

# Singulus Technologies AG

Technology - Germany



**Hold** (old: Hold)

09.04.2024

**EUR 1.60** (old: EUR 1.60)

## Uninspiring FY23 results, positive outlook for FY24e; chg. est.

**Topic:** Singulus reported uninspiring FY23 figures with top- and bottom-line below the company's guidance and our estimates. More importantly, FY24 could feature significant sales and EBIT growth.

**FY23 sales decreased 17% yoy to € 73m** (eNuW: € 77m), missing the in July adjusted guidance of € 90-100m due to a cyclically weak Life Science segment and postponements of some larger projects in the Solar segment. Q4 sales came in at € 16.7m, 18% lower yoy (eNuW: € 21m). **FY23 EBIT stood at € -10.1m** (eNuW: € -8.9m; FY22: € 5.9m), falling short of the guidance (positive low single digit €m). FY23 order intake decreased 25% yoy to € 43m, leading to a backlog of € 55m (FY22: € 85m).

**Positively, sales in the Solar segment increased 30% yoy to € 39m** (eNuW: € 43m), despite the postponement of larger projects with CNBM and a customer in the US. The US business was particularly strong, benefiting from subsidies related to the inflation reduction act. The Solar segment should be a major contributor to sales growth in FY24e, due to the realization of projects with CNBM and potential follow up orders in the package. Starting from a high level in FY22, the **Life Science segment showed weakness in top-line growth** due to the cyclical nature of the business. Sales came in at € 23.9m, 54% lower yoy (eNuW: € 24m). The situation should remain challenging during FY24e, as the macro environment is still clouded. The **Semiconductor segment saw solid sales** of € 10.3m, increasing 66% yoy (eNuW: € 9.5). The outlook in the Semiconductor segment looks positive, fueled by new products in the pipeline such as in the field of  $\mu$ LED. By leaving the niche market and entering the larger  $\mu$ LED market, Singulus has a fair chance of creating enough revenue to cover its fixed costs.

**Management released a strong guidance for FY24e** and expects to see € 120-130m in sales and EBIT in the low double-digit million range, implying 72% sales growth at midpoint (eNuW: € 97m sales; € -0.3m EBIT). However, the outlook appears ambitious given the reduced order backlog of € 55m (FY22: € 85m), even taken into account order intake of € 28m in Q1 as stated in the CC. Further, a challenging macro environment, uncertainty of subsidies in the Solar segment and the long lead times of the products will make it difficult to reach the top-line guidance. That said, the **midterm prospects remain intact** with the potential of larger orders from CNBM for CdTe thin-film modules and a fast-growing  $\mu$ LED business. Hence, we **reiterate HOLD with an unchanged PT of € 1.60 based on DCF**.



### Market data

Share price (in €)	1.15
Market cap (in € m)	15.6
Number of shares (in m pcs)	8.9
Enterprise value (in € m)	62.8
Ø trading volume (6 months)	11,100

### Identifier

Bloomberg	SNG GR
Reuters	SNGG
WKN	A1681X
ISIN	DE000A1681X5

### Key shareholders

Triumph Group	16.8%
Universal	10.2%
Clemens Jakopitsch	6.2%
Free Float	66.9%

### Estimates changes

	2024e	2025e	2026e
Sales	2%	3%	3%
EBIT	88%	220%	203%
EPS	53%	53%	76%

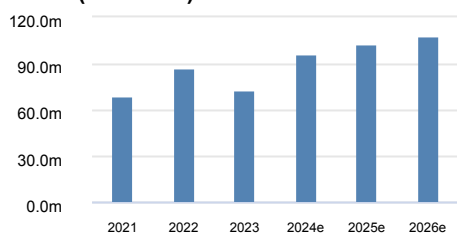
### Comment on changes

- We slightly increased our sales estimates due to the positive outlook for the semiconductor segment.

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	68.7	87.8	72.5	97.0	102.8	108.0
Sales growth	132.9%	27.8%	-17.4%	33.8%	6.0%	5.0%
EBITDA	-8.6	9.4	-7.4	2.7	3.5	4.4
Net debt (if net cash=0)	1.3	3.3	32.8	34.5	39.8	43.4
FCF	23.2	-24.7	-28.3	1.3	-2.3	-0.6
Net Debt/EBITDA	-0.2	0.4	-4.4	12.9	11.3	9.8
EPS pro forma	-1.60	-0.01	-1.10	-0.31	-0.20	-0.08
EBITDA margin	-12.5%	10.7%	-10.2%	2.8%	3.4%	4.1%
ROCE	-45.9%	31.3%	-97.1%	-1.9%	3.2%	7.8%
EV/sales	0.5	0.3	0.8	0.6	0.7	0.7
EV/EBITDA	-3.8	3.2	-8.2	23.6	19.5	16.5
PER	-1.1	-155.7	-1.6	-5.7	-8.7	-23.0
Adjusted FCF yield	-58.8%	5.5%	-13.3%	-0.5%	1.0%	2.7%

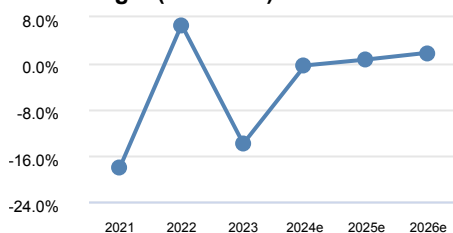
Source: Company data, NuWays, Close price as of 05.04.2024

### Sales (2021-26e)



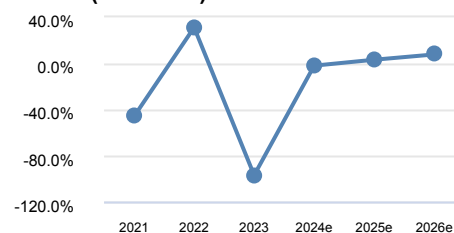
Source: NuWays Research

### EBIT margin (2021-26e)



Source: NuWays Research

### ROCE (2021-26e)



Source: NuWays Research

### Company description

SINGULUS TECHNOLOGIES develops and manufactures innovative machines and systems for production processes in thin-film technology and surface treatment in the photovoltaic, semiconductor, medical technology, packaging, glass and automotive, battery and hydrogen markets.

### Guidance

- Sales: € 120-130m
- EBIT: low double-digit € m

## Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	<b>68.7</b>	<b>87.8</b>	<b>72.5</b>	<b>97.0</b>	<b>102.8</b>	<b>108.0</b>
Sales growth	132.9%	27.8%	-17.4%	33.8%	6.0%	5.0%
Cost of sales	50.6	62.6	56.3	69.8	74.0	77.2
<b>Gross profit</b>	<b>18.1</b>	<b>25.2</b>	<b>16.2</b>	<b>27.2</b>	<b>28.8</b>	<b>30.8</b>
Sales and marketing	11.0	11.7	10.9	12.3	12.7	13.0
General and administration	11.2	10.5	8.9	9.1	9.3	9.6
Research and development	8.1	7.1	6.9	6.8	6.8	7.0
Other operating income	0.5	13.2	1.0	1.5	1.5	1.6
Other operating expenses	0.7	3.2	0.6	0.7	0.8	0.8
<b>Total operating expenses</b>	<b>30.5</b>	<b>19.3</b>	<b>26.3</b>	<b>27.5</b>	<b>28.1</b>	<b>28.7</b>
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>-8.6</b>	<b>9.4</b>	<b>-7.4</b>	<b>2.7</b>	<b>3.5</b>	<b>4.4</b>
Depreciation	3.8	1.8	1.2	1.8	1.6	1.4
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	1.7	1.5	1.2	1.2	1.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>-12.4</b>	<b>5.9</b>	<b>-10.1</b>	<b>-0.3</b>	<b>0.7</b>	<b>2.0</b>
Interest income	0.9	0.0	0.7	0.0	0.0	0.0
Interest expenses	1.7	2.0	2.1	2.4	2.5	2.7
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.8	-2.0	-1.4	-2.4	-2.5	-2.7
<b>Recurring pretax income from continuing operations</b>	<b>-13.2</b>	<b>3.9</b>	<b>-11.5</b>	<b>-2.7</b>	<b>-1.8</b>	<b>-0.7</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>-13.2</b>	<b>3.9</b>	<b>-11.5</b>	<b>-2.7</b>	<b>-1.8</b>	<b>-0.7</b>
Income tax expense	1.0	4.0	-1.7	0.0	0.0	0.0
<b>Net income from continuing operations</b>	<b>-14.2</b>	<b>-0.1</b>	<b>-9.8</b>	<b>-2.7</b>	<b>-1.8</b>	<b>-0.7</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>-14.2</b>	<b>-0.1</b>	<b>-9.8</b>	<b>-2.7</b>	<b>-1.8</b>	<b>-0.7</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>-14.2</b>	<b>-0.1</b>	<b>-9.8</b>	<b>-2.7</b>	<b>-1.8</b>	<b>-0.7</b>
Average number of shares	8.9	8.9	8.9	8.9	8.9	8.9
<b>EPS reported</b>	<b>-1.60</b>	<b>-0.01</b>	<b>-1.10</b>	<b>-0.31</b>	<b>-0.20</b>	<b>-0.08</b>

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
<b>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>
Cost of sales	73.7%	71.3%	77.7%	72.0%	72.0%	71.5%
<b>Gross profit</b>	<b>26.3%</b>	<b>28.7%</b>	<b>22.3%</b>	<b>28.0%</b>	<b>28.0%</b>	<b>28.5%</b>
Sales and marketing	16.0%	13.3%	15.0%	12.7%	12.4%	12.0%
General and administration	16.3%	12.0%	12.3%	9.4%	9.0%	8.9%
Research and development	11.8%	8.1%	9.5%	7.0%	6.6%	6.5%
Other operating income	0.7%	15.0%	1.4%	1.5%	1.5%	1.5%
Other operating expenses	1.0%	3.6%	0.8%	0.7%	0.8%	0.7%
<b>Total operating expenses</b>	<b>44.4%</b>	<b>22.0%</b>	<b>36.3%</b>	<b>28.3%</b>	<b>27.3%</b>	<b>26.6%</b>
Unusual or infrequent items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBITDA</b>	<b>-12.5%</b>	<b>10.7%</b>	<b>-10.2%</b>	<b>2.8%</b>	<b>3.4%</b>	<b>4.1%</b>
Depreciation	5.5%	2.1%	1.7%	1.9%	1.6%	1.3%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.0%	1.9%	2.1%	1.2%	1.2%	0.9%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT (inc revaluation net)</b>	<b>-18.0%</b>	<b>6.7%</b>	<b>-13.9%</b>	<b>-0.3%</b>	<b>0.7%</b>	<b>1.9%</b>
Interest income	1.3%	0.0%	1.0%	0.0%	0.0%	0.0%
Interest expenses	2.5%	2.3%	2.9%	2.5%	2.4%	2.5%
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>-19.2%</b>	<b>4.4%</b>	<b>-15.9%</b>	<b>-2.8%</b>	<b>-1.7%</b>	<b>-0.6%</b>
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Earnings before taxes</b>	<b>-19.2%</b>	<b>4.4%</b>	<b>-15.9%</b>	<b>-2.8%</b>	<b>-1.7%</b>	<b>-0.6%</b>
Tax rate	-7.6%	102.6%	0.0%	0.0%	0.0%	0.0%
<b>Net income from continuing operations</b>	<b>-20.7%</b>	<b>-0.1%</b>	<b>-13.5%</b>	<b>-2.8%</b>	<b>-1.7%</b>	<b>-0.6%</b>
<b>Net income</b>	<b>-20.7%</b>	<b>-0.1%</b>	<b>-13.5%</b>	<b>-2.8%</b>	<b>-1.7%</b>	<b>-0.6%</b>
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit (reported)</b>	<b>-20.7%</b>	<b>-0.1%</b>	<b>-13.5%</b>	<b>-2.8%</b>	<b>-1.7%</b>	<b>-0.6%</b>

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	11.6	11.7	11.8	11.8	11.8	11.8
Property, plant and equipment	10.0	6.7	7.1	6.4	5.7	5.1
Financial assets	15.1	3.8	3.2	3.2	3.2	3.2
<b>FIXED ASSETS</b>	<b>36.7</b>	<b>22.2</b>	<b>22.1</b>	<b>21.4</b>	<b>20.7</b>	<b>20.1</b>
Inventories	13.5	14.0	12.7	17.5	18.5	19.3
Accounts receivable	17.9	22.8	25.3	24.0	25.5	26.7
Other assets and short-term financial assets	0.0	0.0	0.0	0.0	0.0	0.0
Liquid assets	15.0	18.7	11.5	15.9	10.6	11.0
Deferred taxes	0.2	0.1	0.2	0.2	0.3	0.3
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>46.6</b>	<b>55.6</b>	<b>49.7</b>	<b>57.6</b>	<b>54.9</b>	<b>57.4</b>
<b>TOTAL ASSETS</b>	<b>83.3</b>	<b>77.8</b>	<b>71.8</b>	<b>79.0</b>	<b>75.6</b>	<b>77.5</b>
<b>SHAREHOLDERS EQUITY</b>	<b>-39.7</b>	<b>-33.6</b>	<b>-44.6</b>	<b>-47.3</b>	<b>-49.1</b>	<b>-49.8</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	15.4	11.4	12.2	12.8	13.2	14.0
Other provisions and accrued liabilities	7.6	10.1	8.4	8.0	7.5	7.1
Short-term liabilities to banks	0.0	10.0	29.3	35.0	35.0	35.0
Accounts payable	16.9	9.9	8.9	14.5	15.3	16.1
Advance payments received on orders	5.6	8.0	5.8	6.5	6.5	6.5
Other liabilities (incl. from lease and rental contracts)	59.0	44.7	33.3	30.7	29.4	26.5
Deferred taxes	1.9	4.8	2.9	2.7	1.5	1.5
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
<b>CURRENT LIABILITIES</b>	<b>81.5</b>	<b>62.6</b>	<b>48.0</b>	<b>51.6</b>	<b>51.1</b>	<b>49.1</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>83.3</b>	<b>77.8</b>	<b>71.8</b>	<b>79.0</b>	<b>75.6</b>	<b>77.5</b>
<b>Balance sheet (common size)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024e</b>	<b>2025e</b>	<b>2026e</b>
Intangible assets	13.9%	15.0%	16.4%	14.9%	15.6%	15.2%
Property, plant and equipment	12.0%	8.6%	9.9%	8.1%	7.5%	6.6%
Financial assets	18.1%	4.9%	4.5%	4.1%	4.2%	4.1%
<b>FIXED ASSETS</b>	<b>44.1%</b>	<b>28.5%</b>	<b>30.8%</b>	<b>27.1%</b>	<b>27.4%</b>	<b>25.9%</b>
Inventories	16.2%	18.0%	17.7%	22.1%	24.5%	24.9%
Accounts receivable	21.5%	29.3%	35.2%	30.4%	33.7%	34.5%
Other assets and short-term financial assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquid assets	18.0%	24.0%	16.0%	20.2%	14.0%	14.3%
Deferred taxes	0.2%	0.1%	0.3%	0.3%	0.4%	0.4%
Deferred charges and prepaid expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CURRENT ASSETS</b>	<b>55.9%</b>	<b>71.5%</b>	<b>69.2%</b>	<b>72.9%</b>	<b>72.6%</b>	<b>74.1%</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>-47.7%</b>	<b>-43.2%</b>	<b>-62.1%</b>	<b>-59.9%</b>	<b>-65.0%</b>	<b>-64.3%</b>
MINORITY INTEREST	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Provisions for pensions and similar obligations	18.5%	14.7%	17.0%	16.2%	17.5%	18.1%
Other provisions and accrued liabilities	9.1%	13.0%	11.7%	10.1%	9.9%	9.2%
Short-term liabilities to banks	0.0%	12.9%	40.8%	44.3%	46.3%	45.2%
Accounts payable	20.3%	12.7%	12.4%	18.3%	20.3%	20.8%
Advance payments received on orders	6.7%	10.3%	8.1%	8.2%	8.6%	8.3%
Other liabilities (incl. from lease and rental contracts)	70.8%	57.5%	46.4%	38.9%	38.8%	34.2%
Deferred taxes	2.3%	6.2%	4.0%	3.4%	2.0%	1.9%
Deferred income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>CURRENT LIABILITIES</b>	<b>97.8%</b>	<b>80.5%</b>	<b>66.9%</b>	<b>65.4%</b>	<b>67.6%</b>	<b>63.3%</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 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	-14.2	-0.1	-9.8	-2.7	-1.8	-0.7
Depreciation of fixed assets (incl. leases)	3.8	1.8	1.2	1.8	1.6	1.4
Amortisation of goodwill & intangible assets	0.0	1.7	1.5	1.2	1.2	1.0
Other costs affecting income / expenses	35.0	-12.1	-16.5	0.0	0.0	0.0
Cash flow from operating activities	20.3	-26.2	-29.0	0.6	-3.0	-1.2
Increase/decrease in inventory	-5.1	-0.5	0.9	-4.8	-1.0	-0.8
Increase/decrease in accounts receivable	-7.1	-4.9	-1.2	1.3	-1.4	-1.3
Increase/decrease in accounts payable	10.4	-7.0	-1.0	5.6	0.9	0.8
Increase/decrease in other working capital positions	2.9	2.4	-2.2	0.7	0.0	0.0
Increase/decrease in working capital	1.1	-10.0	-3.5	2.7	-1.6	-1.3
<b>Cash flow from operating activities</b>	<b>24.1</b>	<b>-22.7</b>	<b>-26.3</b>	<b>3.6</b>	<b>-0.2</b>	<b>1.2</b>
CAPEX	0.9	2.0	2.0	2.3	2.1	1.8
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	9.3	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.9</b>	<b>7.3</b>	<b>-2.0</b>	<b>-2.3</b>	<b>-2.1</b>	<b>-1.8</b>
Cash flow before financing	23.2	-15.4	-28.3	1.3	-2.3	-0.6
Increase/decrease in debt position	-6.6	8.0	22.0	6.1	0.0	4.0
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	-11.7	10.9	-0.8	-3.0	-3.0	-3.0
Effects of exchange rate changes on cash	0.3	0.2	0.0	0.0	0.0	0.0
<b>Cash flow from financing activities</b>	<b>-18.3</b>	<b>18.9</b>	<b>21.2</b>	<b>3.1</b>	<b>-3.0</b>	<b>1.0</b>
Increase/decrease in liquid assets	5.2	3.7	-7.1	4.4	-5.3	0.4
<b>Liquid assets at end of period</b>	<b>15.0</b>	<b>18.7</b>	<b>11.5</b>	<b>15.9</b>	<b>10.6</b>	<b>11.0</b>

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
<b>P&amp;L growth analysis</b>						
Sales growth	132.9%	27.8%	-17.4%	33.8%	6.0%	5.0%
EBITDA growth	1128.6%	-136.3%	-14.0%	-71.6%	-147.4%	65.8%
EBIT growth	51.2%	-116.0%	-18.5%	-105.6%	-107.0%	-710.3%
EPS growth	25.7%	-99.7%	-31.0%	2631.5%	-81.7%	-75.2%
<b>Efficiency</b>						
Sales per employee	216.7	273.5	248.3	321.2	334.9	334.9
EBITDA per employee	-27.1	29.3	-25.3	8.8	11.4	13.7
No. employees (average)	317	321	292	302	307	322
<b>Balance sheet analysis</b>						
Avg. working capital / sales	22.1%	16.5%	22.2%	20.3%	22.1%	20.4%
Inventory turnover (sales/inventory)	4.6	4.6	4.2	4.0	4.0	4.0
Accounts receivable turnover	4.8	4.3	3.0	4.0	4.0	4.0
Accounts payable turnover	5.9	6.6	7.7	6.7	6.7	6.7
<b>Cash flow analysis</b>						
Free cash flow	23.2	-24.7	-28.3	1.3	-2.3	-0.6
Free cash flow/sales	33.7%	-28.1%	-39.1%	1.4%	-2.2%	-0.5%
FCF / net profit	neg.	24700.0%	289.2%	neg.	129.1%	84.8%
Capex / sales	1.4%	2.3%	2.8%	2.4%	2.0%	1.7%
<b>Solvency</b>						
Net debt	1.3	3.3	32.8	34.5	39.8	43.4
Net Debt/EBITDA	-0.2	0.4	-4.4	12.9	11.3	9.8
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Interest paid / avg. debt	7.9%	7.6%	6.9%	6.6%	5.3%	5.2%
<b>Returns</b>						
ROCE	-45.9%	31.3%	-97.1%	-1.9%	3.2%	7.8%
ROE	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Adjusted FCF yield	-58.8%	5.5%	-13.3%	-0.5%	1.0%	2.7%
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	-1.60	-0.01	-1.10	-0.31	-0.20	-0.08
Average number of shares	8.9	8.9	8.9	8.9	8.9	8.9
<b>Valuation ratios</b>						
P/BV	-0.4	-0.5	-0.3	-0.3	-0.3	-0.3
EV/sales	0.5	0.3	0.8	0.6	0.7	0.7
EV/EBITDA	-3.8	3.2	-8.2	23.6	19.5	16.5
EV/EBIT	-2.6	5.1	-6.0	-189.6	96.4	36.0

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
Singulus Technologies AG	2

### Historical target price and rating changes for Singulus Technologies AG

Company	Date	Analyst	Rating	Target Price	Close
Singulus Technologies AG	15.11.2023	Wunderlich, Tim	Hold	EUR 1.60	EUR 1.76
	01.11.2023	Wunderlich, Tim	Hold	EUR 1.90	EUR 1.73
	15.08.2023	Wunderlich, Tim	Hold	EUR 2.90	EUR 2.37

## 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](http://www.nuways-ag.com)

Date of publication creation: 09/04/2024 07:47 AM

Date of publication dissemination: 09/04/2024 07:47 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](#)

