Rating	Buy
Price target	EUR 66.00 (prev.: EUR 71.00)
Potential	129%

Share data

Share price	28.80
Number of shares (in m)	10.4
Market cap. (in EUR m)	300.9
Trading volume (Ø 3 months; in K)	6.1
Enterprise Value (in EUR m)	332.5
Ticker	BKHT

Guidance 2024

Sales (in EUR m)	220.0 to 240.0
adj. EBITDA (in EUR m)	80.0 to 90.0

Share price (EUR)

Source: Capital IQ

Shareholder

Freefloat	34.2%
Marco Brockhaus	21.3%
Other insider	9.0%
Investors >3%	30.9%
Treasury shares	4.6%

Calendar

Hamburger Investorentage	August 21, 2024
Q3 results	November 14, 2024
-	

Changes in estimates

	2024e	2025e	2026e
Sales (old)	**232.0**	**298.1**	**359.9**
Δ	-3.9%	-4.6%	-0.9%
EBIT (old)	**57.8**	**91.9**	**114.8**
Δ	-7.6%	-20.6%	-16.2%
EPS (old)	**0.80**	**2.03**	**2.87**
Δ	-20.0%	-34.0%	-23.7%

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Publication

Comment August 16, 2024

Bikeleasing increases earnings per bike at a high double-digit rate in H1

Brockhaus recently has presented its H1 report and confirmed its prel. results as well as the FY guidance. Whilst Bikeleasing's Q2 sales figures were a negative surprise, the price effects from the interest-related adjustment of leasing rates came in higher than expected. In 2023, the higher interest rates had still weighed down on profitability as they could not be passed on to the customers. Having changed as much as 90% of all contracts to leasing rates based on the interest rate, Bikeleasing will earn more revenue and EBITDA per bike going forward.

Brockhaus KPIs	Q2/24	Q2/23	yoy	H1/24	H1/23	yoy
Brokered leasing contracts (Thsd.)	54	52	+4.6%	81	80	+1.6%
Brokerage-revenue/Bike (EUR)	n/a	n/a	-	789	572	+37.9%
Brokerage-EBITDA/Bike (EUR, MONe)	n/a	n/a	-	473	309	+53.1%
Adj. BKHT-EBITDA (acc. to ownership share; EUR m)	16.8	13.8	+21.7%	24.7	21.6	+14.5%
Onboarded employees (mln)	3.6	2.9	+22.3%	3.6	2.9	+22.3%

Price effects from adjustment of leasing factor compensate for low sales: On the level of unit figures, Bikeleasing generated an increase of 4.6% yoy in Q2 (H1/24: +1.6% yoy). Whilst volumes in April (+30% yoy) and May (+18% yoy) had still shown positive momentum, a weak June (-21% yoy) which we believe was due to weather conditions thwarted the positive trend of the two prior months. Sales figures are expected to also have slightly declined in July which is why we foresee only slight growth of 5.6% yoy in H2 as a whole. According to recent data of German Bicycle Industry Association ZIV, e-bike sales declined by -1.2% yoy in the first four months of 2024 (Bikeleasing's e-bike share: ~80%) and non-e-bike sales by -18.8% yoy. Our calculations result in an increase in Bikeleasing's sales to 8.1% yoy in the first four months of 2024, which means that further market share has been won.

Despite Bikeleasing's poor growth in quantities (4.6% yoy), revenue was up 51.3% to EUR 62.4m in Q2 which on the one hand is due to the increase of the leasing factor and on the other hand to higher turnover from the sale of bikes at the end of the three-year term. By adapting the leasing factor, **revenue per newly brokered bike** (brokerage business) has **increased by 37.9% yoy from EUR 572 to EUR 789**. As Bikeleasing generated a gross margin of 91.6% in the brokerage business in H1 and a margin of c. 93% in Q2 in our view, revenue growth has a strong impact on the bottom line. Bikeleasing's adjusted EBITDA grew by 49.2% yoy to EUR 28.6m in Q2 (H1/24: +42.5% yoy). We believe that **EBITDA/bike in the brokerage business rose by 53.1% yoy in H1 from EUR 309 to 473**. We have adjusted our forecasts on revenue/bike upwards for the effect of the increased leasing factor. Going forward, revenue/bike is likely to change almost completely in accordance with the development of sales prices for bikes.

Future Probonio contributions included in forecasts: As expected, Probonio has not yet generated significant revenue in Q2 (EUR 62K) at a loss of EUR 202k. This implies that the annualized cost base currently amounts to ~EUR 1m. At present, Probonio has advertised 12 jobs which means that the cost base would double in the short term but overall, remain at a low level.

Continue on next page ->

FYend: 31.12.	2022	2023	2024e	2025e	2026e
Sales	142.7	186.6	222.9	284.5	356.6
Growth yoy	136.6%	30.8%	19.5%	27.6%	25.3%
EBITDA	46.7	57.9	77.1	97.3	119.5
EBIT	29.3	37.6	53.4	73.0	96.3
Net income	1.0	-3.3	6.6	14.0	22.9
Gross profit margin	64.3%	63.4%	63.5%	59.2%	55.5%
EBITDA margin	32.7%	31.0%	34.6%	34.2%	33.5%
EBIT margin	20.5%	20.2%	24.0%	25.7%	27.0%
Net Debt	20.2	31.9	-10.1	-55.2	-115.1
Net Debt/EBITDA	0.4	0.6	-0.1	-0.6	-1.0
ROCE	8.4%	11.3%	16.6%	23.6%	32.0%
EPS	0.10	-0.32	0.64	1.34	2.19
FCF per share	2.92	2.75	4.24	4.61	6.13
Dividend	0.00	0.22	0.30	0.40	0.50
Dividend yield	0.0%	0.8%	1.0%	1.4%	1.7%
EV/Sales	2.3	1.8	1.5	1.2	0.9
EV/EBITDA	7.1	5.7	4.3	3.4	2.8
EV/EBIT	11.3	8.8	6.2	4.6	3.5
PER	288.0	n.m.	45.0	21.5	13.2
P/B	1.1	1.2	1.1	0.9	0.8

Source: Company data, Montega, CapitalIQ — Figures in EUR m, EPS in EUR, Price: 28.80 EUR

Based on a survey conducted among Bikeleasing customers, Brockhaus currently expects Probonio to contribute EBITDA in the mid seven-digit range in 2025. Upselling among as many Bikeleasing customers as possible remains top priority according to the management. To properly incentivize the three Probonio founders, a variable earn-out has been agreed as part of the acquisition which is measured using the number of new Probonio customers in 2025, 2026 and 2027. The earn-out currently has a value of EUR 3.4m.
We assume that 4% of the Bikeleasing customers can be won for Probonio by the end of 2025, which would result in revenue of EUR 5.1m based on the customer acquisition during the year and an average price of EUR 4.00 p.m. Additional EBITDA is seen to come in at EUR 3.0m in 2025. The utilization rate of Bikeleasing customers is assumed to be 7% at the end of 2026, which would increase Probonio's 2026 revenue to EUR 13.8m and result in additional EBITDA of EUR 9.8m in our view. In the mid to long term, we consider a utilization rate of 10–20% of the Bikeleasing customers as realistic.

IHSE increases order backlog in June as well – Return to "normal" earnings level expected in H2: IHSE generated Q2 revenue of EUR 7.0m (-25.5% yoy) and slightly negative EBITDA of EUR -0.1m (cf. Comment on 6 August). After it had already been announced in the context of prel. results that the order backlog was EUR 10.0m at the end of H1, it climbed to EUR 11.5m at the end of July. As the order backlog is traditionally turned into revenue in the same quarter or the next, it is a good basis for the development in H2. We therefore expect revenue of EUR 20.2m and a continued strong gross margin of 75.5% in the second half of the year, which should result in EBITDA of EUR 5.5m given our expectations of an almost constant operating cost basis. We expect IHSE to generate EBITDA of EUR 9.9m next year.

Additional adjustments to forecasts: In view of the current weakening sales development at Bikeleasing, we have reduced our expected sales figures for H2 and 2025 et seq. For the most part this should be compensated for by the effects from the adaptation of the leasing factor. We assume sales to slightly increase by 3.3% yoy in FY 2024 and by 14.1% yoy in 2025. Overall, we are still convinced by the superiority of bike leasing as a sales approach as opposed to a cash purchase and see sufficient potential for further sales growth in the overall market. In 2023, for instance, only some 20% of the bikes and c. 33% of revenue were generated with bike leasing as a sales approach. The still high momentum of new onboarded employees (H1/24: +22.3% yoy), which lay the foundation for further sales growth, also makes us confident with respect to the double-digit sales growth. For this reason, our sales forecast for 2025 already implies a slight decline of leasing contracts signed per employee.

Observations suggest that price expectations of sellers of potential targets decline: CEO Marco Brockhaus explained during the earnings call that they currently observe an alignment of price expectations in the market. Management had not yet seen this development in the previous call. In view of the company's low indebtedness, we believe that Brockhaus has a financing capacity of ~ EUR 120–150m. As expected by us, BKHT aims to repay the acquisition loan of Bikeleasing (H1/24: EUR 24m) with double-digit interest rates as soon as possible and has already paid off EUR 7.1m in the current year (incl. interest payments). We believe that BKHT may completely pay off the remaining amount by the end of the year, which should have a positive impact on EPS and further increase the financing capacity for new acquisitions.

Current valuation does not factor in any growth: Given expected 2024 EBITDA of EUR 39.6m for Brockhaus Technologies and a current EV of EUR 340.6m (net debt after participating interest allocated to BKHT and excl. leasing), BKHT is valued at a 2024e EV/EBITDA of 8.6x. Based on the normalization at IHSE, earnings growth at Bikeleasing and the EBITDA contribution of Probonio, we expect EBITDA of EUR 52.3m attributable to BKHT in the next year, which implies a 2025e EV/EBITDA of 6.5x.

Conclusion: Bikeleasing is likely to generate more earnings/bike in the future so that the company should achieve double-digit earnings growth in 2025 despite our adjustment of expected sales. Furthermore, BKHT is likely to also benefit from the first earnings contributions of Probonio. Following an extremely weak first half of the year at IHSE, the subsidiary has achieved one of the highest levels of incoming orders in its history in Q2. This momentum has continued in July so that business is expected to return to normal in H2. We assume that BKHT will achieve its FY guidance in revenue and on the level of adj. EBITDA at the lower end. We confirm our buy rating with an adjusted price target of EUR 66.00.

Company Background

Brockhaus Technologies (BKHT) is a German technology group which, following the example of US-American Roper Technologies, is specialized in the acquisition and further development of scalable B2B technology and innovation champions with sustainable competitive advantages, strong margins and high growth potential. CEO, founder and major shareholder Marco Brockhaus has successfully pursued this M&A strategy for over 20 years in the context of private equity funds (two issued and one advised by him) with a total volume of c. EUR 300m. These funds generated IRR in the high double-digits of 23%, 26% and 33% and were getting better with every fund generation. Today's COO Dr. Marcel Wilhelm and the current CFO Harald Henning had already partnered with Marko Brockhaus in the context of the PE funds and also played a decisive role in the success of the funds. Today's Brockhaus Technologies was established to create a vehicle with a **permanent capital base and without exit pressure**. As such, the management is not obliged to sell companies after only a few years or at the end of the fund's life but can sell them on the basis of pure economic considerations and hold them as long as desired.

The M&A strategy outlined above and the investment focus fundamentally deviate from the approach of all of the other listed investment companies in Germany. These companies are mostly specialized in industrials growing at single-digit rates, with single-digit EBIT margins or turnaround situations.

For this reason, the Brockhaus case should be assessed on two levels:

The potential of the two existing portfolio companies, Bikeleasing and IHSE

The potential arising from the disciplinary, proven and value-adding M&A strategy

Brockhaus has reduced its debts almost entirely in the last years and is seen to have a financing power of c. EUR 150m given the self-imposed maximum financial leverage of 2.5x net debt/EBITDA. Overall, the Brockhaus management does not only seem to have a clear focus on capital allocation, but also the necessary expertise and a sophisticated strategy, which builds the basis for further value-adding M&A transactions.

Segment overview

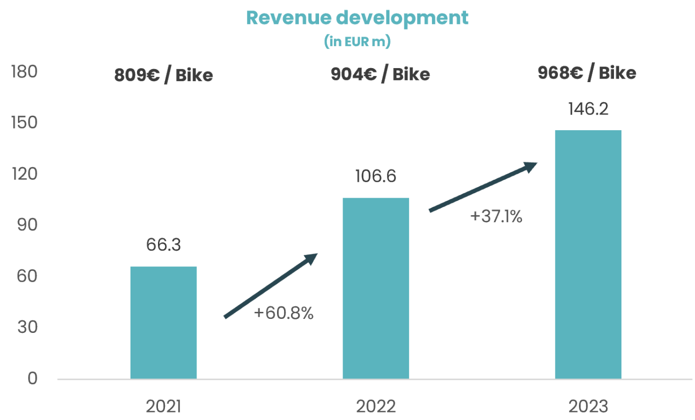
Financial Technologies segment (sales share in 2023: 78%)

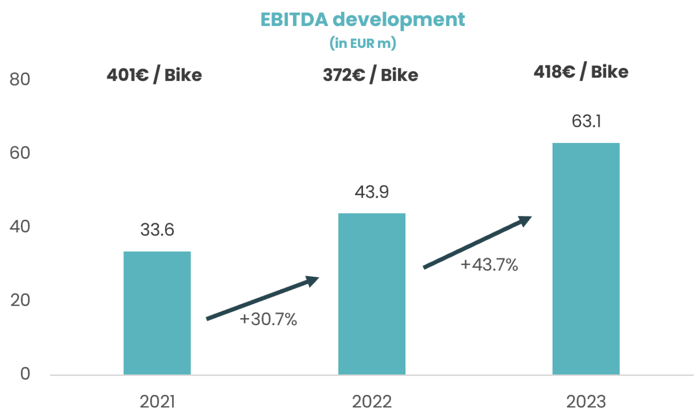
Bikeleasing (acquisition end-2021) is a **broker of employee benefits and has a predominantly commission-based business model**. Bikeleasing is currently still focused on company bike leasing (second largest provider in GER with a market share of ~25%) but is expected to offer roughly one dozen other benefits from H2/2024. The young company bike leasing market is characterized by strong momentum and high double-digit growth rates. The business model is extremely scalable thanks Bikeleasing's highly automated digital platform, which generates high gross margins and is the key element. Furthermore, the business model is not capital-intensive and hardly requires any investments, which also allows for internal financing in a high growth scenario and at the same time leads to significant free cash flows.

What is company bike leasing? Compulsorily insured employees can obtain a company bike from Bikeleasing under a salary conversion model (and a transfer agreement), which they can also use privately without any constraints, and which is paid off over 36 months (Austria: 48 months. In accordance with the 1% regulation for cars, Germany has adopted the advantageous 0.25% regulation for company bikes in 2019. This regulation will be in force until the end of 2030 and means that employees usually **save between 30% and 40% compared to the traditional purchase of a bike** and can spread the purchase price over a period of 36 months. It is also possible for the employer to assume all the costs so that the company bike is exempt from taxation and charges for the employee. Bikeleasing is free for the company itself (unless the company wants to pay for the company bikes in part or in full). Bikeleasing only discharges the agreed leasing and insurance installments with the gross salary of the employee being reduced accordingly. No charges arise for the company.

At the end of Q1/24, 3.4m employees and thus c. 7.2% of the entire workforce in Germany were connected to the highly automated, digital B2B platform, which we consider an enormous asset. Bikeleasing earns commission with every brokered bike which are due for the bike itself and for the mandatory sale of insurances. Fast forfeiting of lease receivables to various financial investors ensures to avoid high capital intensity (working capital ratio in 2023: ~18%).

Revenue more than doubled from EUR 66.3m to EUR 146.2m between 2021 and 2023, whilst the company also generated a continuous positive free cash flow. At an average adj. EBITDA margin of 45% (2021 until 2023) Bikeleasing is highly profitable and has almost doubled EBITDA from EUR 33.6m to 63.1m in only two years.

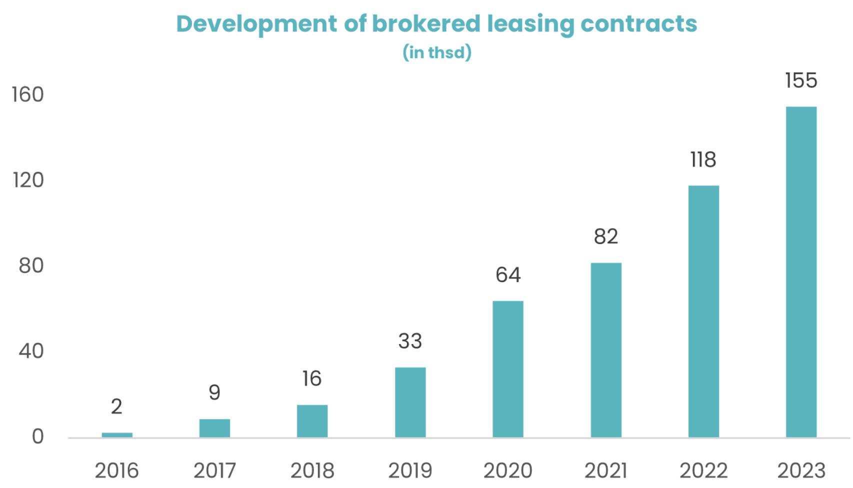




Source: Company

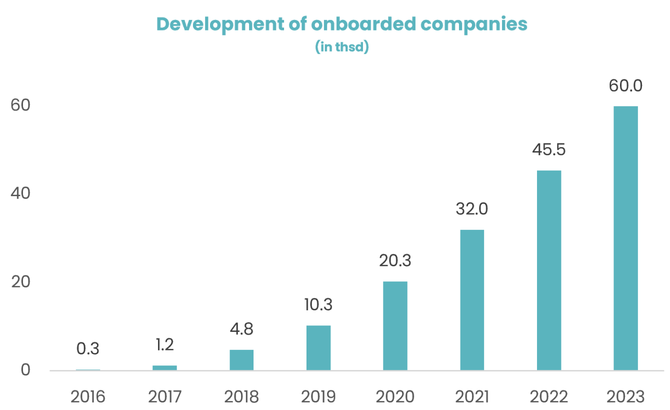
In view of Bikeleasing's business model and the associated particularities in accounting, proper assessment of the business performance requires further operating figures in addition to the typical financial ratios gross margin and EBITDA. This mainly includes the **development of the brokered leasing contracts and the development of the onboarded companies and employees.**

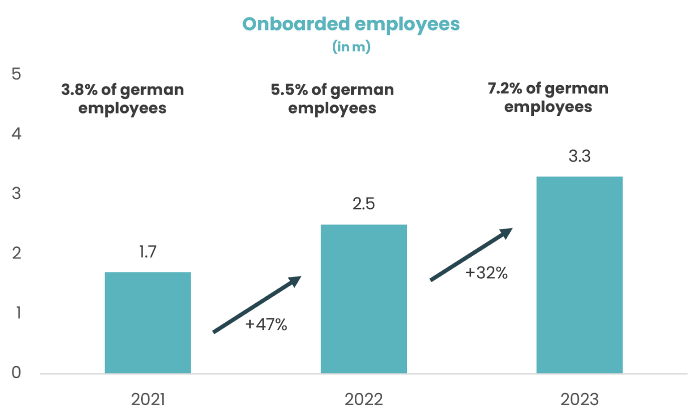
This is because the number of brokered leasing contracts (or bikes) is the most direct approach to evaluate the success of Bikeleasing in our view. The development since 2016 is shown below



Source: Company

In the company's first years, in particular, growth was almost entirely driven by new customers, whilst the importance of existing customers for the brokered leasing contracts has increased in line with the growing customer volume.





Source: Company

Security Technologies segment (sales share in 2023: 22%)

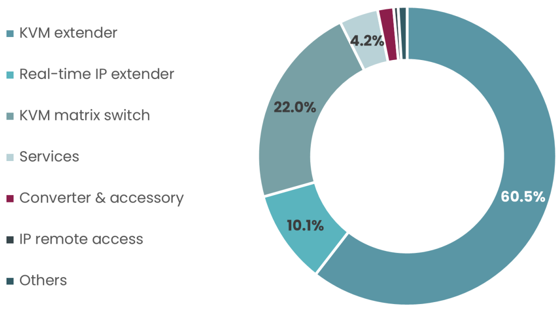
IHSE is a globally leading technology company specialized in KVM technology (KVM: keyboard, mouse, video). Basically, this is the transmission of audio or video data and other signals between servers and users. IHSE's products mainly provide for:

- High-security and encoded transfer of data and signals
- Bridging distances of up to 160 kilometers between servers and users while they reduce latency (period of delay between when a signal enters a system and when it emerges, e.g. keyboard input or mouse movements/clicks which usually begins after a few meters and is perceivable)
- Control of several computers from one workstation or control of a computer from several workstations

IHSE is positioned in the absolute **high-end segment of the KVM market** and competes with only three other providers. The high-end products have a much higher performance, load capacity and security than standard products which are produced by dozens of providers. As IHSE's technology is often used in mission-critical situations, in which the safety of human life or large amounts of money is at stake, the company has to deal with the highest requirements from customers on a regular basis. A system failure during years of continuous operations, security gaps, latency or signal losses are no option for IHSE's customers which is why they are prepared to pay greater amounts of money. The company benefits from the fact that even high-end KVM technology only accounts for a small portion of a customer's total budget.

IHSE essentially sells two kinds of products: extenders (70.6% sales share in 2023) and switches (22.0% sales share in 2023). As the names imply, extenders are used at workstations or servers to encode or extend signals and data over distances of up to 160 kilometers, whereas physical or digital switches allow to control several computers from one workstation and vice versa.

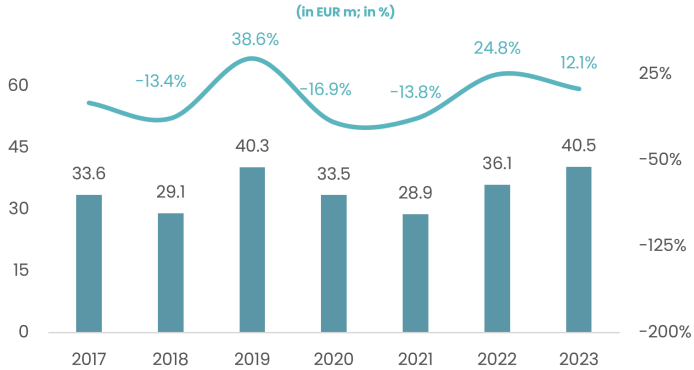
IHSE product mix 2023



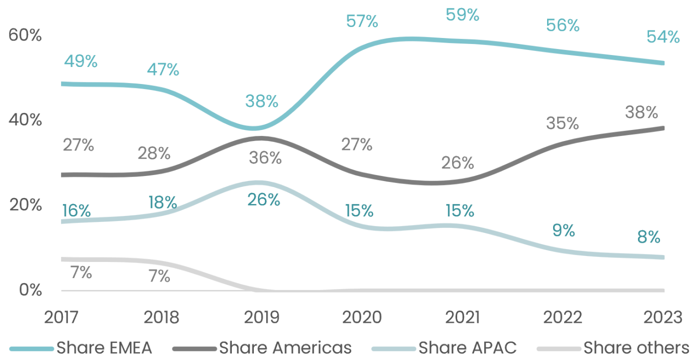
Source: Company

IHSE's revenue has grown by an average of 13.2% p.a. between 2009 and 2023. Growth has never been linear because of the strong project character of the customer orders but has always fluctuated - with a clear upward trend. Prior to Covid-19, IHSE generated substantial growth but then suffered losses in revenue in the wake of the Covid pandemic. This was aggravated by decoupling tendencies of the Chinese customers, as a result of which virtually the whole China business was lost, which previously should have accounted for c. 10% of revenue. After two declining years during Covid-19, IHSE boosted sales organically and with the acquisition of kvm-tec (revenue in FY 2021: EUR ~4.1m). Taking a look at the sales regions we can observe a decreasing significance of the Asian regions and a very positive business development in the USA. This is likely to be accelerated in the medium term due to compliance with the highest security standards in the USA (as well as EU and GER) since end-2022 and the resultant business opportunities in government & defense.

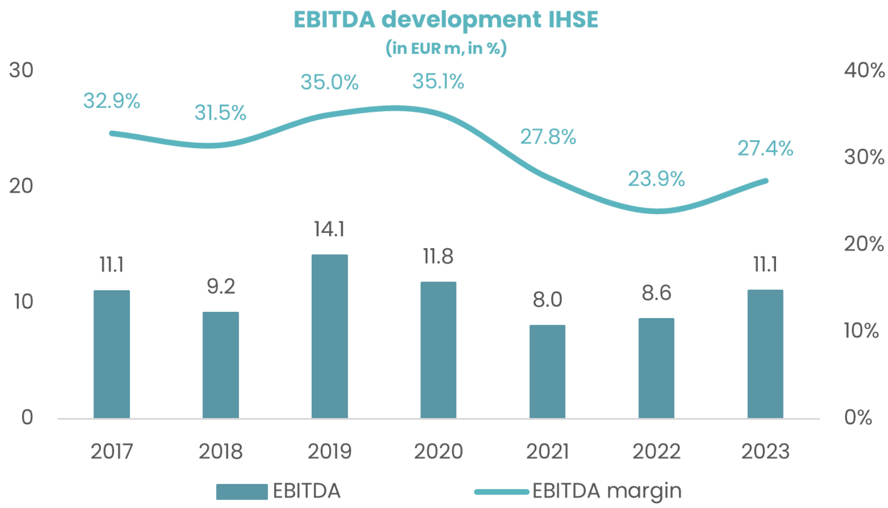
Revenue development IHSE
(in EUR m; in %)



Development of sales regions



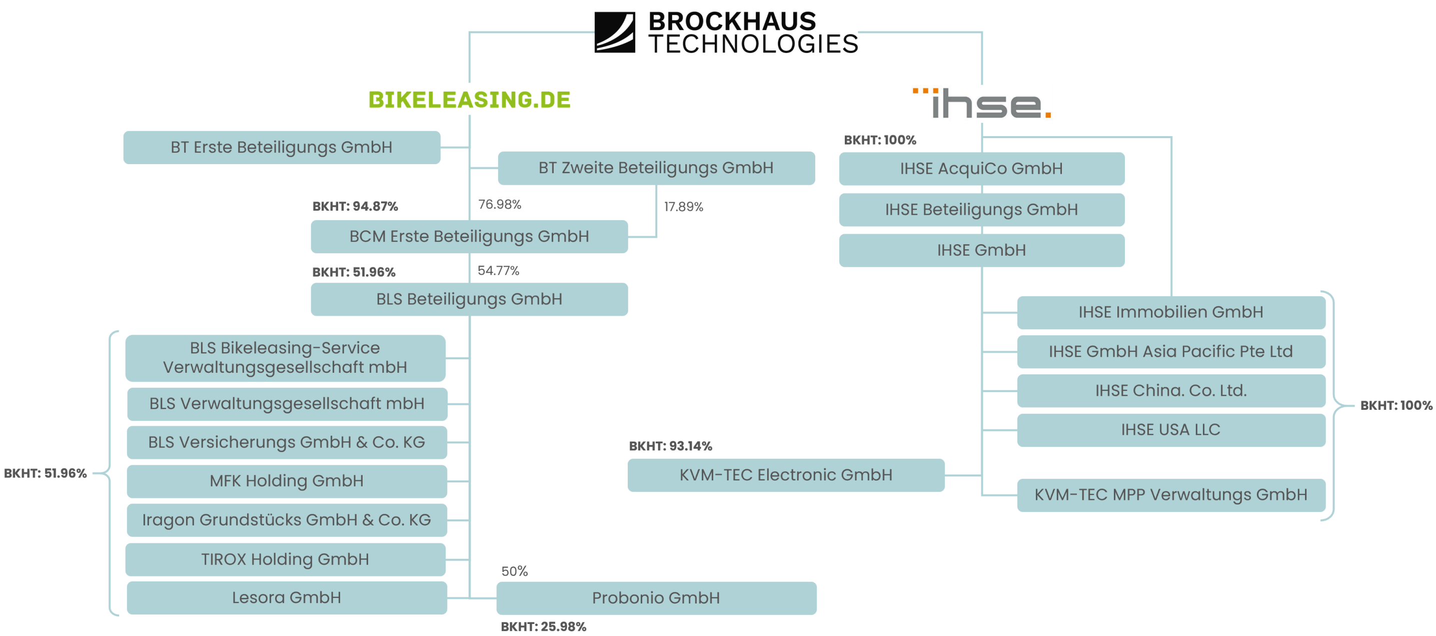
In terms of profitability, IHSE generated high EBITDA margins of up to 35% in the past thanks to its excellent competitive position in an attractive market niche. Accordingly, the company has exceeded the profitability levels of direct peers for years both in terms of gross margin and EBITDA margin. In the context of Covid-19, IHSE suffered from a decreased profitability as a result of lower turnover which was aggravated by decoupling tendencies of China and the resultant loss of most of the China business. The China business accounted for c. 19% of revenue before Covid-19. This negative effect conceals part of the recent strong recovery of business performance. IHSE is expected to return to its historic margin level in the next few years along with high revenue growth.



Source: Company

Organizational structure of Brockhaus Technologies AG

Brockhaus Technologies AG plays the key role as subordinate holding in the company's organizational structure. This includes non-operating companies which manage the investments in IHSE and Bikeleasing. A typical ring-fencing is visible due to the complex transaction arrangement of Bikeleasing. The operating companies are allocated to BLS Beteiligungs GmbH. A similar structure can be seen at IHSE, which holds different foreign companies.



Source: company, Montega

Major events in the company's history

Brockhaus Technologies AG (previously Brockhaus Capital Management AG) emerged in its current form in 2017. The company's target is to build up a diversified technology group with a long-term orientation. Following two financing rounds prior to the IPO, the company went public in 2020. Prior to this, CEO Marco Brockhaus had already issued and/or advised three PE funds with a total volume of c. EUR 300m since 2000. Both the current COO Dr. Marcel Wilhelm (joined in 2006; part of the management from 2012) and the current CFO Harald Henning (joined in 2014) have joined Brockhaus Private Equity at an early stage and contributed significantly to the success of the PE funds.

Although the funds reached high double-digit returns and Brockhaus could certainly have issued other fund generations, the CEO decided to create a vehicle with Brockhaus Technologies with a **permanent capital base and without exit pressure**. As such, BKHT is not obliged to sell companies after only a few years or at the end of the fund's life but can sell them on the basis of pure economic considerations and hold them as long as desired. As part of the IPO, roughly 3.6m new shares were placed at a price of EUR 32 (gross proceeds EUR 115m), whilst the existing shareholders did not surrender shares. The funds raised were used for M&A purposes since the existing company group with its two investments IHSE and Palas (exist in 2022) worked profitably.

- 2000 — Foundation of today's Brockhaus Technologies under "Eagle Fonds Verwaltungs- und Treuhand-GmbH" (in the context of the first PE fund)
- 2017 — Change of name to Brockhaus Capital Management AG and change of business purpose as the first PE fund BPE I was closed
- 2017 — First financing round (EUR 45m)
- 2018 — Acquisition of Palas GmbH
- 2019 — Second financing round (~EUR 80m) to finance the subsequent acquisition of IHSE
- 2019 — Acquisition of the IHSE companies
- 2020 — IPO (gross proceeds of EUR 115m) at the Frankfurt stock exchange
- 2021 — Change of name to Brockhaus Technologies AG
- 2022 — Successful sale of Palas
- 2022 — IHSE is the second Western manufacturer to fulfil the highest security requirements in Europe & USA
- 2023 — Sale of IHSE property (proceeds: EUR 10m)
- 2023 — Bikeleasing internalizes sales by acquiring four sales agencies
- 2023 — Brockhaus buys back 4.6% of its shares through a tender offer at EUR 22.00 per share
- 2024 — Brockhaus resolves upon dividend strategy and proposes dividend of EUR 0.22
- 2024 — Bikeleasing finalizes add-on acquisition of Probonio and conversion to one-stop shop for a dozen employee benefits

Management

Brockhaus Technologies currently is managed by a two-person management team. It is supported by three other managers which together with the Management Board make up the Executive Committee.

Marco Brockhaus (CEO) founded Brockhaus Technologies AG and has been Chief Executive Officer since 2017. After completing his degree in Business Administration at the Julius Maximilian University of Würzburg he started his career as an analyst at Rothschild in 1995 and worked for the British VC and PE investment company 3i for several years. He went on to found Brockhaus Private Equity GmbH in 2000, where he advised three private equity funds with a volume of c. EUR 300m. Furthermore, he held various supervisory and advisory board positions in different industries and was a member of the German Private Equity and Venture Capital Association (BVK), where he was responsible for the mid-market division.

Dr. Marcel Wilhelm (COO) has also been a member of the Management Board of Brockhaus Technologies AG since 2017 and is responsible for Legal and Administration. He holds a doctor of law degree and had already worked for Brockhaus Private Equity before. He was appointed Managing Director in 2012. Dr. Wilhelm is specialized in corporate and fiscal law and previously headed the international clients team at Rödl & Partner.

Shareholder Structure

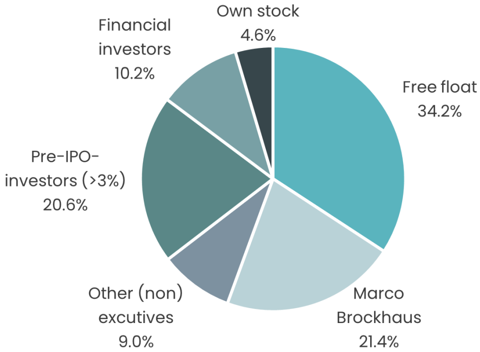
The shares of Brockhaus Technologies AG have been listed in the Prime Standard of the Frankfurt stock exchange since 2020. The company issued 10,947,637 shares, 499,971 of which (4.6%) were bought back at a price of EUR 22.00 per share in December 2023.

According to the company, the five members of the Executive Committee hold c. 23% of the shares. Founder & CEO Marco Brockhaus is the largest individual shareholder of BKHT with a stake of 21.4%. Another ~7% of the shares are held by the management of the two subsidiaries. Bikeleasing founder and Managing Director Bastian Krause accounts for 3.9% of the stake.

The following five family offices hold a cumulated share of 20.6%. We believe that their stake has remained almost unchanged also after the IPO. One of the pre-IPO investors is the family-managed Hanseatic investment company of Dr. Cornelius Liedtke, which holds 3.3% of the shares. ABACON Invest GmbH, the family office of the Büll family, holds 5.7% of the shares and is historically associated with the Liedtke family, having established the Büll & Liedtke real estate company. Investment company Vesta GmbH holds 3.3% of the shares, which we believe can be allocated to the Fissler-Pechtl entrepreneurial family. SFCMG Beteiligungs-GmbH & Co. KGaA (4.8%; attributable to Andreas Peiker) and ORGENTEC Holding GmbH (3.7%; attributable to the family of Dr. Wigbert Berg) are two other family offices with a long-term investment horizon.

In terms of financial investors, both DWS (6.9%) and Paladin Asset Management (3.3%) are above the reporting threshold. The remaining shares (34.2%) are free float.

Shareholder structure



Source: Company, Montega

DCF Model

Figures in EUR m	2024e	2025e	2026e	2027e	2028e	2029e	2030e	Terminal Value
Sales	**222.9**	**284.5**	**356.6**	**398.7**	**447.8**	**503.1**	**562.4**	**573.7**
Change yoy	19.5%	27.6%	25.3%	11.8%	12.3%	12.3%	11.8%	2.0%
EBIT	**53.4**	**73.0**	**96.3**	**125.3**	**142.9**	**157.5**	**171.3**	**172.1**
EBIT margin	24.0%	25.7%	27.0%	31.4%	31.9%	31.3%	30.5%	30.0%
NOPAT	**37.4**	**51.1**	**67.4**	**87.7**	**100.1**	**110.3**	**119.9**	**120.5**
Depreciation	**23.7**	**24.3**	**23.2**	**20.4**	**18.1**	**17.7**	**17.9**	**6.9**
in % of Sales	10.6%	8.6%	6.5%	5.1%	4.0%	3.5%	3.2%	1.2%
Change in Liquidity from								
- Working Capital	**-0.7**	**-10.7**	**-10.7**	**-6.1**	**-18.4**	**-10.3**	**-11.0**	**-2.2**
- Capex	**-6.6**	**-7.0**	**-4.9**	**-5.2**	**-5.8**	**-6.0**	**-6.7**	**-6.9**
Capex in % of Sales	2.9%	2.4%	1.4%	1.3%	1.3%	1.2%	1.2%	1.2%
Other	**-20.8**	**-26.8**	**-32.8**	**-40.1**	**-44.3**	**-48.6**	**-52.8**	**-48.3**
Free Cash Flow (WACC model)	**35.0**	**33.0**	**44.2**	**58.7**	**51.6**	**65.0**	**69.3**	**72.0**
WACC	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
Present value	34.2	29.3	35.8	43.3	34.6	39.7	38.5	452.1
Total present value	**34.2**	**63.5**	**99.2**	**142.5**	**177.1**	**216.9**	**255.4**	**707.5**

Valuation	
Total present value (Tpv)	707.5
Terminal Value	452.1
Share of TV on Tpv	64%
Liabilities	74.1
Liquidity	42.6
Equity value	**676.0**

Number of shares (mln)	10.4
Value per share (EUR)	**65.9**
+Upside / -Downside	**129%**
Share price	**28.80**

Model parameter	
Debt ratio	25.0%
Costs of Debt	6.5%
Market return	9.0%
Risk free rate	2.5%

Beta	1.4
WACC	9.8%
Terminal Growth	2.0%

Growth: sales and margin		
Short term sales growth	2024-2027	21.4%
Mid term sales growth	2024-2030	16.7%
Long term sales growth	from 2031	2.0%
Short term EBIT margin	2024-2027	27.0%
Mid term EBIT margin	2024-2030	28.8%
Long term EBIT margin	from 2031	30.0%

Sensitivity Value per Share (EUR) — **Terminal Growth**

WACC	1.25%	1.75%	**2.00%**	2.25%	2.75%
10.34%	58.20	60.36	61.54	62.79	65.54
10.09%	60.07	62.40	63.67	65.02	68.01
9.84%	62.05	64.56	**65.94**	67.40	70.65
9.59%	64.15	66.87	68.36	69.95	73.49
9.34%	66.39	69.33	70.95	72.68	76.55

Sensitivity Value per Share (EUR) — **EBIT-margin from 2031e**

WACC	29.50%	29.75%	**30.00%**	30.25%	30.50%
10.34%	59.29	59.85	60.42	60.98	61.55
10.09%	61.31	61.90	62.49	63.08	63.67
9.84%	63.46	64.08	**64.70**	65.32	65.94
9.59%	65.76	66.41	67.06	67.71	68.36
9.34%	68.21	68.90	69.58	70.27	70.96

Source: Montega

P&L (in Euro m) Brockhaus Technologies AG	2021	2022	2023	2024e	2025e	2026e
Sales	**60.3**	**142.7**	**186.6**	**222.9**	**284.5**	**356.6**
Increase / decrease in inventory	-0.2	-0.2	0.1	0.0	0.0	0.0
Own work capitalised	1.4	1.0	1.0	1.0	1.0	1.0
Total sales	**61.5**	**143.5**	**187.7**	**223.9**	**285.5**	**357.6**
Material Expenses	14.2	51.7	69.3	82.4	117.0	159.6
Gross profit	**47.3**	**91.7**	**118.4**	**141.5**	**168.5**	**198.0**
Personnel expenses	21.8	26.6	33.1	40.0	45.0	49.2
Other operating expenses	26.9	19.5	30.6	26.7	28.7	31.7
Other operating income	2.0	1.5	4.1	3.4	4.0	4.3
EBITDA	**0.4**	**46.7**	**57.9**	**77.1**	**97.3**	**119.5**
Depreciation on fixed assets	2.1	2.2	3.2	3.6	4.0	4.1
EBITA	**-1.7**	**44.5**	**54.7**	**73.5**	**93.4**	**115.4**
Amortisation of intangible assets	7.6	15.2	17.0	20.1	20.4	19.1
Impairment charges and Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
EBIT	**-9.3**	**29.3**	**37.6**	**53.4**	**73.0**	**96.3**
Financial result	-6.1	-10.0	-19.2	-14.2	-14.7	-16.7
Result from ordinary operations	**-15.4**	**19.3**	**18.4**	**39.2**	**58.3**	**79.6**
Extraordinary result						
EBT	**-15.4**	**19.3**	**18.4**	**39.2**	**58.3**	**79.6**
Taxes	3.4	8.9	9.1	11.8	17.5	23.9
Net Profit of continued operations	**-18.8**	**10.5**	**9.3**	**27.5**	**40.8**	**55.7**
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net profit before minorities	**-18.8**	**10.5**	**9.3**	**27.5**	**40.8**	**55.7**
Minority interests	-2.9	9.4	12.7	20.8	26.8	32.8
Net profit	**-15.9**	**1.0**	**-3.3**	**6.6**	**14.0**	**22.9**

Source: Company (reported results), Montega (forecast)

P&L (in % of Sales) Brockhaus Technologies AG	2021	2022	2023	2024e	2025e	2026e
Sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Increase / decrease in inventory	-0.3%	-0.2%	0.0%	0.0%	0.0%	0.0%
Own work capitalised	2.3%	0.7%	0.5%	0.4%	0.4%	0.3%
Total sales	**102.0%**	**100.5%**	**100.6%**	**100.4%**	**100.4%**	**100.3%**
Material Expenses	23.6%	36.3%	37.1%	37.0%	41.1%	44.8%
Gross profit	**78.4%**	**64.3%**	**63.4%**	**63.5%**	**59.2%**	**55.5%**
Personnel expenses	36.1%	18.7%	17.7%	17.9%	15.8%	13.8%
Other operating expenses	44.6%	13.7%	16.4%	12.0%	10.1%	8.9%
Other operating income	3.2%	1.0%	2.2%	1.5%	1.4%	1.2%
EBITDA	**0.7%**	**32.7%**	**31.0%**	**34.6%**	**34.2%**	**33.5%**
Depreciation on fixed assets	3.5%	1.6%	1.7%	1.6%	1.4%	1.1%
EBITA	**-2.8%**	**31.2%**	**29.3%**	**33.0%**	**32.8%**	**32.4%**
Amortisation of intangible assets	12.6%	10.6%	9.1%	9.0%	7.2%	5.4%
Impairment charges and Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBIT	**-15.4%**	**20.5%**	**20.2%**	**24.0%**	**25.7%**	**27.0%**
Financial result	-10.1%	-7.0%	-10.3%	-6.4%	-5.2%	-4.7%
Result from ordinary operations	**-25.5%**	**13.5%**	**9.9%**	**17.6%**	**20.5%**	**22.3%**
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	**-25.5%**	**13.5%**	**9.9%**	**17.6%**	**20.5%**	**22.3%**
Taxes	5.6%	6.2%	4.9%	5.3%	6.1%	6.7%
Net Profit of continued operations	**-31.1%**	**7.3%**	**5.0%**	**12.3%**	**14.3%**	**15.6%**
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit before minorities	**-31.1%**	**7.3%**	**5.0%**	**12.3%**	**14.3%**	**15.6%**
Minority interests	-4.8%	6.6%	6.8%	9.3%	9.4%	9.2%
Net profit	**-26.3%**	**0.7%**	**-1.8%**	**3.0%**	**4.9%**	**6.4%**

Source: Company (reported results), Montega (forecast)

Balance sheet (in Euro m) Brockhaus Technologies AG	2021	2022	2023	2024e	2025e	2026e
ASSETS						
Intangible assets	398.9	356.9	356.6	338.7	320.2	302.6
Property, plant & equipment	16.2	7.6	12.9	13.7	14.7	14.0
Non-current leasing receivables	82.1	130.9	139.5	103.9	106.7	126.6
Fixed assets	**497.2**	**495.5**	**509.0**	**456.2**	**441.6**	**443.2**
Inventories	12.6	10.9	17.7	18.5	25.3	31.2
Accounts receivable	20.0	29.3	35.7	38.4	46.0	55.2
Liquid assets	30.3	70.8	53.7	75.2	115.7	171.1
Other assets	54.4	49.0	50.1	54.0	60.1	67.8
Current assets	**117.3**	**160.1**	**157.2**	**186.0**	**247.1**	**325.3**
Total assets	**614.5**	**655.5**	**666.2**	**642.3**	**688.7**	**768.5**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	**222.0**	**272.7**	**258.3**	**283.6**	**321.1**	**372.7**
Minority Interest	**32.9**	**42.6**	**39.5**	**39.5**	**39.5**	**39.5**
Provisions	10.4	5.9	4.1	4.1	4.1	4.1
Financial liabilities	135.6	90.9	85.5	65.0	60.4	55.9
Accounts payable	11.3	14.1	12.3	15.0	18.7	23.1
Other liabilities	202.2	229.3	266.5	235.2	244.8	273.2
Liabilities	**359.6**	**340.2**	**368.3**	**319.3**	**328.1**	**356.3**
Total liabilities and shareholders' equity	**614.5**	**655.5**	**666.2**	**642.3**	**688.7**	**768.5**

Source: Company (reported results), Montega (forecast)

Balance sheet (in %) Brockhaus Technologies AG	2021	2022	2023	2024e	2025e	2026e
ASSETS						
Intangible assets	64.9%	54.5%	53.5%	52.7%	46.5%	39.4%
Property, plant & equipment	2.6%	1.2%	1.9%	2.1%	2.1%	1.8%
Non-current leasing receivables	13.4%	20.0%	20.9%	16.2%	15.5%	16.5%
Fixed assets	**80.9%**	**75.6%**	**76.4%**	**71.0%**	**64.1%**	**57.7%**
Inventories	2.0%	1.7%	2.7%	2.9%	3.7%	4.1%
Accounts receivable	3.3%	4.5%	5.4%	6.0%	6.7%	7.2%
Liquid assets	4.9%	10.8%	8.1%	11.7%	16.8%	22.3%
Other assets	8.9%	7.5%	7.5%	8.4%	8.7%	8.8%
Current assets	**19.1%**	**24.4%**	**23.6%**	**29.0%**	**35.9%**	**42.3%**
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	**36.1%**	**41.6%**	**38.8%**	**44.1%**	**46.6%**	**48.5%**
Minority Interest	**5.4%**	**6.5%**	**5.9%**	**6.2%**	**5.7%**	**5.1%**
Provisions	1.7%	0.9%	0.6%	0.6%	0.6%	0.5%
Financial liabilities	22.1%	13.9%	12.8%	10.1%	8.8%	7.3%
Accounts payable	1.8%	2.1%	1.8%	2.3%	2.7%	3.0%
Other liabilities	32.9%	35.0%	40.0%	36.6%	35.5%	35.5%
Total Liabilities	**58.5%**	**51.9%**	**55.3%**	**49.7%**	**47.6%**	**46.4%**
Total Liabilites and Shareholders' Equity	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Company (reported results), Montega (forecast)

Statement of cash flows (in Euro m) Brockhaus Technologies AG	2021	2022	2023	2024e	2025e	2026e
Net income	-18.8	10.5	9.3	27.5	40.8	55.7
Depreciation of fixed assets	2.1	2.2	3.2	3.6	4.0	4.1
Amortisation of intangible assets	7.6	15.2	17.0	20.1	20.4	19.1
Increase/decrease in long-term provisions	1.9	0.1	0.0	0.0	0.0	0.0
Other non-cash related payments	2.7	9.3	26.0	0.7	0.7	0.8
Cash flow	**-4.5**	**37.2**	**55.6**	**51.8**	**65.8**	**79.7**
Increase / decrease in working capital	-24.3	23.1	8.0	-0.9	-10.7	-10.7
Cash flow from operating activities	**-6.2**	**34.9**	**34.8**	**50.9**	**55.2**	**68.9**
CAPEX	-3.0	-4.4	-6.0	-6.6	-7.0	-4.9
Other	-141.5	56.2	-5.1	0.0	0.0	0.0
Cash flow from investing activities	**-144.5**	**51.8**	**-11.2**	**-6.6**	**-7.0**	**-4.9**
Dividends paid	0.0	0.0	0.0	-2.3	-3.1	-4.2
Change in financial liabilities	58.0	-41.2	-8.0	-20.5	-4.6	-4.5
Other	-1.8	-4.3	-33.3	0.0	0.0	0.0
Cash flow from financing activities	**56.2**	**-45.4**	**-41.3**	**-22.8**	**-7.7**	**-8.7**
Effects of exchange rate changes on cash	1.3	0.2	0.6	0.0	0.0	0.0
Change in liquid funds	**-94.5**	**41.2**	**-17.7**	**21.5**	**40.5**	**55.4**
Liquid assets at end of period	**30.3**	**71.8**	**53.7**	**75.2**	**115.7**	**171.1**

Source: Company (reported results), Montega (forecast)

Key figures Brockhaus Technologies AG	2021	2022	2023	2024e	2025e	2026e
Earnings margins						
Gross margin (%)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Gross margin (%)	78.4%	64.3%	63.4%	63.5%	59.2%	55.5%
EBITDA margin (%)	0.7%	32.7%	31.0%	34.6%	34.2%	33.5%
EBIT margin (%)	-15.4%	20.5%	20.2%	24.0%	25.7%	27.0%
EBT margin (%)	-25.5%	13.5%	9.9%	17.6%	20.5%	22.3%
Net income margin (%)	**-31.1%**	**7.3%**	**5.0%**	**12.3%**	**14.3%**	**15.6%**
Return on capital						
ROCE (%)	-3.2%	8.4%	11.3%	16.6%	23.6%	32.0%
ROE (%)	-7.1%	0.4%	-1.1%	2.2%	4.3%	6.3%
ROA (%)	**-2.6%**	**0.2%**	**-0.5%**	**1.0%**	**2.0%**	**3.0%**
Solvency						
YE net debt (in EUR)	105.3	20.2	31.9	-10.1	-55.2	-115.1
Net debt / EBITDA	250.7	0.4	0.6	-0.1	-0.6	-1.0
Net gearing (Net debt/equity)	**0.4**	**0.1**	**0.1**	**0.0**	**-0.2**	**-0.3**
Cash Flow						
Free cash flow (EUR m)	-9.2	30.5	28.7	44.3	48.2	64.1
Capex / sales (%)	5.0%	3.1%	3.2%	2.9%	2.4%	1.4%
Working capital / sales (%)	**-**	**16.6%**	**18.0%**	**18.6%**	**16.6%**	**16.2%**
Valuation						
EV/Sales	5.5	2.3	1.8	1.5	1.2	0.9
EV/EBITDA	791.6	7.1	5.7	4.3	3.4	2.8
EV/EBIT	-	11.3	8.8	6.2	4.6	3.5
EV/FCF	-	10.9	11.6	7.5	6.9	5.2
PE	-	288.0	-	45.0	21.5	13.2
KBV	1.4	1.1	1.2	1.1	0.9	0.8

Dividend yield

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Company	Disclosure (as of 16.08.2024)
Brockhaus Technologies AG	1, 8, 9

Price history

Recommendation	Date	Price (EUR)	Price target (EUR)	Potential
Buy (Initiation)	27.05.2024	24.90	71.00	+185%
Buy	13.06.2024	29.60	71.00	+140%
Buy	06.08.2024	28.30	71.00	+151%
Buy	16.08.2024	28.80	66.00	+129%