

Buy (old: Buy)

13.11.2024

EUR 44.00 (old: EUR 44.00)

Muted prel. Q3 in line with expectations // guidance confirmed

Preliminary Q3 sales stood at € 24.3m, a roughly 21% yoy decline (9M: down 14% yoy) as expected and in line with previous quarters. The key drivers behind this were delayed product call-offs and certain budget-related project postponements into FY25e. This is the case for all three segments, the first time in several years. For instance, within Green Tech, end customers are reluctant to purchase high-end vehicles (e.g. combine harvesters) and systems. Within Clean Tech, customers in traditional silicon-based sectors are experiencing delays in new projects, as well as upgrades to existing systems, due to changes in the AI and memory markets.

Order intake in the third quarter came in at € 19.4m, largely flat yoy, which brings the company's order book to € 54.6m at the end of September. With this, preliminary **Q3 EBIT decreased sharply** (-76% yoy) **to only € 0.9m, delivering a 3.7% margin** (9M € 5.1m, 7.1% margin), reflecting the lower fixed cost coverage.

Confirmed FY24e guidance (€ 100-110m sales and 7-9% EBIT margin) **implies a strong Q4**. As previously communicated, management expects a disproportionally strong Q4 due to confirmed call-off dates of formerly delayed orders. Hence, the mid points of the guidance imply € 33m sales (-4% yoy) and a 11% EBIT margin (-9.7pp yoy).

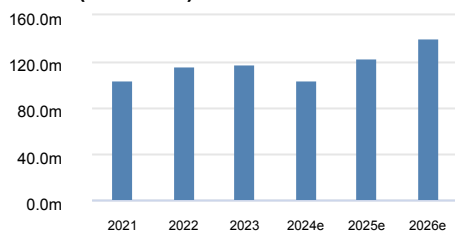
Nynomic's resilience amid current challenges is evident, with no order cancellations and steady demand, signaling these issues are likely temporary. Some € 11m in orders originally expected for H2 are now set for recognition in 2025. Beyond FY24e, Nynomic is positioned for strong growth throughout the next few years. By FY26e, we expect € 141m sales and an EBIT margin exceeding 15%, which is driven by several factors: deferred revenue from postponed orders, recent product launches (such as TactiScan, Lab-Scanner Plus, and FETTE's tablet press), and a recovery in core markets like semiconductors, medical devices, and pharmaceuticals.

- continued -

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	105.1	116.8	118.0	105.2	124.0	141.4
Sales growth	33.8%	11.2%	1.0%	-10.8%	17.9%	14.0%
EBITDA	17.0	19.2	20.2	12.3	22.4	26.4
Net debt (if net cash=0)	6.0	2.7	0.4	-3.9	-12.5	-22.8
FCF	16.4	7.1	-5.5	4.2	8.6	10.3
Net Debt/EBITDA	0.4	0.1	0.0	0.0	0.0	0.0
EPS pro forma	1.37	1.26	1.42	0.35	1.40	1.76
EBITDA margin	16.2%	16.4%	17.1%	11.7%	18.1%	18.7%
ROCE	13.6%	14.7%	13.3%	6.2%	13.5%	14.8%
EV/sales	1.1	1.0	1.1	1.1	0.9	0.7
EV/EBITDA	6.7	5.9	6.1	9.7	5.0	3.8
PER	13.7	14.9	13.3	53.4	13.5	10.7
Adjusted FCF yield	7.4%	6.9%	8.4%	2.4%	8.8%	12.2%

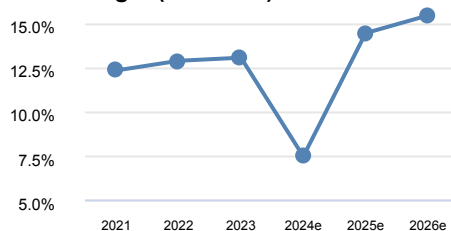
Source: Company data, NuWays, Close price as of 04.11.2024

Sales (2021-26e)



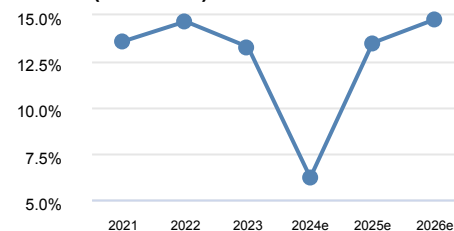
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

ROCE (2021-26e)

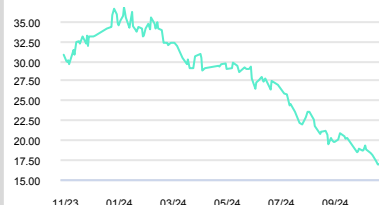


Source: NuWays Research

Company description

Nynomic is a leading supplier of optical metrology solutions, which are based on spectroscopy. Simply put, by measuring the spectrum of light that is emitted by an object one can contactless determine the color, temperature, density and even chemical composition of such.

Share Performance



High/low 52 weeks (€) 36.70 / 16.85
3m rel. performance -23.4%
6m rel. performance -32.3%
12m rel. performance -43.1%

Market data

Share price (in €) 16.90
Market cap (in € m) 123.6
Number of shares (in m pcs) 6.6
Enterprise value (in € m) 119.7
Ø trading volume (6 months) 6,200

Identifier

Bloomberg M7U GR
Reuters M7UG
WKN A0MSN1
ISIN DE000A0MSN11

Key shareholders

Management & Supervisory Board 21.4%
Berenberg Asset Management 4.2%
Paladin Asset Management 3.5%
Free Float 70.9%

Estimates changes

	2024e	2025e	2026e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	0%

Comment on changes

Guidance

- Sales: € 100-110m
- EBIT margin: 7-9%

Management reaffirms its mid-term growth targets, which were set last year, and expects sustained growth in the 3-5 year horizon. The company is targeting € 200m in sales and an EBIT margin of 16-19%, supported by a mix of organic expansion and strategic acquisitions. This focus on both internal innovation and complementary acquisitions positions Nynomic well to capitalize on growing industry demand, making it an appealing investment as it heads into a promising phase of growth.

Conclusion: Although Nynomic faces short-term challenges, leading to a second transition year, its underlying strength and growth path remains attractive. Investors should consider the expected recovery in 2025, driven by the realization of postponed orders and a robust lineup of new projects.

We hence **confirm our BUY rating with an unchanged € 44 PT** based on DCF.

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	105.1	116.8	118.0	105.2	124.0	141.4
<i>Sales growth</i>	33.8%	11.2%	1.0%	-10.8%	17.9%	14.0%
Increase/decrease in finished goods and work-in-process	2.3	3.1	3.1	0.5	0.5	0.5
Total sales	107.4	119.9	121.1	105.7	124.5	141.9
Other operating income	1.1	0.9	1.2	0.6	0.7	0.8
Material expenses	46.5	51.2	45.7	41.2	48.2	54.6
Personnel expenses	33.5	36.9	40.2	39.3	40.0	45.3
Other operating expenses	11.5	13.6	16.2	13.5	14.6	16.4
Total operating expenses	90.4	100.7	100.9	93.4	102.1	115.5
EBITDA	17.0	19.2	20.2	12.3	22.4	26.4
Depreciation	3.2	3.3	4.0	3.7	3.6	3.7
EBITA	13.8	15.9	16.2	8.6	18.8	22.7
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.8	0.8	0.8	0.8	0.8	0.8
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	13.0	15.1	15.4	7.8	18.0	21.9
Interest income	0.0	0.0	0.2	0.2	0.2	0.2
Interest expenses	0.7	0.7	1.1	0.7	0.6	0.6
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.6	-0.7	-0.9	-0.5	-0.4	-0.4
Recurring pretax income from continuing operations	12.4	14.4	14.6	7.4	17.6	21.5
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	12.4	14.4	14.6	7.4	17.6	21.5
Income tax expense	2.9	4.4	4.0	2.0	4.9	6.0
Net income from continuing operations	9.5	9.9	10.5	5.3	12.7	15.6
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	9.5	9.9	10.5	5.3	12.7	15.6
Minority interest	1.7	2.5	1.2	3.0	3.6	4.1
Net profit (reported)	7.9	7.4	9.3	2.3	9.2	11.5
Average number of shares	5.7	5.9	6.6	6.6	6.6	6.6
EPS reported	1.37	1.26	1.42	0.35	1.40	1.76

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>	33.8%	11.2%	1.0%	-10.8%	17.9%	14.0%
Increase/decrease in finished goods and work-in-process	2.2%	2.7%	2.6%	0.5%	0.4%	0.4%
Total sales	102.2%	102.7%	102.6%	100.5%	100.4%	100.4%
Other operating income	1.1%	0.8%	1.0%	0.6%	0.6%	0.6%
Material expenses	44.3%	43.9%	38.7%	39.2%	38.9%	38.6%
Personnel expenses	31.8%	31.6%	34.1%	37.4%	32.3%	32.0%
Other operating expenses	11.0%	11.6%	13.7%	12.8%	11.8%	11.6%
Total operating expenses	86.0%	86.3%	85.5%	88.8%	82.4%	81.6%
EBITDA	16.2%	16.4%	17.1%	11.7%	18.1%	18.7%
Depreciation	3.1%	2.8%	3.4%	3.5%	2.9%	2.6%
EBITA	13.1%	13.6%	13.8%	8.2%	15.1%	16.1%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.8%	0.7%	0.7%	0.8%	0.6%	0.6%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT (inc revaluation net)	12.4%	12.9%	13.1%	7.5%	14.5%	15.5%
Interest income	0.0%	0.0%	0.2%	0.2%	0.2%	0.1%
Interest expenses	0.6%	0.6%	0.9%	0.6%	0.5%	0.4%
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	11.8%	12.3%	12.3%	7.0%	14.2%	15.2%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	11.8%	12.3%	12.3%	7.0%	14.2%	15.2%
Tax rate	23.1%	30.9%	27.7%	27.7%	27.7%	27.7%
Net income from continuing operations	9.1%	8.5%	8.9%	5.1%	10.3%	11.0%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	9.1%	8.5%	8.9%	5.1%	10.3%	11.0%
Minority interest	1.6%	2.1%	1.0%	2.9%	2.9%	2.9%
Net profit (reported)	7.5%	6.4%	7.9%	2.2%	7.4%	8.2%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	42.1	46.9	48.2	50.2	52.2	54.2
Property, plant and equipment	17.3	19.0	20.5	20.1	20.7	21.3
Financial assets	0.4	0.6	5.6	5.6	5.6	5.6
FIXED ASSETS	59.9	66.5	74.4	76.0	78.6	81.1
Inventories	18.8	23.8	28.6	30.1	31.0	35.4
Accounts receivable	11.8	16.4	22.0	17.3	20.4	23.2
Other assets and short-term financial assets	1.6	2.4	1.5	1.5	1.5	1.5
Liquid assets	26.7	26.6	21.9	22.6	31.2	41.5
Deferred taxes	1.4	2.7	3.2	3.2	3.2	3.2
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	60.4	72.0	77.1	74.7	87.3	104.8
TOTAL ASSETS	120.3	138.4	151.5	150.6	165.9	185.9

SHAREHOLDERS EQUITY	62.4	70.6	98.9	103.4	115.1	133.7
MINORITY INTEREST	4.1	6.4	5.1	5.1	5.1	5.1
Long-term liabilities to banks	16.9	12.4	4.8	4.8	4.8	4.8
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
other interest-bearing liabilities	11.6	12.6	13.0	13.0	13.0	13.0
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	28.5	24.9	17.7	17.7	17.7	17.7
Short-term liabilities to banks	4.2	4.3	4.5	1.0	1.0	1.0
Accounts payable	4.8	6.6	8.3	6.6	10.2	11.6
Advance payments received on orders	1.8	4.8	2.6	2.6	2.6	2.6
Accrued taxes	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	11.2	17.1	12.4	12.4	12.4	12.4
Deferred taxes	3.1	3.5	1.9	1.9	1.9	1.9
Deferred income	0.1	0.2	0.2	0.0	0.0	0.0
CURRENT LIABILITIES	25.2	36.5	29.8	24.5	28.0	29.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	120.3	138.4	151.5	150.6	165.9	185.9

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	35.0%	33.9%	31.8%	33.4%	31.5%	29.2%
Property, plant and equipment	14.4%	13.7%	13.5%	13.3%	12.5%	11.4%
Financial assets	0.4%	0.4%	3.7%	3.7%	3.4%	3.0%
FIXED ASSETS	49.8%	48.0%	49.1%	50.4%	47.4%	43.6%
Inventories	15.6%	17.2%	18.8%	20.0%	18.7%	19.0%
Accounts receivable	9.8%	11.9%	14.5%	11.5%	12.3%	12.5%
Other assets and short-term financial assets	1.4%	1.7%	1.0%	1.0%	0.9%	0.8%
Liquid assets	22.2%	19.2%	14.4%	15.0%	18.8%	22.3%
Deferred taxes	1.2%	2.0%	2.1%	2.1%	1.9%	1.7%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT ASSETS	50.2%	52.0%	50.9%	49.6%	52.6%	56.4%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	51.9%	51.0%	65.2%	68.6%	69.4%	71.9%
MINORITY INTEREST	3.4%	4.6%	3.4%	3.4%	3.1%	2.7%
Long-term liabilities to banks	14.0%	9.0%	3.2%	3.2%	2.9%	2.6%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	9.7%	9.1%	8.6%	8.6%	7.8%	7.0%
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	23.7%	18.0%	11.7%	11.8%	10.7%	9.5%
Short-term liabilities to banks	3.5%	3.1%	3.0%	0.7%	0.6%	0.5%
Accounts payable	4.0%	4.8%	5.5%	4.4%	6.1%	6.3%
Advance payments received on orders	1.5%	3.5%	1.7%	1.7%	1.6%	1.4%
Accrued taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	9.3%	12.4%	8.2%	8.2%	7.5%	6.6%
Deferred taxes	2.5%	2.5%	1.2%	1.2%	1.1%	1.0%
Deferred income	0.1%	0.1%	0.1%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	21.0%	26.3%	19.7%	16.2%	16.9%	15.8%
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	9.5	9.9	10.5	5.3	12.7	15.6
Depreciation of fixed assets (incl. leases)	3.2	3.3	4.0	3.7	3.6	3.7
Amortisation of goodwill & intangible assets	0.8	0.8	0.8	0.8	0.8	0.8
Other costs affecting income / expenses	5.5	3.5	5.0	5.0	5.0	5.0
Cash flow from operating activities	13.8	5.6	-1.6	5.8	11.3	12.8
Increase/decrease in inventory	-3.8	-5.0	-4.8	-1.5	-0.9	-4.4
Increase/decrease in accounts receivable	0.5	-4.6	-5.6	4.7	-3.1	-2.9
Increase/decrease in accounts payable	-0.1	1.8	1.7	-1.7	3.6	1.4
Increase/decrease in other working capital positions	2.1	-0.0	-8.5	-6.0	-6.0	-2.0
Increase/decrease in working capital	-1.2	-7.9	-17.1	-4.5	-6.5	-7.8
Cash flow from operating activities	17.8	9.7	3.2	10.3	15.7	17.3
CAPEX	1.4	2.6	8.7	6.1	7.1	7.1
Payments for acquisitions	3.9	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	5.1	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.3	0.0	0.0	0.0
Cash flow from investing activities	-5.3	-2.6	-13.5	-6.1	-7.1	-7.1
Cash flow before financing	12.5	7.1	-10.4	4.2	8.6	10.3
Increase/decrease in debt position	-8.4	-6.8	-10.0	-3.5	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.6	0.4	19.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-1.4	-1.2	-3.1	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.6	0.3	-0.2	0.0	0.0	0.0
Cash flow from financing activities	-9.2	-7.6	5.8	-3.5	0.0	0.0
Increase/decrease in liquid assets	3.9	-0.2	-4.7	0.7	8.6	10.3
Liquid assets at end of period	26.7	26.6	21.9	22.6	31.2	41.5

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	33.8%	11.2%	1.0%	-10.8%	17.9%	14.0%
EBITDA growth	78.1%	67.8%	19.0%	-35.7%	10.7%	114.4%
EBIT growth	412.2%	356.5%	194.3%	172.6%	-100.0%	-100.0%
EPS growth	58.5%	52.9%	3.3%	-72.0%	-1.4%	398.0%
Efficiency						
Sales per employee	99.2	103.7	96.6	86.2	96.7	109.2
EBITDA per employee	16.0	17.0	16.6	10.1	17.5	20.4
No. employees (average)	1,060	1,126	1,222	1,221	1,282	1,295
Balance sheet analysis						
Avg. working capital / sales	22.3%	22.0%	29.0%	37.0%	30.9%	29.2%
Inventory turnover (sales/inventory)	5.6	4.9	4.1	3.5	4.0	4.0
Accounts receivable turnover	40.9	51.3	68.1	60.0	60.0	60.0
Accounts payable turnover	22.8	23.0	23.0	23.0	30.0	30.0
Cash flow analysis						
Free cash flow	16.4	7.1	-5.5	4.2	8.6	10.3
Free cash flow/sales	15.6%	6.1%	-4.7%	4.0%	6.9%	7.3%
FCF / net profit	171.9%	71.5%	neg.	79.5%	67.7%	65.9%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	6.0	2.7	0.4	-3.9	-12.5	-22.8
Net Debt/EBITDA	0.4	0.1	0.0	0.0	0.0	0.0
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	2.0%	2.1%	3.9%	2.8%	2.7%	3.0%
Returns						
ROCE	13.6%	14.7%	13.3%	6.2%	13.5%	14.8%
ROE	12.6%	10.5%	9.4%	2.2%	8.0%	8.6%
Adjusted FCF yield	7.4%	6.9%	8.4%	2.4%	8.8%	12.2%
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	1.37	1.26	1.42	0.35	1.40	1.76
Average number of shares	5.7	5.9	6.6	6.6	6.6	6.6
Valuation ratios						
P/BV	1.7	1.6	1.3	1.2	1.1	0.9
EV/sales	1.1	1.0	1.1	1.1	0.9	0.7
EV/EBITDA	6.7	5.9	6.1	9.7	5.0	3.8
EV/EBIT	8.8	7.6	8.0	15.3	6.2	4.6

Source: Company data, NuWays

Disclosures

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Company	Disclosures
Nynomic AG	2,8

Historical target price and rating changes for Nynomic AG

Company	Date	Analyst	Rating	Target Price	Close
Nynomic AG	09.10.2024	Sandherr, Christian	Buy	EUR 44.00	EUR 18.40
	21.08.2024	Sandherr, Christian	Buy	EUR 50.00	EUR 23.50
	27.03.2024	Sandherr, Christian	Buy	EUR 52.00	EUR 31.80

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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

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