

**Buy** (old: Buy)

16.11.2023

**EUR 13.00** (old: EUR 25.00)

## Further acquisitions conclude strategic realignment; chg.

After amending the financial year towards the calendar year, beaconsmind reported a solid set of H1 results, which was mainly driven by the latest acquisitions of Frederix (closed 02/23), Netopsie (02/23) and Socialwave (04/23):

- **H1 sales increased significantly by 165% yoy to CHF 2.7m**, but still fall slightly behind our estimate of CHF 3.1m, as we expected earlier closing dates of the acquisitions. We still estimate that the acquired companies accounted for c. 85% of H1 revenues.
- **H1 EBITDA strongly improved from CHF -1.5m in H1'22 to CHF -0.5m**. The improvement was mainly driven by already visible synergies leading to significantly reduced personnel expenses and other OpEx which compensated for M&A related one-off expenses.

Apart from the earnings release, the company announced **two further M&A transactions**: With the acquisition of **KADSOFT Computer GmbH** ("Kadsoft") and **T2 vertrieb GmbH** ("T2") beaconsmind strengthens the **newly implemented Infrastructure segment**. While Kadsoft specializes in designing, implementing, and commissioning new IT systems, T2 is specialized in the installation and expansion of TC systems and adaptation of existing TC systems. Both companies were acquired for a **combined purchase price of € 3.0m**, which was paid via a combination of cash (€ 1.6m) stemming from the company's cash capital increase in October and a capital increase in kind as 300k new shares issued to the sellers with a customary lockup (eNuW: 12 months). Both companies provide a **combined revenue run rate of € 3.2m and an EBITDA of € 0.6m ex synergies**. As the closing for both deals is expected for November, this is seen to be fully captured in the FY'24e annual figures.

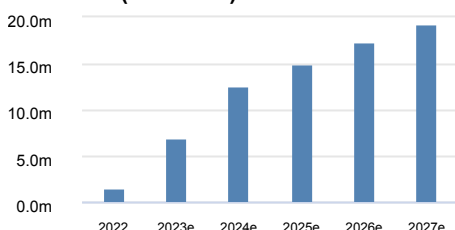
With the acquisitions beaconsmind **concluded its strategic transformation into two synergetic segments: Infrastructure** (Frederix, Netopsie, Kadsoft & T2) and **Software/SaaS** (Socialwave, beaconsmind). The 2024e **revenue run rate increases to CHF 12.6m**. Further details on the transaction as well as the outlook will be provided in the following pages.

Based on the promising outlook we reiterate our **BUY recommendation with a new PT of € 13.00** (old: € 25.00) based on DCF. *-continued-*

Y/E 31.12 (CHF m)	2022	2023e	2024e	2025e	2026e	2027e
Sales	1.6	6.9	12.5	15.0	17.3	19.4
Sales growth	100.0%	343.6%	81.3%	20.0%	15.0%	12.0%
EBITDA	-4.6	-0.6	1.0	2.1	3.6	5.1
Net debt (if net cash=0)	-0.2	6.2	6.4	6.3	5.0	2.1
FCF	-5.5	-5.0	0.1	0.4	1.4	3.0
Net Debt/EBITDA	0.0	-9.9	6.4	3.0	1.4	0.4
EPS pro forma	-1.87	-0.33	0.01	0.18	0.43	0.67
EBITDA margin	-298.1%	-9.1%	8.0%	14.0%	21.0%	26.5%
ROCE	-326.8%	-13.5%	1.8%	8.0%	16.1%	24.2%
EV/sales	8.2	4.0	2.2	1.8	1.5	1.2
EV/EBITDA	-2.7	-43.9	27.7	13.1	7.3	4.6
PER	-2.4	-13.6	462.9	24.9	10.6	6.8
Adjusted FCF yield	-91.5%	-5.9%	0.0%	4.1%	8.6%	14.3%

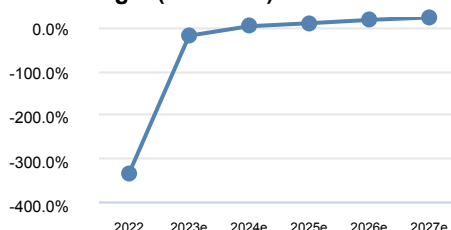
Source: Company data, NuWays, Close price as of 15.11.2023

### Net sales (2022-27e)



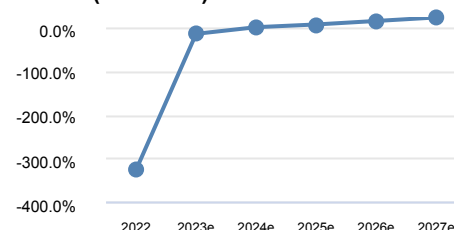
Source: NuWays Research

### EBIT margin (2022-27e)



Source: NuWays Research

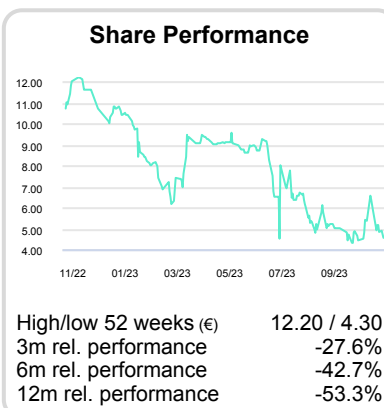
### ROCE (2022-27e)



Source: NuWays Research

### Company description

beaconsmind AG is a location-based marketing ("LBM") specialist that provides beaconsmind software suite and is installed with bluetooth iBeacons at PoS. With beaconsmind's solution, retailers can link digital and physical shopping, bridging the gap between off- and online.



### Market data

Share price (in €)	4.54
Market cap (in CHF m)	21.3
Number of shares (in m pcs)	4.7
Enterprise value (in CHF m)	27.6
Ø trading volume (6 months)	1,477

### Identifier

Bloomberg	81D GR
Reuters	81D
WKN	A2QN5W
ISIN	CH0451123589

### Key shareholders

Anchor investor	46.1%
Ex Socialwave Management	7.4%
Jonathan Sauppe	2.9%
Board and Employees	0.3%
Free float	43.3%

### Estimates changes

	2023e	2024e	2025e
Sales	-20%	-24%	-36%
EBIT	-194%	-92%	-80%
EPS	-227%	-99%	-85%

### Comment on changes

- We overhauled our model to account for the recent acquisitions as well as capital measures.

### Guidance

## Table of Contents

Introducing the new beaconsmind Group	3
Valuation	6
Financials	7
Disclosures	10
Contacts	12

## Introducing the new beaconsmind Group

- Recently resolved cash capital increases of CHF 3.0m as well as two capital increases in kind (1.05m new shares issued)
- Strengthening the infrastructure portfolio to ensure seamless project progression
- Strong synergy effects expected thanks to complementarity of business models
- Dynamic organic top-line CAGR (2024-27e) of 16% based on market dynamics, cross-selling potentials and regional expansion.

### A quick recap of H2 events

After an eventful first half of the year with the acquisitions of Frederix, Socialwave and Netopsie, newsflow remained at a high frequency in H2. Overall, the company resolved **four further capital increases**, of which two cash capital increases and two capital increases in kind., **raising a total of CHF 3.0m and issuing a total of 1.05m new shares**. The raised funds were immediately used to finance further inorganic growth:

- As announced in July, beaconsmind increased **its share in subsidiary Frederix by 11pp to 62%**. The purchase price of c. € 1m was paid partly in cash plus a capital increase in kind, as Jonathan Sauppe (the seller) received 75,000 new beaconsmind shares. The shares are subject to a lock-up period.
- In October, beaconsmind announced **two further strategic M&A deals with the acquisition of Kadsoft and T2**. The combined purchase price of € 3.0m was paid in two tranches: (1) € 1.6m via existing cash, stemming mainly from the most recent cash capital increase, where the company issued 450k new shares to raise CHF 1.62m. (2) € 1.4m via capital increase in kind, issuing 300k new beaconsmind shares which a subject to a customary lock-up period.

The transaction is aimed to close in November 2023.

### Catering the entire value chain

With the acquisition of Kadsoft and T2 beaconsmind concludes its transition towards a **one-stop-shop for WiFi and LBM** (location-based marketing) **solutions** and further strengthens its market position, especially creating synergies with Netopsie and Frederix in the healthcare segment via T2. Here, we expect significant revenue potential based on a low penetration rate in the German healthcare market. Moreover, Kadsoft is providing new verticals to the groups offering as it brings proven expertise in media technology (e.g. digital out-of-home advertising) and cabling on the table. The latter looks set to become a major **competitive edge for beaconsmind** in light of the general shortage of skilled IT installation workforce.

In order to increase transparency, beaconsmind will henceforth subdivide its revenues into two segments:

- **Infrastructure:** The infrastructure segment comprises Frederix (Cloud-WiFi & wireless network infrastructure), Netopsie (in-house DSL, TV, LAN and wireless network infrastructure & solutions) as well as the newly acquired T2 and Kadsoft businesses.
- **Software/SaaS:** The Software/SaaS segment comprises Socialwave's guest WiFi technology as well as beaconsmind's beacon based LBM software solution.

Going forward, the newly formed beaconsmind Group is seen to be strategically well positioned to grasp the promising potential of the WiFi and LBM market. In light of the strategic shift, beaconsmind intends to launch an integrated product combining the benefits of the WiFi solutions provided by Frederix and Socialwave with beaconsmind's LBM software. The product is currently being designed and will feature a cloud-driven WiFi solution and hotspot system, providing customers with real-time, detailed statistics and data, thus facilitating the evaluation of metrics across

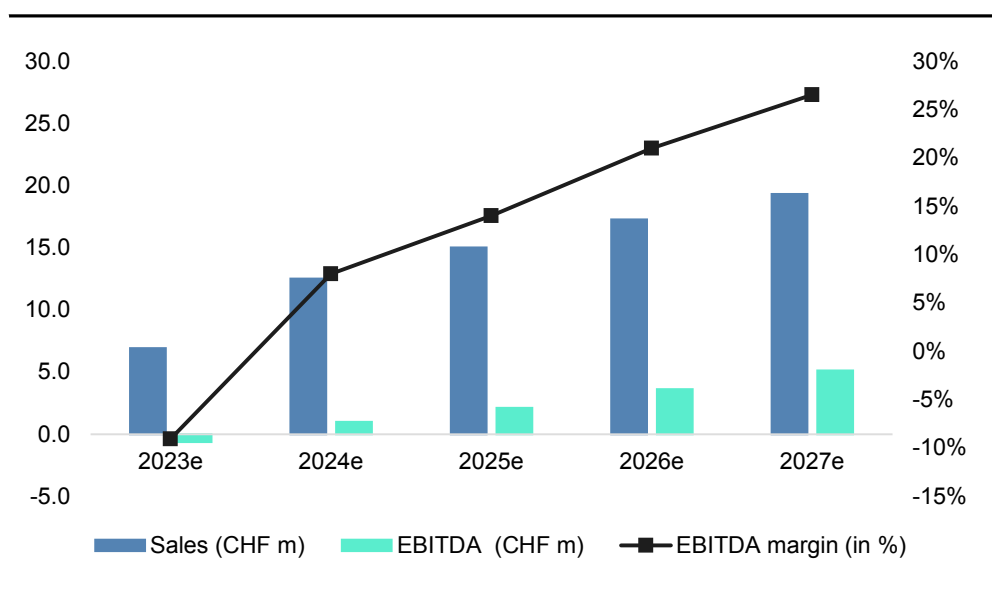
several locations ultimately leading to an improved customer understanding and thereby improved efficiency. We expect the new product to be launched in H1'24e.

On top of this, the company recently developed a white-label app for its LBM solutions. With the new app, the company is aiming to broaden its TAM by addressing also smaller clients with 10-20 retail locations which should support top-line growth going forward.

## Main modelling assumptions into FY 2027e

We adjust our top- and bottom-line forecast following the most recent transactions as well as the company's guidance. For FY'23 management is expecting sales to exceed CHF 7m. Moreover, management provided a revenue run rate figure of CHF 12.6m and an EBITDA of CHF 2.2m for FY'24 given the current operating performance and including synergies. Going forward, the group is seen to deliver **continuous dynamic top-line growth to CHF 19.3m in 2027e** (16% organic CAGR 2024-27e) based on the strong market dynamics, significant up- and cross-selling potentials as well as the ongoing international expansion (e.g. India, China).





### Top- and bottom-line development



Source: NuWays Research

We expect that SG&A expenses will largely feature sales commissions to distribution partners and in-house account managers. Moreover, OpEx should feature one-offs from the mergers with Socialwave, Frederix as well as Kadsoft and T2 in 2023e & 2024e (eNuW € 2m total). As the company is still largely a "startup" operation, costs are seen to accelerate especially on personnel level, as significant talent hiring will be needed to handle the groups ambitions, in our view. Still, in light of the high scalability of the SaaS business including only a minor hardware revenue share as well as cost synergies inbetween the subsidiaries, the group looks set to achieve **EBITDA margins north of 25% going forward.**

## Business overview

	Infrastructure	Software/SaaS	Group
Product	 <p>Hotspot layers for e.g. cloud or guest WiFi, Cloud PBX infrastructure &amp; media technology</p>	 <p>Cloud-based software suite (SaaS)</p>	
Sites	8 - Stäfa, Zurich, Hanover, Dresden, Munich, Shanghai, Dubai, Riyadh		
Headcount	70		
Customers			
Competitors			
Sales '24e (CHF m)	5.4	7.2	12.5
EBITDA '24e (CHF m)			1.0
EBITDA margin '24e			8.0%
ROCE '24e			1.8%

Source: NuWays Research

## Valuation

Our DCF valuation derives a **price target of € 13.00** per share for beaconsmind AG. The key assumptions of our model are:

- **Terminal year EBIT margin of 25%:** This compares to a 23% margin beaconsmind is expected to achieve in 2027e. Our long-term profitability assumptions reflect ongoing dynamic top-line growth paired with the high scalability of the SaaS business model.
- **Terminal growth rate of 2.5%:** The mid-term growth rate is seen at 9% (2026-2030) as beaconsmind should continue to penetrate the high potentials in the LBM and WiFi market with its comprehensive product portfolio.
- The **WACC of 9.2%** is derived from a beta of 1.4x, a 4.5% risk premium and a 3.0% risk free rate.

DCF (€ m) (except per share data and beta)	2023e	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal value
NOPAT	-1.3	0.3	1.4	2.8	4.2	4.7	6.0	7.1	6.1
Depreciation	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.4
Increase/decrease in working capital	-2.5	0.2	0.0	0.1	0.3	0.2	0.1	0.1	0.1
Increase/decrease in long-term provisions and accruals	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capex	0.7	0.9	0.7	0.7	0.7	0.8	0.8	0.8	0.4
Acquisitions	11.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital increase	10.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow</b>	<b>-4.8</b>	<b>0.3</b>	<b>0.4</b>	<b>2.9</b>	<b>4.4</b>	<b>4.9</b>	<b>6.2</b>	<b>7.2</b>	<b>6.2</b>
Present value	-4.8	0.3	1.2	2.3	3.1	3.1	3.6	3.9	46.2
WACC	8.3%	8.5%	8.5%	8.6%	8.9%	9.2%	9.2%	9.2%	9.2%

DCF per share derived from		DCF avg. growth and earnings assumptions	
Total present value	59	Short term growth (2023-2026)	112.9%
thereof terminal value	79%	Medium term growth (2026 - 2030)	9.0%
Net debt (net cash) at start of year	0	Long term growth (2029 - infinity)	2.5%
Financial assets	0	Terminal year EBIT margin	25.0%
Provisions and off balance sheet debt	0		
Equity value	59		
No. of shares outstanding	4.70		
<b>CHF/EUR</b>	<b>1.04</b>		
<b>Discounted cash flow per share</b>	<b>13.0</b>		
<b>upside/(downside)</b>	<b>186%</b>		
<b>Share price</b>	<b>4.5</b>		

Sensitivity analysis DCF							Sensitivity analysis DCF						
WACC		Long term growth						WACC	EBIT margin terminal year				
		1.5%	2.0%	2.5%	3.0%	3.5%			20.0%	22.5%	25.0%	27.5%	30.0%
10.2%	10.0	10.5	11.0	11.6	12.3		10.2%	9.4	10.2	11.0	11.8	12.6	
9.7%	10.7	11.3	11.9	12.7	13.5		9.7%	10.1	11.0	11.9	12.8	13.7	
9.2%	11.6	12.2	13.0	13.9	14.9		9.2%	11.0	12.0	13.0	14.0	15.0	
8.7%	12.5	13.3	14.2	15.3	16.6		8.7%	12.0	13.1	14.2	15.4	16.5	
8.2%	13.7	14.6	15.7	17.0	18.6		8.2%	13.2	14.4	15.7	17.0	18.3	

Source: NuWays Research

## Financials

Profit and loss (CHF m)	2022	2023e	2024e	2025e	2026e	2027e
<b>Net sales</b>	<b>1.6</b>	<b>6.9</b>	<b>12.5</b>	<b>15.0</b>	<b>17.3</b>	<b>19.4</b>
<i>Sales growth</i>	100.0%	343.6%	81.3%	20.0%	15.0%	12.0%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total sales</b>	<b>1.6</b>	<b>6.9</b>	<b>12.5</b>	<b>15.0</b>	<b>17.3</b>	<b>19.4</b>
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Material expenses	0.1	0.5	0.9	1.0	1.0	1.2
Personnel expenses	2.5	3.7	5.6	6.3	6.7	7.0
Other operating expenses	3.5	3.3	5.0	5.6	5.9	6.1
<b>Total operating expenses</b>	<b>6.2</b>	<b>7.5</b>	<b>11.5</b>	<b>12.9</b>	<b>13.7</b>	<b>14.2</b>
<b>EBITDA</b>	<b>-4.6</b>	<b>-0.6</b>	<b>1.0</b>	<b>2.1</b>	<b>3.6</b>	<b>5.1</b>
Depreciation	0.6	0.7	0.7	0.7	0.7	0.7
<b>EBITA</b>	<b>-5.2</b>	<b>-1.3</b>	<b>0.3</b>	<b>1.4</b>	<b>2.9</b>	<b>4.4</b>
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
<b>EBIT (inc revaluation net)</b>	<b>-5.2</b>	<b>-1.3</b>	<b>0.3</b>	<b>1.4</b>	<b>2.9</b>	<b>4.4</b>
Interest income	0.1	0.0	0.0	0.0	0.0	0.1
Interest expenses	0.2	0.3	0.3	0.3	0.3	0.2
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.1	-0.2	-0.3	-0.3	-0.3	-0.2
<b>Recurring pretax income from continuing operations</b>	<b>-5.3</b>	<b>-1.6</b>	<b>0.0</b>	<b>1.1</b>	<b>2.7</b>	<b>4.2</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-5.3</b>	<b>-1.6</b>	<b>0.0</b>	<b>1.1</b>	<b>2.7</b>	<b>4.2</b>
Income tax expense	0.0	-0.0	0.0	0.3	0.7	1.0
<b>Net income from continuing operations</b>	<b>-5.3</b>	<b>-1.6</b>	<b>0.0</b>	<b>0.9</b>	<b>2.0</b>	<b>3.1</b>
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income</b>	<b>-5.3</b>	<b>-1.6</b>	<b>0.0</b>	<b>0.9</b>	<b>2.0</b>	<b>3.1</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>-5.3</b>	<b>-1.6</b>	<b>0.0</b>	<b>0.9</b>	<b>2.0</b>	<b>3.1</b>
Average number of shares	2.8	4.7	4.7	4.7	4.7	4.7
<b>EPS reported</b>	<b>-1.87</b>	<b>-0.33</b>	<b>0.01</b>	<b>0.18</b>	<b>0.43</b>	<b>0.67</b>

Profit and loss (common size)	2022	2023e	2024e	2025e	2026e	2027e
<b>Net sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<i>Sales growth</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Other operating income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Material expenses	9.5%	7.5%	7.0%	6.5%	6.0%	6.0%
Personnel expenses	163.2%	53.5%	45.0%	42.0%	39.0%	36.0%
Other operating expenses	225.4%	48.2%	40.0%	37.5%	34.0%	31.5%
<b>Total operating expenses</b>	<b>398.1%</b>	<b>109.1%</b>	<b>92.0%</b>	<b>86.0%</b>	<b>79.0%</b>	<b>73.5%</b>
<b>EBITDA</b>	<b>-298.1%</b>	<b>-9.1%</b>	<b>8.0%</b>	<b>14.0%</b>	<b>21.0%</b>	<b>26.5%</b>
Depreciation	37.0%	10.1%	5.5%	4.6%	4.0%	3.8%
<b>EBITA</b>	<b>-335.1%</b>	<b>-19.2%</b>	<b>2.5%</b>	<b>9.4%</b>	<b>17.0%</b>	<b>22.7%</b>
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%
<b>EBIT (inc revaluation net)</b>	<b>-335.1%</b>	<b>-19.2%</b>	<b>2.5%</b>	<b>9.4%</b>	<b>17.0%</b>	<b>22.7%</b>
Interest income	3.8%	0.0%	0.2%	0.1%	0.1%	0.3%
Interest expenses	10.4%	3.6%	2.3%	1.9%	1.7%	1.3%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
<b>Recurring pretax income from continuing operations</b>	<b>-341.7%</b>	<b>-22.8%</b>	<b>0.4%</b>	<b>7.6%</b>	<b>15.5%</b>	<b>21.7%</b>
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Earnings before taxes</b>	<b>-341.7%</b>	<b>-22.8%</b>	<b>0.4%</b>	<b>7.6%</b>	<b>15.5%</b>	<b>21.7%</b>
Income tax expense	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>	<i>n.a.</i>
<b>Net income from continuing operations</b>	<b>-341.2%</b>	<b>-22.7%</b>	<b>0.4%</b>	<b>5.7%</b>	<b>11.6%</b>	<b>16.3%</b>
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net income</b>	<b>-341.2%</b>	<b>-22.7%</b>	<b>0.4%</b>	<b>5.7%</b>	<b>11.6%</b>	<b>16.3%</b>
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit (reported)</b>	<b>-341.2%</b>	<b>-22.7%</b>	<b>0.4%</b>	<b>5.7%</b>	<b>11.6%</b>	<b>16.3%</b>

Source: Company data, NuWays

Balance sheet (CHF m)	2022	2023e	2024e	2025e	2026e	2027e
Intangible assets	2.6	14.4	14.4	14.4	14.4	14.4
Property, plant and equipment	0.3	0.8	1.0	1.0	1.0	2.1
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
<b>FIXED ASSETS</b>	<b>3.0</b>	<b>15.2</b>	<b>15.4</b>	<b>15.4</b>	<b>15.4</b>	<b>16.5</b>
Inventories	0.1	0.7	1.3	1.5	1.7	1.9
Accounts receivable	0.2	1.9	2.7	2.9	2.8	2.7
Other assets and short-term financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	0.5	1.0	0.8	0.9	2.2	4.2
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.1	0.4	0.4	0.4	0.4	0.4
<b>CURRENT ASSETS</b>	<b>0.9</b>	<b>4.0</b>	<b>5.2</b>	<b>5.8</b>	<b>7.2</b>	<b>9.2</b>
<b>TOTAL ASSETS</b>	<b>3.9</b>	<b>19.2</b>	<b>20.7</b>	<b>21.2</b>	<b>22.6</b>	<b>25.7</b>
<b>SHAREHOLDERS EQUITY</b>	<b>2.0</b>	<b>9.6</b>	<b>9.9</b>	<b>10.1</b>	<b>11.2</b>	<b>15.0</b>
MINORITY INTEREST	0.0	0.3	0.3	0.3	0.3	0.3
Provisions for pensions and similar obligations	0.1	0.1	0.1	0.1	0.1	0.1
Other provisions and accrued liabilities	0.0	0.0	0.0	0.0	0.0	0.0
Short-term liabilities to banks	-0.0	1.0	0.0	0.0	0.0	0.0
Accounts payable	0.9	0.6	1.7	2.1	2.4	2.7
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.6	1.4	1.4	1.4	1.4	1.4
<b>CURRENT LIABILITIES</b>	<b>0.9</b>	<b>0.6</b>	<b>1.7</b>	<b>2.1</b>	<b>2.4</b>	<b>2.7</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>3.9</b>	<b>19.2</b>	<b>20.7</b>	<b>21.2</b>	<b>22.6</b>	<b>25.7</b>
<b>Balance sheet (common size)</b>	<b>2022</b>	<b>2023e</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>	<b>2027e</b>
Intangible assets	67.7%	74.6%	69.5%	67.8%	63.5%	55.9%
Property, plant and equipment	7.6%	4.3%	5.0%	4.9%	4.6%	8.2%
Financial assets	1.0%	0.2%	0.2%	0.2%	0.2%	0.1%
<b>FIXED ASSETS</b>	<b>76.4%</b>	<b>79.1%</b>	<b>74.7%</b>	<b>72.8%</b>	<b>68.2%</b>	<b>64.2%</b>
Inventories	2.3%	3.6%	6.1%	7.1%	7.7%	7.5%
Accounts receivable	5.2%	9.8%	13.3%	13.6%	12.6%	10.3%
Other assets and short-term financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquid assets	14.1%	5.2%	3.9%	4.5%	9.7%	16.3%
Deferred taxes	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	1.7%	2.2%	2.0%	2.0%	1.9%	1.6%
<b>CURRENT ASSETS</b>	<b>23.6%</b>	<b>20.9%</b>	<b>25.3%</b>	<b>27.2%</b>	<b>31.8%</b>	<b>35.8%</b>
<b>TOTAL ASSETS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>SHAREHOLDERS EQUITY</b>	<b>52.2%</b>	<b>49.9%</b>	<b>48.1%</b>	<b>47.8%</b>	<b>49.7%</b>	<b>58.5%</b>
MINORITY INTEREST	0.0%	1.5%	1.4%	1.4%	1.3%	1.1%
Provisions for pensions and similar obligations	1.6%	0.3%	0.3%	0.3%	0.3%	0.2%
Other provisions and accrued liabilities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Short-term liabilities to banks	-1.1%	5.2%	0.0%	0.0%	0.0%	0.0%
Accounts payable	21.8%	3.4%	8.3%	9.7%	10.5%	10.3%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred income	15.5%	7.3%	6.8%	6.6%	6.2%	5.5%
<b>CURRENT LIABILITIES</b>	<b>21.8%</b>	<b>3.4%</b>	<b>8.3%</b>	<b>9.7%</b>	<b>10.5%</b>	<b>10.3%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company data, NuWays



Cash flow statement (CHF m)	2022	2023e	2024e	2025e	2026e	2027e
Net profit/loss	-5.3	-1.6	0.0	0.9	2.0	3.1
Depreciation of fixed assets (incl. leases)	0.6	0.7	0.7	0.7	0.7	0.7
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.2	-0.3	-0.3	-0.2	-0.2	0.0
Cash flow from operating activities	-12.0	-5.3	-0.0	0.7	1.9	3.4
Increase/decrease in inventory	-0.1	-0.6	0.0	-0.3	-0.2	-0.2
Increase/decrease in accounts receivable	-1.1	-1.7	-0.9	-0.1	0.0	0.2
Increase/decrease in accounts payable	0.8	-0.2	1.1	0.3	0.3	0.3
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.3	-2.5	0.2	-0.0	0.1	0.3
<b>Cash flow from operating activities</b>	<b>-5.0</b>	<b>-4.3</b>	<b>1.0</b>	<b>1.4</b>	<b>2.6</b>	<b>4.2</b>
CAPEX	0.5	0.7	0.9	1.1	1.2	1.2
Payments for acquisitions	2.0	11.4	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
<b>Cash flow from investing activities</b>	<b>-2.5</b>	<b>-12.1</b>	<b>-0.9</b>	<b>-1.1</b>	<b>-1.2</b>	<b>-1.2</b>
Cash flow before financing	-7.5	-16.4	0.1	0.4	1.4	3.0
Increase/decrease in debt position	-0.1	6.8	0.0	0.0	0.0	-1.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	7.7	10.4	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.2	-0.3	-0.3	-0.2	-0.2	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>7.4</b>	<b>16.9</b>	<b>-0.3</b>	<b>-0.2</b>	<b>-0.2</b>	<b>-1.0</b>
Increase/decrease in liquid assets	-0.1	0.5	-0.2	0.1	1.2	2.0
<b>Liquid assets at end of period</b>	<b>0.5</b>	<b>1.0</b>	<b>0.8</b>	<b>0.9</b>	<b>2.2</b>	<b>4.2</b>

Key ratios (CHF m)	2022	2023e	2024e	2025e	2026e	2027e
<b>P&amp;L growth analysis</b>						
Sales growth	100.0%	343.6%	81.3%	20.0%	15.0%	12.0%
EBITDA growth	128.8%	-86.4%	-259.2%	110.0%	72.5%	41.3%
EBIT growth	150.2%	-74.6%	-123.4%	355.3%	108.0%	49.4%
EPS growth	153.6%	-82.1%	-102.9%	1762.4%	133.7%	57.0%
<b>Efficiency</b>						
Sales per employee	50.3	125.7	167.2	171.0	376.1	421.2
EBITDA per employee	-149.9	-11.5	13.4	23.9	79.0	111.6
No. employees (average)	31	55	75	88	46	46
<b>Balance sheet analysis</b>						
Avg. working capital / sales	-21.7%	13.5%	6.9%	14.2%	13.0%	11.0%
Inventory turnover (sales/inventory)	15.0	10.0	10.0	10.0	10.0	10.0
Accounts receivable turnover	15.0	100.0	80.0	70.0	60.0	50.0
Accounts payable turnover	199.4	50.0	50.0	50.0	50.0	50.0
<b>Cash flow analysis</b>						
Free cash flow	-5.5	-5.0	0.1	0.4	1.4	3.0
Free cash flow/sales	-354.0%	-72.6%	0.6%	2.3%	8.2%	15.5%
FCF / net profit	103.8%	319.3%	170.2%	41.1%	70.4%	95.1%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Solvency</b>						
Net debt	-0.2	6.2	6.4	6.3	5.0	2.1
Net Debt/EBITDA	0.0	-9.9	6.4	3.0	1.4	0.4
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	62.8%	6.8%	7.6%	4.0%	4.0%	3.7%
<b>Returns</b>						
ROCE	-326.8%	-13.5%	1.8%	8.0%	16.1%	24.2%
ROE	-261.3%	-16.4%	0.5%	8.5%	17.8%	20.9%
Adjusted FCF yield	-91.5%	-5.9%	0.0%	4.1%	8.6%	14.3%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-1.87	-0.33	0.01	0.18	0.43	0.67
Average number of shares	2.8	4.7	4.7	4.7	4.7	4.7
<b>Valuation ratios</b>						
P/BV	6.3	2.2	2.1	2.1	1.9	1.4
EV/sales	8.2	4.0	2.2	1.8	1.5	1.2
EV/EBITDA	-2.7	-43.9	27.7	13.1	7.3	4.6
EV/EBIT	-2.4	-20.8	89.6	19.6	9.0	5.3

Source: Company data, NuWays

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Company	Disclosures
beaconsmind AG	2,8

### Historical target price and rating changes for beaconsmind AG

Company	Date	Analyst	Rating	Target Price	Close
beaconsmind AG	02.12.2022	Sennewald, Philipp	Buy	EUR 30.00	EUR 12.20

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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.

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