

Marley Spoon Group SE

Consumer Goods - Germany



NuWays

by Hauck Aufhäuser Lampe

Buy (old: Buy)

04.04.2024

EUR 7.00 (old: EUR 8.00)

Mixed 2024 guidance // efficiency measures bearing fruit; chg.

Last week, Marley Spoon Group ("MSG") released a mixed 2024 guidance. **Sales are expected to grow by a single-digit percentage versus the prior year** (eNuW new: +9% yoy; eNuW old: +17% yoy), largely driven by two separate developments owing to MSG's structure, which consists of the core meal-kit business Marley Spoon SE (>95% ownership) and the newly acquired bistroMD, operating in the ready-to-eat business:

1) While consumer demand has stabilized throughout 2023, the company cited cautious consumer behavior in the meal-kit market as the main culprit for the muted outlook and now expects a **single-digit percentage decline for FY24e** (eNuW new: -3% yoy; eNuW old: +5% yoy). In our view, this should be explained by a continued normalization in the number of active subscribers from Covid highs (eNuW: -3% yoy), the effect of which is likely more pronounced for Europe and Australia than for the US.

2) The guidance implies, however, that on a group level its recent **acquisition of bistroMD shows a noticeable impact on the overall topline development** (FY24e revenue of € 39m, +10% yoy; eNuW), demonstrating the attractiveness and resilience of the ready-to-eat market. Besides bistroMD's leading doctor-designed RTE meal plans playing on relevant consumer trends like health, convenience, and weight-loss, this acquisition likely offers MSG an opportunity to use its own data and technology platform to generate synergies over time.

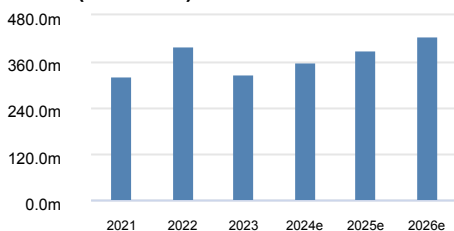
Though MSG expects its **contribution margin to remain flat** (FY23: ~31.7%), **operating EBITDA is seen to grow to a positive mid-single-digit figure for the full year** (eNuW: € 2m), despite the fact that bistroMD should operate on a lower contribution margin (eNuW: ~30%) and negative EBIT due to lack of scale. The positive margin outlook is seen to be carried by (1) a rectified voucher strategy, likely increasing marketing efficiency and early cohort retention rates in H2'23 and Q1'24 and (2) a more streamlined G&A setup (-11% yoy to c. € 69m, excluding one-off costs) as cost-reduction measures from automation, centralization, and the closure of underutilized operations begin to kick in.

While it looks like 2024 will be another challenging year for the meal kit market, we like both the strategic outlook and the operational progress MSG has made over the past quarters towards group profitability, leading us to reiterate our **BUY** rating with a changed **PT of € 7.00** (old: € 8.00) **based on DCF**.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	322.4	401.2	328.5	357.6	390.4	430.3
Sales growth	26.9%	24.5%	-18.1%	8.9%	9.2%	10.2%
EBITDA	-34.3	-11.5	-14.9	0.8	8.8	17.0
Net debt (if net cash=0)	17.9	59.6	56.4	60.6	69.3	70.1
FCF	-36.5	-29.4	-22.2	-15.8	0.2	8.1
Net Debt/EBITDA	-0.5	-5.2	-3.8	72.2	7.9	4.1
EPS pro forma	-173.62	-1.33	-2.68	-1.10	-0.60	-0.21
EBITDA margin	-10.6%	-2.9%	-4.5%	0.2%	2.3%	3.9%
ROCE	-119.4%	-71.2%	-104.7%	-94.5%	-35.3%	57.2%
EV/sales	0.1	0.4	0.3	0.4	0.4	0.3
EV/EBITDA	-0.8	-15.4	-7.5	154.9	15.8	8.2
PER	-0.2	-3.0	-1.5	-3.6	-6.5	-18.6
Adjusted FCF yield	-59.0%	-1.6%	1.5%	11.9%	14.9%	20.4%

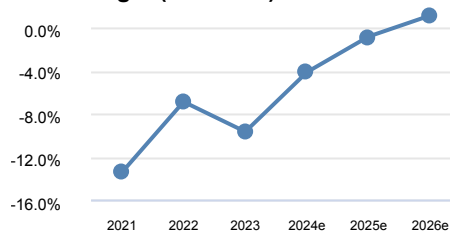
Source: Company data, NuWays, Close price as of 03.04.2024

Sales (2021-26e)



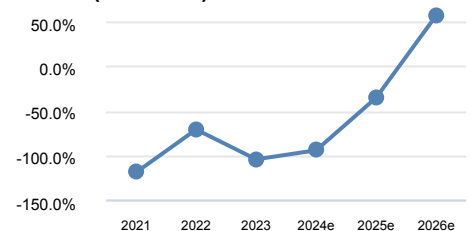
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

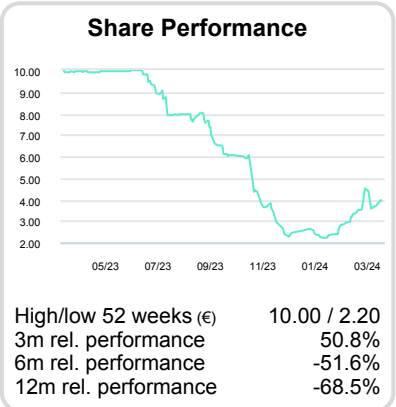
ROCE (2021-26e)



Source: NuWays Research

Company description

Marley Spoon is a global direct-to-consumer meal kit delivery company. The company offers customers meal kits through its two brands Marley Spoon and Dinnerly and ready-to-heat meals through its brand Chefgood. Marley Spoon serves customers in the US, Australia, and Europe.



Market data

Share price (in €)	3.94
Market cap (in € m)	69.3
Number of shares (in m pcs)	17.6
Enterprise value (in € m)	129.9
Ø trading volume (6 months)	1,955

Identifier

Bloomberg	MS1 GR
Reuters	MS1.DE
WKN	A3C81B
ISIN	LU2380748603

Key shareholders

468 Capital	17.4%
Union Square Ventures	12.1%
Sudeep Ramesh Ramnani	11.9%
Conifer Management	5.7%
BistroMD	7.0%
Free Float	15.1%

Estimates changes

	2024e	2025e	2026e
Sales	-7%	-8%	-10%
EBIT	-1%	-11%	20%
EPS	-0%	-3%	16%

- ### Comment on changes
- 2026e shown for the first time
 - Adjustments of estimates reflect a muted 2024 outlook for the meal kit business and operational improvements

Guidance

- Single-digit net revenue growth
- Contribution margin flat yoy
- Mid-single-digit pos. Op. EBITDA

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	322.4	401.2	328.5	357.6	390.4	430.3
Sales growth	26.9%	24.5%	-18.1%	8.9%	9.2%	10.2%
Cost of sales	173.3	216.8	173.8	188.5	202.1	222.3
Gross profit	149.1	184.4	154.7	169.2	188.2	207.9
Sales and marketing	71.2	64.0	55.6	55.2	61.6	68.1
General and administration	64.0	79.0	80.3	73.1	72.3	73.3
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	57.3	69.1	50.6	55.6	57.6	61.5
Total operating expenses	192.5	212.1	186.5	183.9	191.4	203.0
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	-34.3	-11.5	-14.9	0.8	8.8	17.0
Depreciation	7.2	10.6	11.8	9.9	5.9	5.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	2.0	5.5	5.1	5.7	6.0	6.7
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-43.4	-27.6	-31.8	-14.8	-3.2	5.0
Interest income	2.8	0.1	0.0	0.0	0.0	0.0
Interest expenses	6.0	12.3	12.8	8.0	9.3	9.3
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-3.2	-12.2	-12.8	-8.0	-9.3	-9.3
Recurring pretax income from continuing operations	-46.6	-39.9	-44.6	-22.8	-12.5	-4.4
Extraordinary income/loss	0.1	-0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-46.4	-39.9	-44.6	-22.8	-12.5	-4.4
Income tax expense	0.1	0.1	0.0	0.0	0.0	0.0
Net income from continuing operations	-46.6	-40.0	-44.6	-22.8	-12.5	-4.4
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-46.6	-40.0	-44.6	-22.8	-12.5	-4.4
Minority interest	-0.4	-0.3	-6.7	-3.4	-1.9	-0.7
Net profit (reported)	-46.2	-39.7	-37.9	-19.4	-10.6	-3.7
Average number of shares	0.3	30.0	14.1	17.6	17.6	17.6
EPS reported	-173.62	-1.33	-2.68	-1.10	-0.60	-0.21

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
Sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Cost of sales	53.8%	54.0%	52.9%	52.7%	51.8%	51.7%
Gross profit	46.2%	46.0%	47.1%	47.3%	48.2%	48.3%
Sales and marketing	22.1%	16.0%	16.9%	15.4%	15.8%	15.8%
General and administration	19.8%	19.7%	24.4%	20.4%	18.5%	17.0%
Research and development	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other operating income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other operating expenses	17.8%	17.2%	15.4%	15.6%	14.7%	14.3%
Total operating expenses	59.7%	52.8%	56.8%	51.4%	49.0%	47.2%
Unusual or infrequent items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA	-10.6%	-2.9%	-4.5%	0.2%	2.3%	3.9%
Depreciation	2.2%	2.6%	3.6%	2.8%	1.5%	1.2%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.6%	1.4%	1.5%	1.6%	1.5%	1.6%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	-13.5%	-6.9%	-9.7%	-4.1%	-0.8%	1.2%
Interest income	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest expenses	1.9%	3.1%	3.9%	2.2%	2.4%	2.2%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	-14.5%	-9.9%	-13.6%	-6.4%	-3.2%	-1.0%
Extraordinary income/loss	0.0%	-0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-14.4%	-9.9%	-13.6%	-6.4%	-3.2%	-1.0%
Tax rate	-0.3%	-0.4%	0.0%	0.0%	0.0%	0.0%
Net income from continuing operations	-14.4%	-10.0%	-13.6%	-6.4%	-3.2%	-1.0%
Net income	-14.4%	-10.0%	-13.6%	-6.4%	-3.2%	-1.0%
Minority interest	-0.1%	-0.1%	-2.0%	-1.0%	-0.5%	-0.2%
Net profit (reported)	-14.3%	-9.9%	-11.5%	-5.4%	-2.7%	-0.9%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	8.8	25.4	28.6	30.2	33.5	36.6
Property, plant and equipment	48.7	47.4	39.5	23.6	21.2	19.4
Financial assets	2.9	2.9	2.9	2.9	2.9	2.9
FIXED ASSETS	60.4	75.7	71.1	56.8	57.6	58.9
Inventories	9.4	13.1	11.6	13.5	14.4	15.9
Accounts receivable	0.4	0.8	0.7	0.7	0.8	0.9
Other assets and short-term financial assets	3.7	3.2	3.2	3.2	3.2	3.2
Liquid assets	38.7	19.0	10.5	5.5	7.8	7.0
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	52.2	36.2	26.0	22.9	26.3	27.0
TOTAL ASSETS	112.6	111.9	97.1	79.7	83.9	85.9
SHAREHOLDERS EQUITY	-16.3	-41.5	-39.3	-51.1	-59.3	-60.9
MINORITY INTEREST	-1.3	-1.6	-6.9	-9.0	-10.5	-10.7
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	1.0	2.3	2.3	2.3	2.3	2.3
Short-term liabilities to banks	7.3	7.8	7.8	7.8	7.8	7.8
Accounts payable	27.6	26.4	26.4	23.8	26.6	30.5
Advance payments received on orders	3.6	1.9	1.9	1.9	1.9	1.9
Other liabilities (incl. from lease and rental contracts)	41.5	44.0	44.0	44.0	44.0	44.0
Deferred taxes	0.0	1.8	1.8	1.8	1.8	1.8
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	72.6	72.3	72.3	69.7	72.5	76.4
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	112.6	111.9	97.1	79.7	83.9	85.9
Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	7.8%	22.7%	29.5%	37.9%	39.9%	42.6%
Property, plant and equipment	43.2%	42.3%	40.7%	29.7%	25.3%	22.6%
Financial assets	2.6%	2.6%	3.0%	3.7%	3.5%	3.4%
FIXED ASSETS	53.6%	67.7%	73.2%	71.2%	68.7%	68.6%
Inventories	8.3%	11.7%	12.0%	16.9%	17.2%	18.5%
Accounts receivable	0.4%	0.7%	0.7%	0.9%	0.9%	1.0%
Other assets and short-term financial assets	3.3%	2.9%	3.3%	4.1%	3.9%	3.8%
Liquid assets	34.3%	17.0%	10.8%	6.9%	9.3%	8.1%
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	46.4%	32.3%	26.8%	28.8%	31.3%	31.4%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
SHAREHOLDERS EQUITY	-14.5%	-37.1%	-40.4%	-64.1%	-70.7%	-70.9%
MINORITY INTEREST	-1.1%	-1.4%	-7.1%	-11.3%	-12.5%	-12.5%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	0.9%	2.0%	2.3%	2.8%	2.7%	2.6%
Short-term liabilities to banks	6.5%	7.0%	8.1%	9.8%	9.3%	9.1%
Accounts payable	24.5%	23.6%	27.2%	29.8%	31.7%	35.5%
Advance payments received on orders	3.2%	1.7%	1.9%	2.4%	2.2%	2.2%
Other liabilities (incl. from lease and rental contracts)	36.8%	39.4%	45.4%	55.2%	52.5%	51.3%
Deferred taxes	0.0%	1.6%	1.8%	2.2%	2.1%	2.1%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	64.5%	64.7%	74.5%	87.4%	86.4%	88.9%
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	-46.6	-40.0	-44.6	-22.8	-12.5	-4.4
Depreciation of fixed assets (incl. leases)	7.2	10.6	11.8	9.9	5.9	5.3
Amortisation of goodwill & intangible assets	2.0	5.5	5.1	5.7	6.0	6.7
Other costs affecting income / expenses	6.2	11.8	16.2	9.7	11.2	11.4
Cash flow from operating activities	-14.9	-18.7	-9.9	-2.0	12.5	21.4
Increase/decrease in inventory	-2.8	-3.7	1.5	-1.9	-1.0	-1.4
Increase/decrease in accounts receivable	-0.9	-1.0	0.1	-0.1	-0.1	-0.1
Increase/decrease in accounts payable	13.5	-1.4	0.0	-2.7	2.8	3.9
Increase/decrease in other working capital positions	6.5	-0.6	0.0	0.0	0.0	0.0
Increase/decrease in working capital	16.3	-6.6	1.6	-4.6	1.8	2.3
Cash flow from operating activities	-14.9	-18.7	-9.9	-2.0	12.5	21.4
CAPEX	-21.5	-10.7	-12.3	-13.8	-12.3	-13.3
Payments for acquisitions	0.0	-7.8	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	22.0	0.0	0.0
Cash flow from investing activities	-21.5	-18.5	-12.3	8.2	-12.3	-13.3
Cash flow before financing	-36.5	-29.4	-22.2	-15.8	0.2	8.1
Increase/decrease in debt position	50.9	18.8	-11.7	-10.3	11.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	15.9	34.7	8.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-9.3	-17.0	-8.9	-8.9	-8.9	-8.9
Effects of exchange rate changes on cash	-0.9	0.0	-0.5	0.0	0.0	0.0
Cash flow from financing activities	41.6	17.6	14.1	-11.2	2.1	-8.9
Increase/decrease in liquid assets	4.2	-11.8	-8.5	-27.0	2.3	-0.8
Liquid assets at end of period	38.7	19.0	10.5	5.5	7.8	7.0

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	26.9%	24.5%	-18.1%	8.9%	9.2%	10.2%
EBITDA growth	3559.8%	-66.3%	28.9%	-105.6%	948.9%	92.8%
EBIT growth	484.5%	-36.3%	15.0%	-53.6%	-78.6%	-257.2%
EPS growth	-62.3%	-99.2%	102.1%	-58.9%	-45.1%	-64.9%
Efficiency						
Sales per employee	234.1	239.4	166.7	169.5	246.1	216.1
EBITDA per employee	-24.9	-6.9	-7.6	0.4	5.5	8.5
No. employees (average)	1,377	1,676	1,970	2,110	1,586	1,991
Balance sheet analysis						
Avg. working capital / sales	-5.0%	-4.5%	-4.6%	-3.8%	-3.2%	-3.3%
Inventory turnover (sales/inventory)	18.5	16.5	14.0	14.0	14.0	14.0
Accounts receivable turnover	0.5	0.7	0.7	0.7	0.7	0.7
Accounts payable turnover	58.1	44.4	44.0	46.0	48.0	50.0
Cash flow analysis						
Free cash flow	-36.5	-29.4	-22.2	-15.8	0.2	8.1
Free cash flow/sales	-11.3%	-7.3%	-6.7%	-4.4%	0.0%	1.9%
FCF / net profit	78.3%	73.6%	49.7%	69.4%	neg.	neg.
Capex / sales	-6.7%	-2.7%	-3.7%	-3.9%	-3.2%	-3.1%
Solvency						
Net debt	17.9	59.6	56.4	60.6	69.3	70.1
Net Debt/EBITDA	-0.5	-5.2	-3.8	72.2	7.9	4.1
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	15.4%	18.2%	17.6%	12.1%	13.1%	12.1%
Returns						
ROCE	-119.4%	-71.2%	-104.7%	-94.5%	-35.3%	57.2%
ROE	284.0%	95.7%	96.6%	37.9%	17.9%	6.1%
Adjusted FCF yield	-59.0%	-1.6%	1.5%	11.9%	14.9%	20.4%
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	-173.62	-1.33	-2.68	-1.10	-0.60	-0.21
Average number of shares	0.3	30.0	14.1	17.6	17.6	17.6
Valuation ratios						
P/BV	-0.6	-2.8	-1.4	-1.4	-1.2	-1.1
EV/sales	0.1	0.4	0.3	0.4	0.4	0.3
EV/EBITDA	-0.8	-15.4	-7.5	154.9	15.8	8.2
EV/EBIT	-0.6	-6.4	-3.5	-8.8	-43.9	28.1

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
Marley Spoon Group SE	2

Historical target price and rating changes for Marley Spoon Group SE

Company	Date	Analyst	Rating	Target Price	Close
Marley Spoon Group SE	14.02.2024	Schüssler, Mark	Buy	EUR 8.00	EUR 2.36
	31.01.2024	Schüssler, Mark	Buy	EUR 8.60	EUR 2.20
	14.11.2023	Schüssler, Mark	Buy	EUR 8.20	EUR 4.34

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: 04/04/2024 07:46 AM

Date of publication dissemination: 04/04/2024 07:46 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](#)

