

Buy (old: Buy)

17.09.2024

EUR 8.50 (old: EUR 8.50)

Roll-out in full swing & new customers in the pipeline

Topic: During our recent roundtable, Rubean provided an update on current operations as well as a promising outlook until year end and beyond. Here are our key takeaways:

Product roll-out in full swing. With 50k terminals live in Germany and Spain, Rubean is now the market leader in both countries. In those countries, but also abroad, Rubean is serving 1) logistic companies (CoD - Cash on Delivery) such as Correos, GLS, dpd and SEUR, 2) retailer such as REWE, Deichmann and snabble, 3) hospitality companies such as CTS eventim, Gewinnblick, Ordermann and Waldbühne Berlin as well as 4) banks and acquirers such as Sparkasse, BBVA, Global Payments and emerchantpay. As recent customer wins just start to materialize, we expect a strong sales ramp-up going forward, even without new customer wins that we consider as very likely.

Strong Pipeline of more well-known potential customers. As Rubean is currently in negotiations with potential customers in dozens of countries not only in Europe, but also in LATAM & US, we expect further major customer wins within the next weeks and months, additionally carrying sales growth beyond 2024.

Huge TAM and SOM. While the European Mobile POS Market is growing at 15% CAGR 2024-28e (according to Statista), Rubean's TAM in Europe should be at around **€ 1.4bn ARR**, while the SOM (Serviceable Obtainable Market; within 3 years) is seen at **€ 144m in ARR** (according to management).

Based on the current roll-out, the strong pipeline as well as the enormous market potential in the mPOS space, management is confident to grow sales in FY24 to € 2.2-2.5m (+135% yoy at midpoint), in line with our estimates of € 2.5m. As Rubean is seen at the forefront of the **rapidly growing market for mobile payment acceptance systems** we further expect Rubean to achieve profitability within FY25 and consider managements mid-term vision of **€ 10+m in sales and 40+% EBIT-margin by FY27 as reasonable**.

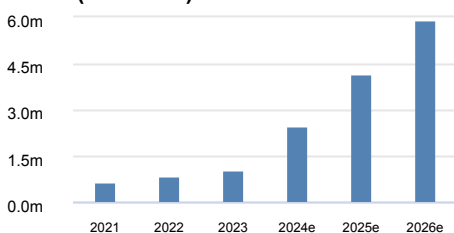
In order to finance further growth initiatives, especially in LATAM & US, Rubean is currently looking for strategic investors that are willing to buy **1.22m new shares at a price of € 6.00 per share**, which we would consider fair.

BUY with a unchanged **PT of € 8.50**, based on our DCF.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	0.7	0.8	1.0	2.5	4.2	5.9
Sales growth	10.3%	26.0%	21.3%	143.4%	69.0%	42.4%
EBITDA	-3.9	-3.8	-3.6	-2.0	-0.4	1.0
Net debt (if net cash=0)	-0.1	4.1	4.1	4.0	4.2	2.3
FCF	-3.3	-4.3	-3.4	-2.0	-0.2	1.4
Net Debt/EBITDA	0.0	-1.1	-1.1	-2.0	-9.6	2.2
EPS pro forma	-1.53	-1.54	-1.20	-0.66	-0.22	0.18
EBITDA margin	-590.9%	-458.9%	-355.7%	-79.9%	-10.5%	17.5%
ROCE	-302.2%	-118.4%	-81.1%	-38.3%	-9.6%	15.5%
EV/sales	23.9	24.0	23.0	10.2	6.1	3.9
EV/EBITDA	-4.0	-5.2	-6.5	-12.7	-58.0	22.5
PER	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted FCF yield	-32.2%	-20.0%	-16.2%	-8.5%	-2.4%	3.7%

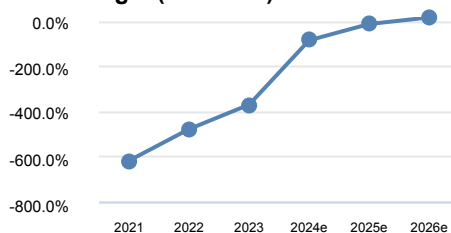
Source: Company data, NuWays, Close price as of 10.09.2024

Sales (2021-26e)



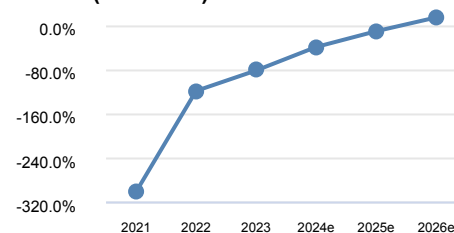
Source: NuWays Research

EBIT margin (2021-26e)



Source: NuWays Research

ROCE (2021-26e)



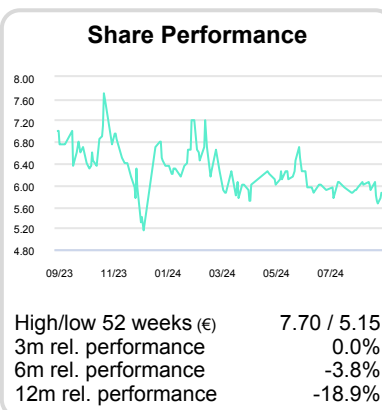
Source: NuWays Research

Company description

Rubean is a leading provider of software for contactless POS/mPOS payment solutions for banks, acquirers and merchants. Rubean is headquartered in Germany.

Guidance

- FY24: € 2.2-2.5m sales
- FY27: € 10+m sales; 40+% EBIT margin



Market data

Share price (in €)	5.85
Market cap (in € m)	21.1
Number of shares (in m pcs)	3.6
Enterprise value (in € m)	25.1
Ø trading volume (6 months)	690

Identifier

Bloomberg	R1B GR
Reuters	R1B.GAT
WKN	512080
ISIN	DE0005120802

Key shareholders

Free Float	37.0%
CCV	30.0%
BMK Holding GmbH	15.0%
Founders	11.0%
Management	7.0%

Estimates changes

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

Comment on changes

Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net sales	0.7	0.8	1.0	2.5	4.2	5.9
<i>Sales growth</i>	10.3%	26.0%	21.3%	143.4%	69.0%	42.4%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.7	0.8	1.0	2.5	4.2	5.9
Other operating income	0.0	0.1	0.0	0.0	0.1	0.1
Material expenses	0.3	0.2	0.4	0.4	0.5	0.5
Personnel expenses	2.6	3.3	2.9	2.8	2.9	3.1
Other operating expenses	1.7	1.1	1.3	1.3	1.3	1.4
Total operating expenses	4.6	4.7	4.6	4.4	4.6	4.9
EBITDA	-3.9	-3.8	-3.6	-2.0	-0.4	1.0
Depreciation	0.2	0.2	0.2	0.2	0.2	0.2
EBITA	-4.1	-4.0	-3.8	-2.1	-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)	-4.1	-4.0	-3.8	-2.1	-0.6	0.9
Interest income	0.0	0.0	0.0	0.0	0.0	0.0
Interest expenses	0.1	0.2	0.2	0.2	0.2	0.2
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2
Recurring pretax income from continuing operations	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Income tax expense	0.0	0.0	0.0	0.0	0.0	0.0
Net income from continuing operations	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Average number of shares	2.2	2.7	3.3	3.6	3.6	3.6
EPS reported	-1.91	-1.54	-1.20	-0.66	-0.22	0.18

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>	10.3%	26.0%	21.3%	143.4%	69.0%	42.4%
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	3.9%	7.1%	4.1%	1.9%	1.8%	1.7%
Material expenses	43.8%	28.9%	37.6%	17.0%	11.1%	8.5%
Personnel expenses	397.0%	399.5%	290.7%	113.5%	70.5%	52.0%
Other operating expenses	254.0%	137.7%	131.4%	51.3%	30.7%	23.7%
Total operating expenses	690.9%	558.9%	455.7%	179.9%	110.5%	82.5%
EBITDA	-590.9%	-458.9%	-355.7%	-79.9%	-10.5%	17.5%
Depreciation	28.3%	20.6%	15.6%	6.7%	4.2%	3.1%
EBITA	-619.1%	-479.5%	-371.3%	-86.6%	-14.6%	14.4%
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)	-619.1%	-479.5%	-371.3%	-86.6%	-14.6%	14.4%
Interest income	0.0%	0.2%	0.1%	0.0%	0.0%	0.0%
Interest expenses	10.0%	22.8%	16.0%	10.1%	4.8%	3.4%
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	-629.1%	-502.1%	-387.2%	-96.7%	-19.4%	11.0%
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	-629.1%	-502.1%	-387.2%	-96.7%	-19.4%	11.0%
Tax rate	-0.0%	-0.0%	-0.0%	0.0%	0.0%	0.0%
Net income from continuing operations	-629.1%	-502.2%	-387.2%	-96.7%	-19.4%	11.0%
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	-629.1%	-502.2%	-387.2%	-96.7%	-19.4%	11.0%
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	-629.1%	-502.2%	-387.2%	-96.7%	-19.4%	11.0%

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	0.5	0.4	0.4	0.4	0.4	0.4
Property, plant and equipment	0.1	0.0	0.0	0.0	0.1	0.1
Financial assets	0.0	0.0	0.0	0.0	0.0	0.0
FIXED ASSETS	0.6	0.4	0.4	0.4	0.4	0.4
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.1	0.4	0.3	0.7	1.1	1.5
Other assets and short-term financial assets	0.2	0.2	0.1	0.1	0.1	0.1
Liquid assets	1.2	0.3	0.3	0.5	0.4	1.3
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.1	0.1	0.1	0.1	0.1
CURRENT ASSETS	1.6	0.8	0.7	1.4	1.6	2.9
TOTAL ASSETS	2.1	4.8	4.9	7.4	7.7	7.3

SHAREHOLDERS EQUITY	0.7	0.0	0.0	1.4	0.7	-0.0
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	1.2	3.9	4.2	4.4	4.4	3.4
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.2	0.3	0.2	0.6	0.9	1.3
NON-CURRENT LIABILITIES	1.4	4.2	4.5	5.0	5.4	4.8
Short-term liabilities to banks	0.0	0.5	0.1	0.1	0.1	0.1
Accounts payable	0.1	0.1	0.3	0.9	1.6	2.4
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	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT LIABILITIES	0.1	0.6	0.5	1.0	1.7	2.5
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	2.1	4.8	4.9	7.4	7.7	7.3

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	24.1%	7.8%	7.1%	4.7%	4.5%	4.8%
Property, plant and equipment	2.6%	0.8%	0.9%	0.6%	0.7%	0.8%
Financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FIXED ASSETS	26.8%	8.6%	8.0%	5.3%	5.2%	5.6%
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	6.7%	7.7%	5.7%	8.9%	14.0%	20.5%
Other assets and short-term financial assets	7.9%	3.2%	1.7%	1.2%	1.1%	1.2%
Liquid assets	58.2%	5.5%	5.7%	7.4%	5.1%	18.0%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	0.5%	1.1%	1.2%	0.8%	0.8%	0.8%
CURRENT ASSETS	73.2%	17.4%	14.4%	18.2%	21.0%	40.5%
TOTAL ASSETS	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

SHAREHOLDERS EQUITY	30.4%	0.0%	0.0%	19.3%	8.4%	-0.1%
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	55.2%	82.0%	86.2%	59.8%	57.5%	47.2%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	11.3%	6.2%	4.6%	7.4%	12.1%	18.2%
NON-CURRENT LIABILITIES	66.5%	88.3%	90.8%	67.3%	69.6%	65.4%
Short-term liabilities to banks	0.0%	9.6%	2.6%	1.7%	1.7%	1.8%
Accounts payable	3.1%	2.2%	6.6%	11.7%	20.3%	33.0%
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%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CURRENT LIABILITIES	3.1%	11.7%	9.2%	13.4%	22.0%	34.8%
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	-4.2	-4.2	-3.9	-2.4	-0.8	0.7
Depreciation of fixed assets (incl. leases)	0.1	0.2	0.2	0.2	0.2	0.2
Amortisation of goodwill & intangible assets	1.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	0.1	0.2	0.3	0.4	0.4
Cash flow from operating activities	-4.3	-4.3	-3.4	-2.0	-0.1	1.4
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.1	-0.2	0.1	-0.4	-0.4	-0.4
Increase/decrease in accounts payable	-0.1	0.0	0.2	0.5	0.7	0.8
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.2	-0.2	0.3	0.2	0.3	0.4
Cash flow from operating activities	-3.1	-4.1	-3.3	-1.8	0.0	1.6
CAPEX	0.2	0.2	0.2	0.2	0.2	0.2
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	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2
Cash flow before financing	-3.3	-4.3	-3.4	-2.0	-0.2	1.4
Increase/decrease in debt position	-0.2	3.2	-0.0	0.2	0.0	-0.5
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	0.0	0.0	3.7	2.0	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	-0.2	3.2	3.7	2.2	0.0	-0.5
Increase/decrease in liquid assets	-3.5	-1.1	0.3	0.2	-0.2	0.9
Liquid assets at end of period	1.2	0.1	0.3	0.5	0.4	1.3

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
P&L growth analysis						
Sales growth	10.3%	26.0%	21.3%	143.4%	69.0%	42.4%
EBITDA growth	328.7%	182.1%	-7.9%	-48.6%	-87.9%	-152.6%
EBIT growth	235.8%	144.6%	-8.3%	-46.6%	-83.8%	-140.0%
EPS growth	76.6%	26.4%	-37.3%	-57.1%	-81.2%	-127.4%
Efficiency						
Sales per employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
EBITDA per employee	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
No. employees (average)	0	0	0	0	0	0
Balance sheet analysis						
Avg. working capital / sales	6.1%	11.4%	1.7%	1.2%	-6.4%	-9.4%
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable turnover	79.0	161.3	100.8	97.7	94.8	92.0
Accounts payable turnover	36.3	45.7	116.2	127.9	137.4	147.8
Cash flow analysis						
Free cash flow	-3.3	-4.3	-3.4	-2.0	-0.2	1.4
Free cash flow/sales	-501.3%	-512.6%	-338.7%	-79.6%	-3.7%	23.9%
FCF / net profit	79.7%	102.1%	87.5%	82.3%	19.1%	216.7%
Capex / sales	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Solvency						
Net debt	-0.1	4.1	4.1	4.0	4.2	2.3
Net Debt/EBITDA	0.0	-1.1	-1.1	-2.0	-9.6	2.2
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	5.0%	6.6%	5.8%	5.6%	4.5%	4.9%
Returns						
ROCE	-302.2%	-118.4%	-81.1%	-38.3%	-9.6%	15.5%
ROE	-638.0%	n.a.	-391983241.6%	66.5%	-124.2%	-6527.3%
Adjusted FCF yield	-32.2%	-20.0%	-16.2%	-8.5%	-2.4%	3.7%
Dividend yield						
DPS	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-1.91	-1.54	-1.20	-0.66	-0.22	0.18
Average number of shares	2.2	2.7	3.3	3.6	3.6	3.6
Valuation ratios						
P/BV	0.0	n.a.	0.0	0.0	0.0	0.0
EV/sales	23.9	24.0	23.0	10.2	6.1	3.9
EV/EBITDA	-4.0	-5.2	-6.5	-12.7	-58.0	22.5
EV/EBIT	-3.9	-5.0	-6.2	-11.8	-41.4	27.4

Source: Company data, NuWays

Disclosures

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Company	Disclosures
Rubean AG	2

Historical target price and rating changes for Rubean AG

Company	Date	Analyst	Rating	Target Price	Close
Rubean AG	18.07.2024	Jarchow, Frederik	Buy	EUR 8.50	EUR 5.90
	28.02.2024	Jarchow, Frederik	Buy	EUR 9.00	EUR 6.70
	27.02.2024	Jarchow, Frederik	Buy	EUR 9.00	EUR 6.45
	17.12.2023	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.95

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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.

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-

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