8
<i>Sales growth</i>	<i>n.a.</i>	<i>107.8%</i>	<i>92.9%</i>	<i>49.3%</i>	<i>44.5%</i>	<i>38.0%</i>
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	2.6	5.4	10.4	15.5	22.3	30.8
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Material expenses	2.3	5.1	10.0	14.6	21.0	29.0
Personnel expenses	0.1	0.2	0.2	0.2	0.3	0.5
Other operating expenses	0.1	0.2	0.3	0.3	0.4	0.5
Total operating expenses	2.6	5.5	10.4	15.2	21.8	29.9
EBITDA	0.0	-0.2	-0.1	0.2	0.6	0.9
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	0.0	-0.2	-0.1	0.2	0.6	0.9
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	0.0	-0.2	-0.1	0.2	0.5	0.9
Interest income	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.0	-0.0	0.0	-0.0	-0.0	-0.0
Recurring pretax income from continuing operations	0.0	-0.2	-0.1	0.2	0.5	0.9
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	0.0	-0.2	-0.1	0.2	0.5	0.9
Income tax expense	0.0	0.0	0.0	0.0	0.1	0.3
Net income from continuing operations	0.0	-0.2	-0.1	0.2	0.5	0.6
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	0.0	-0.2	-0.1	0.2	0.5	0.6
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	0.0	-0.2	-0.1	0.2	0.5	0.6
Average number of shares	n.a.	n.a.	n.a.	0.2	0.2	0.2
EPS reported	n.a.	n.a.	n.a.	0.94	2.01	2.78

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<i>Sales growth</i>	<i>n.a.</i>	<i>107.8%</i>	<i>92.9%</i>	<i>49.3%</i>	<i>44.5%</i>	<i>38.0%</i>
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Other operating income	0.2%	0.2%	0.1%	0.0%	0.0%	0.0%
Material expenses	90.6%	95.4%	96.6%	94.8%	94.0%	94.0%
Personnel expenses	3.9%	3.7%	1.7%	1.5%	1.5%	1.5%
Other operating expenses	4.6%	4.3%	2.6%	2.2%	2.0%	1.5%
Total operating expenses	98.9%	103.2%	100.8%	98.5%	97.5%	97.0%
EBITDA	1.1%	-3.2%	-0.8%	1.5%	2.5%	3.0%
Depreciation	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%
EBITA	1.1%	-3.3%	-0.8%	1.5%	2.5%	3.0%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	1.0%	-3.3%	-0.8%	1.4%	2.4%	3.0%
Interest income	0.0%	0.1%	0.4%	0.0%	0.0%	0.0%
Interest expenses	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	0.3%	neg.	neg.	neg.
Recurring pretax income from continuing operations	0.9%	-3.3%	-0.5%	1.4%	2.4%	2.9%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	0.9%	-3.3%	-0.5%	1.4%	2.4%	2.9%
Tax rate	36.6%	0.0%	0.0%	0.0%	15.0%	30.0%
Net income from continuing operations	0.6%	-3.3%	-0.5%	1.4%	2.1%	2.1%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	0.6%	-3.3%	-0.5%	1.4%	2.1%	2.1%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	0.6%	-3.3%	-0.5%	1.4%	2.1%	2.1%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	0.0	0.0	0.0	0.0	0.0	0.0
Inventories	0.2	0.2	0.2	0.2	0.2	0.2
Accounts receivable	0.1	0.2	0.1	0.2	0.2	0.2
Other assets and short-term financial assets	-0.2	0.0	0.0	0.0	0.0	0.0
Liquid assets	0.1	0.1	0.2	0.3	0.8	1.4
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	0.3	0.6	0.5	0.7	1.2	1.9
TOTAL ASSETS	0.3	0.6	0.5	0.7	1.2	1.9

SHAREHOLDERS EQUITY	0.0	0.1	-0.0	0.2	0.7	1.3
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.0	0.0	0.0	0.0	0.0	0.0
NON-CURRENT LIABILITIES	0.0	0.0	0.0	0.0	0.0	0.0
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.3	0.4	0.4	0.4	0.4	0.4
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.1	0.1	0.1	0.1	0.1
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	0.3	0.5	0.5	0.5	0.5	0.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	0.4	0.6	0.5	0.7	1.2	1.9

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	0.0%	0.1%	0.1%	0.1%	0.1%	0.0%
Property, plant and equipment	1.4%	2.4%	1.5%	1.0%	0.6%	0.4%
Financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FIXED ASSETS	1.4%	2.5%	1.6%	1.1%	0.7%	0.4%
Inventories	77.1%	26.7%	33.0%	24.6%	16.2%	11.3%
Accounts receivable	29.2%	35.8%	28.3%	27.3%	16.5%	10.7%
Other assets and short-term financial assets	-64.0%	7.1%	0.0%	0.0%	0.0%	0.0%
Liquid assets	42.2%	22.7%	31.2%	43.0%	64.2%	75.9%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	14.1%	5.2%	5.9%	4.0%	2.4%	1.6%
CURRENT ASSETS	98.6%	97.5%	98.4%	98.9%	99.3%	99.6%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	11.4%	10.3%	-6.6%	27.1%	55.8%	71.3%
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions for pensions and similar obligations	5.1%	2.0%	2.2%	1.5%	0.9%	0.6%
Other provisions and accrued liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NON-CURRENT LIABILITIES	5.1%	2.0%	2.2%	1.5%	0.9%	0.6%
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	74.0%	64.6%	79.7%	54.5%	33.1%	21.5%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accrued taxes	1.9%	1.2%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	7.6%	21.9%	24.7%	16.9%	10.2%	6.6%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	83.5%	87.7%	104.4%	71.4%	43.3%	28.1%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	0.0	-0.2	-0.1	0.2	0.5	0.6
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from operating activities	0.0	-0.1	0.0	0.1	0.4	0.6
Increase/decrease in inventory	0.0	0.0	-0.0	-0.0	-0.0	-0.0
Increase/decrease in accounts receivable	0.0	0.0	0.1	-0.1	0.0	0.0
Increase/decrease in accounts payable	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.0	0.0	0.1	-0.1	-0.0	-0.0
Cash flow from operating activities	0.0	-0.1	0.0	0.2	0.5	0.6
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from investing activities	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow before financing	0.0	-0.1	0.0	0.2	0.5	0.6
Increase/decrease in debt position	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in liquid assets	0.0	-0.1	0.0	0.2	0.5	0.6
Liquid assets at end of period	0.0	0.1	0.2	0.3	0.8	1.4

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	n.a.	107.8%	92.9%	49.3%	44.5%	38.0%
EBITDA growth	n.a.	-720.5%	-52.5%	-383.6%	140.8%	65.6%
EBIT growth	n.a.	-814.9%	-50.2%	-346.6%	150.8%	67.5%
EPS growth	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Efficiency						
Sales per employee	1,291.0	1,788.4	3,450.5	5,150.7	5,581.8	7,703.0
EBITDA per employee	13.8	-57.3	-27.2	77.3	139.5	231.1
No. employees (average)	2	3	3	3	4	4
Balance sheet analysis						
Avg. working capital / sales	-1.0%	1.2%	-0.6%	-0.1%	-0.2%	-0.0%
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable turnover	10.6	13.7	5.0	0.0	0.0	0.0
Accounts payable turnover	42.5	24.8	14.1	9.4	6.5	4.7
Cash flow analysis						
Free cash flow	0.0	-0.1	0.0	0.2	0.5	0.6
Free cash flow/sales	0.7%	-2.3%	0.3%	1.0%	2.1%	2.1%
FCF / net profit	119.5%	70.5%	neg.	73.3%	100.1%	100.1%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-0.1	-0.1	-0.2	-0.3	-0.8	-1.4
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0
Dividend payout ratio	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Interest paid / avg. debt	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Returns						
ROCE	n.a.	n.a.	n.a.	103.2%	79.0%	67.9%
ROE	33.6%	-306.5%	155.5%	109.0%	68.3%	48.0%
Adjusted FCF yield	n.a.	n.a.	n.a.	n.a.	n.a.	4.5%
Dividend yield				0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	n.a.	n.a.	n.a.	0.94	2.01	2.78
Average number of shares	n.a.	n.a.	n.a.	0.2	0.2	0.2
Valuation ratios						
P/BV	n.a.	n.a.	n.a.	77.9	22.9	11.7
EV/sales	n.a.	n.a.	n.a.	1.0	0.7	0.5
EV/EBITDA	n.a.	n.a.	n.a.	65.4	26.3	15.2
EV/EBIT	n.a.	n.a.	n.a.	70.1	27.1	15.5

Source: Company data, NuWays

Disclosures

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

Indication of conflict of interest

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

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

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

Company	Disclosures
MWB AG	2,3

Historical target price and rating changes for MWB AG

Company	Date	Analyst	Rating	Target Price	Close
---------	------	---------	--------	--------------	-------

1. General Information/Liabilities

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

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

2. Responsibilities

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

3. Organisational Requirements

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

4. Information Concerning the Methods of Valuation/Update

The determination of the fair value per share, i.e. the price target, and the relevant rating is done on the basis of the adjusted free cash flow (adj. FCF) method and on the basis of the discounted cash flow – DCF model. Furthermore, a peer group comparison is made.

The adj. FCF method is based on the assumption that investors purchase assets only at a price (enterprise value) at which the operating cash flow return after taxes on this investment exceeds their opportunity costs in the form of a hurdle rate of 7.5%. The operating cash flow is calculated as EBITDA less maintenance capex and taxes.

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

ment towards the actual capital structure is done by discounting the calculated free cash flows with the weighted average cost of capital (WACC), which takes into account both the cost of equity capital and the cost of debt. After discounting, the calculated total enterprise value is reduced by the interest-bearing debt capital in order to arrive at the equity value.

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

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

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

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

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

5. Major Sources of Information

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

6. Competent Supervisory Authority

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

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany and the European Union (EU). The distribution of this information to other states in particular to the USA, Canada, Australia and Japan may be restricted or prohibited by the laws applicable within this state. If this communication is distributed in the United Kingdom it is solely directed at (i) investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO") or (ii) high net-worth entities as defined in article 49 of the FPO. This document should not be distributed or forwarded, either directly or indirectly, to any other individuals.

8. Miscellaneous

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

Date of publication creation: 29/08/2024 07:50 AM

Date of publication dissemination: 29/08/2024 07:50 AM

Contacts

NuWays AG

Mittelweg 16-17
20148 Hamburg
Germany

+49 170 119 8648
info@nuways-ag.com
www.nuways-ag.com



Christian Sandherr

Co-CEO/Analyst

christian.sandherr@nuways-ag.com



Frederik Jarchow

Co-CEO/Analyst

frederik.jarchow@nuways-ag.com



Philipp Sennewald

Analyst

philipp.sennewald@nuways-ag.com



Henry Wendisch

Analyst

henry.wendisch@nuways-ag.com



Mark Schüssler

Analyst

mark-hendrik.schuessler@nuways-ag.com



Konstantin Völk

Analyst

konstantin.voelk@nuways-ag.com

Find us on Social Media

[Instagram](#)



[Twitter/X](#)



[LinkedIn](#)

