montega

Rating	Buy
Price target	59.00 EUR (prior: 66.00 EUR)
Potential	147%

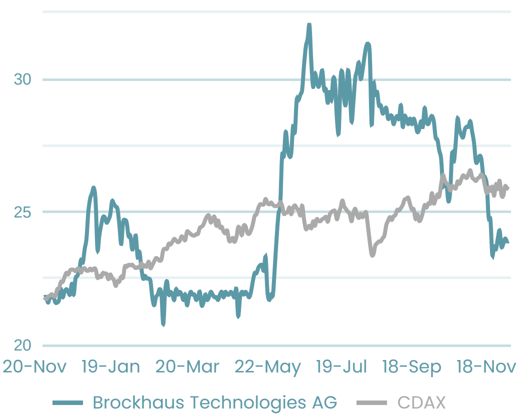
Share data

Share price	23.90
Number of shares (in m)	10.4
Market cap. (in EUR m)	249.7
Trading volume (Ø 3 months; in K)	1.9
Enterprise Value (in EUR m)	280.0
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

EKF	November 25, 2024
Annual Report	March 28, 2025
Q1 results	May 15, 2025

Changes in estimates

	2024e	2025e	2026e
Sales (old)	**222.9**	**284.5**	**356.6**
Δ	1.2%	-8.0%	-8.6%
EBIT (old)	**53.4**	**73.0**	**96.3**
Δ	-0.4%	-18.8%	-18.9%
EPS (old)	**0.64**	**1.34**	**2.19**
Δ	n.m.	-34.3%	-30.6%

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Publication

Comment November 19, 2024

Bikeleasing's Q3 sales below expectations - Optimization of resale business bears fruit

Brockhaus recently presented its Q3 report and confirmed the preliminary figures. We have already analyzed them in the Comment on 5 November. Whilst Bikeleasing's sales figures again fell short of our recent expectations, EBITDA/bike has increased significantly on the back of the interest-related adjustment of contract prices and the acquisition of external sales agencies in the previous year as well as higher own work capitalized and the optimization of the resale business.

Brockhaus KPIs	Q3/24	Q3/23	yoy	9M/24	9M/23	yoy
Brokered Bikes (in thsd.)	42	51	-17.6%	123	131	-6.1%
Brokerage gross profit/Bike(MONe)	874	557*	+57%	774	557*	+39%
Brokerage EBITDA/Bike (MONe)	626	395*	+58%	525	395*	+33%
Adj. BKHT-EBITDA** (MONe, EUR m)	15.8	14.7	+7.4%	34.1	30.0	+13.7%

Source: Company, *Montega *MONe FY/23 figures;* **EBITDA attributable to Brockhaus according to stake held

Double-digit decline of Q3 sales at Bikeleasing: Bikeleasing brokered 42,000 bikes in Q3, which corresponds to a decline of 17.6% in comparison to the prior-year quarter, where 51,000 bikes were brokered. The 9M deficit was 6.1% yoy (123,000 vs. 131,000 in PY). Despite the decreasing sales volume, Brockhaus has substantially increased the EBITDA of subsidiary Bikeleasing by 37.9% in Q3. The gross profit of the highly profitable brokerage business per brokered bike should have amounted to EUR 874 in Q3 (MONe FY/23: EUR 557) and adjusted EBITDA/bike to EUR 626 (MONe FY 23: EUR 395). Brockhaus puts the increase in earnings/bike at +45% yoy in the 9M period. Traditionally, EBITDA/bike is highest in Q3, as part of the contracts from Q2 are usually sold off in Q3 because of the strong seasonality in our view. We believe that the substantial increase in Bikeleasing's result is attributable to the following effects:

- **Acquisition of external sales agencies** in 2023 leads to savings in commissions, which had to be paid for every brokered bike in the previous year
- **Interest-related increase in leasing factor** (monthly percentage paid in relation to bike price) for almost ~90% of all contracts
- **Higher earnings contribution of resale business in Q3** (marketing of bikes that were not bought by the lessee and/or sale to lessee at the end of the term) as the optimization in the wake of the establishment as an own Bikeleasing business segment makes progress and the number of returns increases
- **Higher own work capitalized** due to internalization of software development

Resale business generates gross margin of almost 20% in Q3: The Q3 report did not only reveal that Bikeleasing has capitalized own work of c. EUR 2m in Q3 in our view (no capitalization before) but should also have achieved a record gross margin in the resale business.

Continue on next page ->

FYend: 31.12.	2022	2023	2024e	2025e	2026e
Sales	142.7	186.6	225.6	261.9	325.9
Growth yoy	136.6%	30.8%	20.9%	16.1%	24.4%
EBITDA	46.7	57.9	76.9	84.6	102.2
EBIT	29.3	37.6	53.2	59.2	78.1
Net income	1.0	-3.3	-1.2	9.2	15.9
Gross profit margin	64.3%	63.4%	67.7%	60.2%	55.5%
EBITDA margin	32.7%	31.0%	34.1%	32.3%	31.4%
EBIT margin	20.5%	20.2%	23.6%	22.6%	24.0%
Net Debt	20.2	31.9	0.8	-39.4	-88.7
Net Debt/EBITDA	0.4	0.6	0.0	-0.5	-0.9
ROCE	8.4%	11.3%	16.6%	19.4%	26.6%
EPS	0.10	-0.32	-0.12	0.88	1.52
FCF per share	2.92	2.75	3.20	4.14	5.13
Dividend	0.00	0.22	0.30	0.40	0.50
Dividend yield	0.0%	0.9%	1.3%	1.7%	2.1%
EV/Sales	2.0	1.5	1.2	1.1	0.9
EV/EBITDA	6.0	4.8	3.6	3.3	2.7
EV/EBIT	9.6	7.4	5.3	4.7	3.6
PER	239.0	n.m.	n.m.	27.2	15.7
P/B	0.9	1.0	0.9	0.8	0.7

Source: Company data, Montega, CapitalIQ — Figures in EUR m, EPS in EUR, Price: 23.90 EUR

The gross margin was c. 19% in Q3 which means that a gross margin of EUR 3.7m has been generated at revenue of c. EUR 19m. The profitability of the business segment has varied heavily in the past. Whilst revenue of EUR 20.6m and gross profit of EUR 3.9m (margin also 19.0%) were generated in H1/23, a special depreciation on bikes in the inventory had to be recognized in H2/23, which led to negative gross profit of EUR -0.4m in H2. In H1/24, gross profit was EUR 2.3m (margin 7.6%). Going forward, earnings in this segment are expected to grow not only through much higher unit figures of returns, but also through the further optimization of the recovery of bikes that were not bought by the lessee.

Additional Q3 details: As expected, Probonio has not contributed substantial revenue (EUR 0.1m) in Q3 either. The loss after 9M amounted to EUR 0.7m. Given that Probonio is currently in the ramp-up phase and sales have started as late as Q3, we maintain our forecast of a 2025e EBITDA contribution of EUR 3.0m. Brockhaus continues to expect EBITDA in the mid-single-digit million range. Bikeleasing's "operating costs" between gross profit and EBITDA were a positive surprise, as they remained on the Q2/24 level despite Probonio's ramp-up. Whilst numerous leasing contracts were not concluded for solvency reasons in the new business, there were no significant debt losses in Q3 either, which underlines the risk-conscious strategy of BKHT in our view. Lease receivables in the own balance sheet amounted to EUR 190.4m at the end of Q3 (Q3/23: EUR 186.7m) as most of the contracts are sold off without recourse. The operating cash flow has also developed positively and amounted to EUR 27.7m in Q3 (9M/24: EUR 27.8) and the free cash flow to EUR 23.9m (9M/24: EUR 22.4m; PY: EUR 9.8m). Based on Bikeleasing's seasonality, we expect a strong positive cash flow in Q4 as well.

Forecasts adjusted: Based on the ongoing consumer restraint in Germany we have adjusted our expectations. Accordingly, we now assume lower unit figures for Bikeleasing in 2025 (MONe: +1.6% yoy to 154.4k units). We expect demand to normalize and units to grow from 2026 onwards (MONe 2026: +14.0% yoy). Furthermore, we anticipate slower acquisition of new customers in relation to the onboarded employee to take account of the increasing acquisition of smaller companies as customers. Following the release of Q3 results, we have also specified, i.e. increased, our expectation of gross margin per brokered contract and have raised our margin expectation for the resale business from 8.0% to 14.0% for 2025 et seq.

Additionally, we have adjusted our 2025 sales expectation for IHSE. Given the challenging economic environment and the traditionally high exposure to Europe, we now expect revenues of EUR 38.0m, previously: EUR 41.0m). The gross margin should maintain the very high levels of the current year (9M/24: 74.3%) and the cost discipline of IHSE is expected to continue during the year. The costs between gross margin and EBITDA currently amount to c. EUR 5m per quarter. We therefore expect a 2025 EBITDA of EUR 7.9m. Should IHSE reach a higher sales level, every additional euro of revenue would add to EBITDA at marginal costs of estimated ~70%, which would significantly increase earnings.

Future capital allocation: When considering that the loan for the acquisition of Bikeleasing has been significantly repaid during the year (remaining: EUR 14.0m) and cash flow is expected to be high in Q4, Brockhaus may redeem the remaining amount already within the next few months. Based on the attractive condition, an early redemption of the IHSE loan is not planned, which means that no further debts can and/or will have to be reduced from the significant free cash flow expected by us in 2025. Consequently, an expected FCF in the double-digit millions would be at the company's disposal in 2025 for higher dividend payments or for a special dividend or share buybacks. We favor the latter via a tender offer given the recent share price decline. The acquisition of another 5.4% of the shares would be obvious in our view to have a treasury stock of 10% of the outstanding shares and to call the shares if necessary or use them as acquisition currency. The cash flow may also remain on the balance sheet to use for future acquisitions. However, we believe that the company already has enough funding capacity of up to EUR 150m.

Conclusion: Brockhaus' most important investment, Bikeleasing, is currently facing difficult market conditions on the grounds of consumer restraint. We therefore expect sales to only grow at a low single-digit rate at the level of units in 2025. Nevertheless, Brockhaus managed to further boost earnings per bike in the last quarters thanks to several strategic decisions. Having acquired Probonio and optimized the resale business, Bikeleasing now has two more growth drivers which are independent of the 2025 unit figures. We also believe that the company will have a net cash position from next year onwards and therefore be even more flexible when it comes to capital allocation, which has been strong so far in our view. Based on our estimates and EBITDA allocated to Brockhaus, the current valuation implies a 2025e EV/EBITDA multiple of 6.5x. We therefore reiterate our buy recommendation with an adjusted price target of EUR 59.00.

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

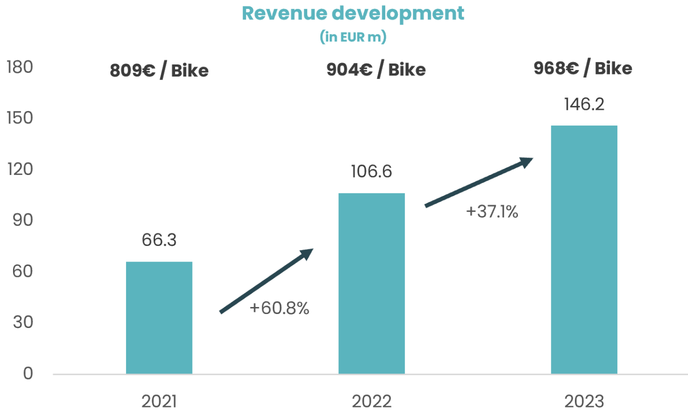
Financial Technologies segment (sales share in 2023: 78%)

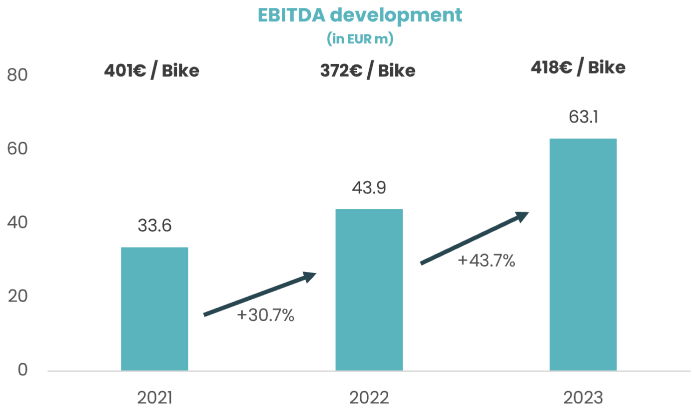
Bikeleasing (acquisition end-2021) is a **broker of employee benefits and has a predominantly commission-based business model**. Bikeleasing is currently still focused on company bike leasing (second largest provider in GER with a market share of ~25%) but is expected to offer roughly one dozen other 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.

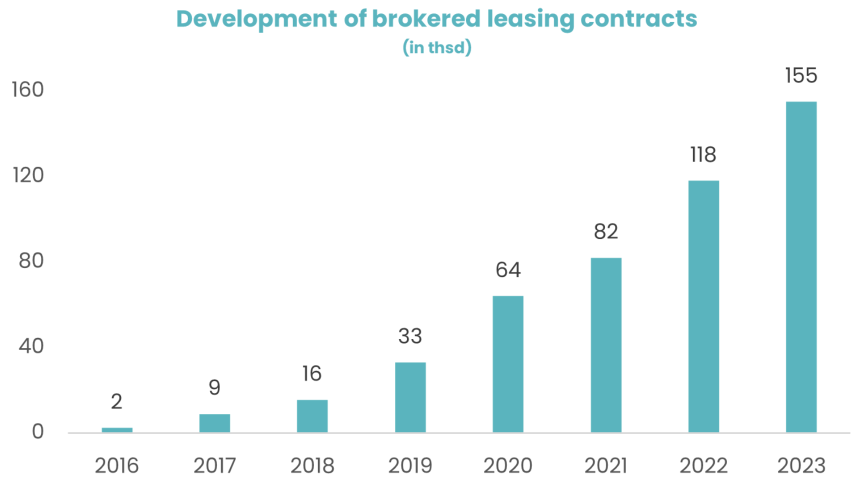




Source: Company

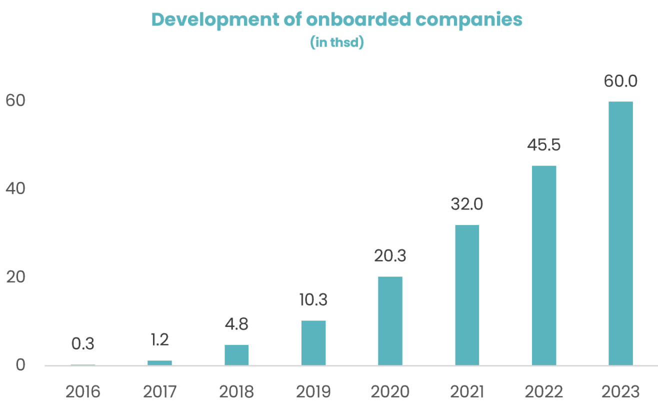
In view of Bikeleasing's business model and the associated particularities in accounting, proper assessment of the business performance requires further operating figures in addition to the typical financial ratios gross margin and EBITDA. This mainly includes the **development of the brokered leasing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

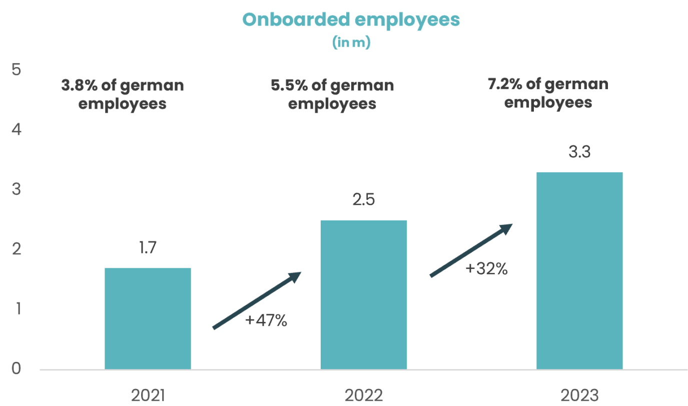
This is because the number of brokered leasing contracts (or bikes) is the most direct approach to evaluate the success of Bikeleasing in our view. The development since 2016 is shown below



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%)

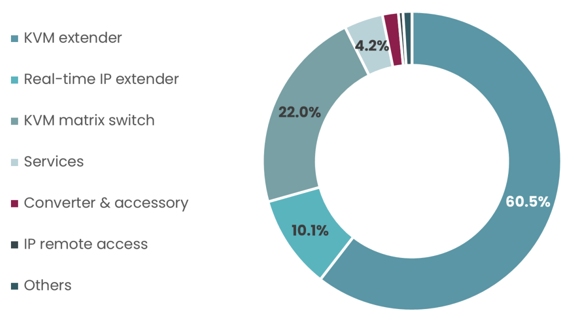
IHSE is a globally leading technology company specialized in KVM technology (KVM: keyboard, mouse, video). Basically, this is the transmission of audio or video data and other signals between servers and users. IHSE's products mainly provide for:

- 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.

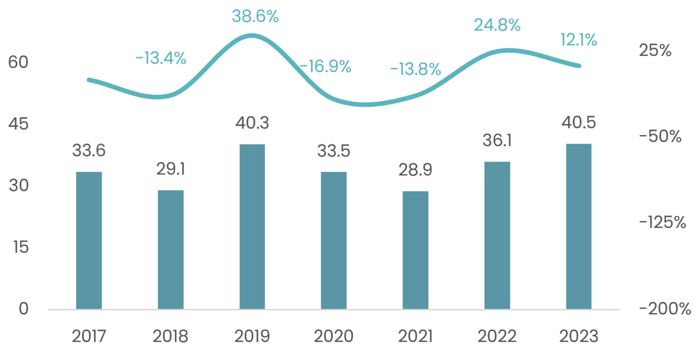
IHSE product mix 2023



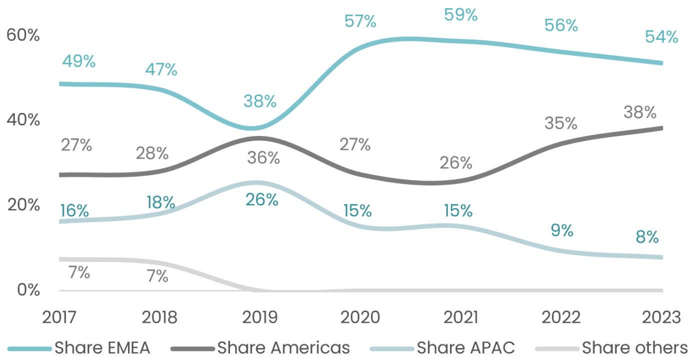
Source: Company

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.

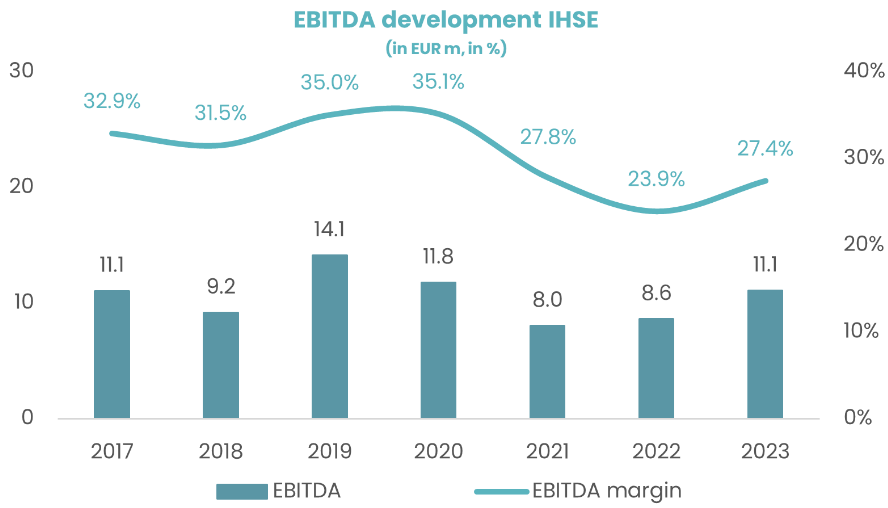
Revenue development IHSE
(in EUR m; in %)



Development of sales regions



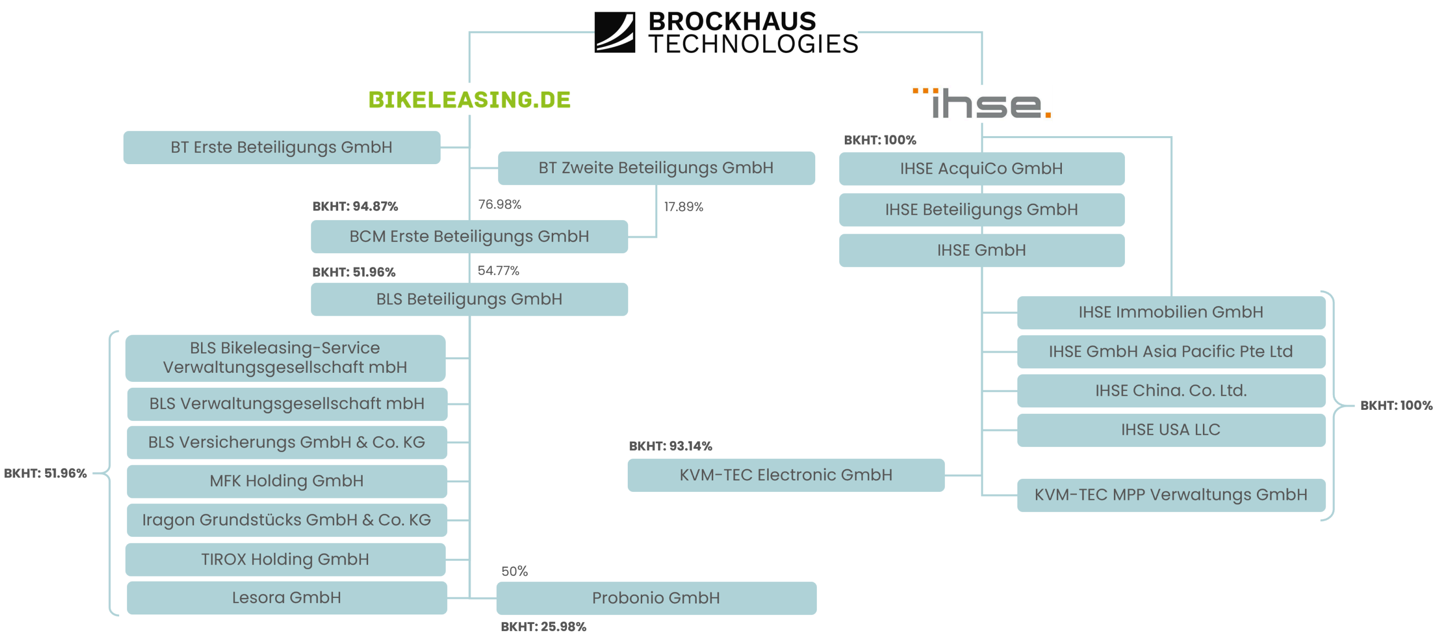
In terms of profitability, IHSE generated high EBITDA margins of up to 35% in the past thanks to its excellent competitive position in an attractive market niche. Accordingly, the company has exceeded the profitability levels of direct peers for years both in terms of gross margin and EBITDA margin. 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

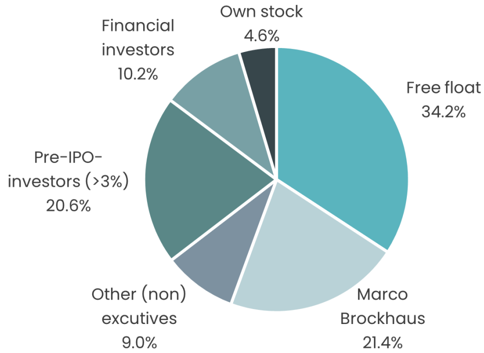
The shares of Brockhaus Technologies AG have been listed in the Prime Standard of the Frankfurt stock exchange since 2020. The company issued 10,947,637 shares, 499,971 of which (4.6%) were bought back at a price of EUR 22.00 per share in December 2023.

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	**225.6**	**261.9**	**325.9**	**346.7**	**380.3**	**429.3**	**474.7**	**484.2**
Change yoy	20.9%	16.1%	24.4%	6.4%	9.7%	12.9%	10.6%	2.0%
EBIT	**53.2**	**59.2**	**78.1**	**96.3**	**118.4**	**138.0**	**153.6**	**145.3**
EBIT margin	23.6%	22.6%	24.0%	27.8%	31.1%	32.2%	32.4%	30.0%
NOPAT	**26.6**	**41.5**	**54.6**	**67.4**	**82.9**	**96.6**	**107.5**	**101.7**
Depreciation	**23.7**	**25.3**	**24.2**	**21.4**	**18.6**	**17.7**	**17.9**	**5.8**
in % of Sales	10.5%	9.7%	7.4%	6.2%	4.9%	4.1%	3.8%	1.2%
Change in Liquidity from								
- Working Capital	**0.8**	**-7.0**	**-9.5**	**-2.7**	**-15.0**	**-9.2**	**-8.4**	**-1.8**
- Capex	**-6.6**	**-7.0**	**-4.9**	**-5.2**	**-4.9**	**-5.2**	**-5.7**	**-5.8**
Capex in % of Sales	2.9%	2.7%	1.5%	1.5%	1.3%	1.2%	1.2%	1.2%
Other	**-16.2**	**-22.0**	**-27.1**	**-31.0**	**-36.6**	**-42.4**	**-47.2**	**-40.8**
Free Cash Flow (WACC model)	**30.3**	**32.9**	**39.4**	**51.9**	**46.9**	**59.6**	**66.1**	**61.1**
WACC	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%	9.8%
Present value	30.3	29.9	32.7	39.2	32.2	37.3	37.7	390.7
Total present value	**30.3**	**60.3**	**92.9**	**132.1**	**164.3**	**201.6**	**239.2**	**629.9**

Valuation	
Total present value (Tpv)	629.9
Terminal Value	390.7
Share of TV on Tpv	62%
Liabilities	74.1
Liquidity	42.6
Equity value	**598.4**

Number of shares (mln)	10.4
Value per share (EUR)	**58.5**
+Upside / -Downside	**145%**
Share price	**23.90**

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	15.4%
Mid term sales growth	2024-2030	13.2%
Long term sales growth	from 2031	2.0%
Short term EBIT margin	2024-2027	24.5%
Mid term EBIT margin	2024-2030	27.7%
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%	51.85	53.73	54.76	55.85	58.24
10.09%	53.46	55.48	56.59	57.76	60.36
9.84%	55.16	57.34	**58.54**	59.81	62.63
9.59%	56.97	59.32	60.62	62.00	65.07
9.34%	58.89	61.44	62.84	64.35	67.70

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

WACC	29.50%	29.75%	**30.00%**	30.25%	30.50%
10.34%	52.63	53.12	53.60	54.09	54.58
10.09%	54.36	54.87	55.38	55.89	56.40
9.84%	56.20	56.73	**57.27**	57.81	58.34
9.59%	58.16	58.73	59.29	59.85	60.42
9.34%	60.26	60.86	61.45	62.04	62.63

Source: Montega

P&L (in Euro m) Brockhaus Technologies AG	2021	2022	2023	2024e	2025e	2026e
Sales	**60.3**	**142.7**	**186.6**	**225.6**	**261.9**	**325.9**
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	4.6	4.0	2.0
Total sales	**61.5**	**143.5**	**187.7**	**230.2**	**265.9**	**327.9**
Material Expenses	14.2	51.7	69.3	77.4	108.3	146.9
Gross profit	**47.3**	**91.7**	**118.4**	**152.8**	**157.6**	**181.0**
Personnel expenses	21.8	26.6	33.1	43.0	43.4	48.3
Other operating expenses	26.9	19.5	30.6	35.2	32.6	33.4
Other operating income	2.0	1.5	4.1	2.8	4.0	4.3
EBITDA	**0.4**	**46.7**	**57.9**	**76.9**	**84.6**	**102.2**
Depreciation on fixed assets	2.1	2.2	3.2	3.6	4.0	4.1
EBITA	**-1.7**	**44.5**	**54.7**	**73.3**	**80.6**	**98.2**
Amortisation of intangible assets	7.6	15.2	17.0	20.1	21.4	20.1
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**	**53.2**	**59.2**	**78.1**
Financial result	-6.1	-10.0	-19.2	-23.2	-14.7	-16.7
Result from ordinary operations	**-15.4**	**19.3**	**18.4**	**30.0**	**44.5**	**61.4**
Extraordinary result						
EBT	**-15.4**	**19.3**	**18.4**	**30.0**	**44.5**	**61.4**
Taxes	3.4	8.9	9.1	15.0	13.4	18.4
Net Profit of continued operations	**-18.8**	**10.5**	**9.3**	**15.0**	**31.2**	**43.0**
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**	**15.0**	**31.2**	**43.0**
Minority interests	-2.9	9.4	12.7	16.2	22.0	27.1
Net profit	**-15.9**	**1.0**	**-3.3**	**-1.2**	**9.2**	**15.9**

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%	2.0%	1.5%	0.6%
Total sales	**102.0%**	**100.5%**	**100.6%**	**102.0%**	**101.5%**	**100.6%**
Material Expenses	23.6%	36.3%	37.1%	34.3%	41.4%	45.1%
Gross profit	**78.4%**	**64.3%**	**63.4%**	**67.7%**	**60.2%**	**55.5%**
Personnel expenses	36.1%	18.7%	17.7%	19.1%	16.6%	14.8%
Other operating expenses	44.6%	13.7%	16.4%	15.6%	12.5%	10.2%
Other operating income	3.2%	1.0%	2.2%	1.2%	1.5%	1.3%
EBITDA	**0.7%**	**32.7%**	**31.0%**	**34.1%**	**32.3%**	**31.4%**
Depreciation on fixed assets	3.5%	1.6%	1.7%	1.6%	1.5%	1.2%
EBITA	**-2.8%**	**31.2%**	**29.3%**	**32.5%**	**30.8%**	**30.1%**
Amortisation of intangible assets	12.6%	10.6%	9.1%	8.9%	8.2%	6.2%
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%**	**23.6%**	**22.6%**	**24.0%**
Financial result	-10.1%	-7.0%	-10.3%	-10.3%	-5.6%	-5.1%
Result from ordinary operations	**-25.5%**	**13.5%**	**9.9%**	**13.3%**	**17.0%**	**18.8%**
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
EBT	**-25.5%**	**13.5%**	**9.9%**	**13.3%**	**17.0%**	**18.8%**
Taxes	5.6%	6.2%	4.9%	6.6%	5.1%	5.7%
Net Profit of continued operations	**-31.1%**	**7.3%**	**5.0%**	**6.6%**	**11.9%**	**13.2%**
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%**	**6.6%**	**11.9%**	**13.2%**
Minority interests	-4.8%	6.6%	6.8%	7.2%	8.4%	8.3%
Net profit	**-26.3%**	**0.7%**	**-1.8%**	**-0.5%**	**3.5%**	**4.9%**

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	319.2	301.6
Property, plant & equipment	16.2	7.6	12.9	13.7	14.7	13.0
Non-current leasing receivables	82.1	130.9	139.5	97.3	88.9	103.5
Fixed assets	**497.2**	**495.5**	**509.0**	**449.6**	**422.9**	**418.1**
Inventories	12.6	10.9	17.7	18.5	24.4	30.4
Accounts receivable	20.0	29.3	35.7	37.0	40.1	47.6
Liquid assets	30.3	70.8	53.7	64.2	99.9	144.7
Other assets	54.4	49.0	50.1	52.1	54.1	60.1
Current assets	**117.3**	**160.1**	**157.2**	**171.8**	**218.6**	**282.7**
Total assets	**614.5**	**655.5**	**666.2**	**621.4**	**641.4**	**700.8**
LIABILITIES AND SHAREHOLDERS' EQUITY						
Shareholders' equity	**222.0**	**272.7**	**258.3**	**271.0**	**298.9**	**337.8**
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	15.2	17.3	21.1
Other liabilities	202.2	229.3	266.5	226.7	221.1	242.3
Liabilities	**359.6**	**340.2**	**368.3**	**310.9**	**302.9**	**323.5**
Total liabilities and shareholders' equity	**614.5**	**655.5**	**666.2**	**621.4**	**641.4**	**700.8**

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%	54.5%	49.8%	43.0%
Property, plant & equipment	2.6%	1.2%	1.9%	2.2%	2.3%	1.9%
Non-current leasing receivables	13.4%	20.0%	20.9%	15.7%	13.9%	14.8%
Fixed assets	**80.9%**	**75.6%**	**76.4%**	**72.4%**	**65.9%**	**59.7%**
Inventories	2.0%	1.7%	2.7%	3.0%	3.8%	4.3%
Accounts receivable	3.3%	4.5%	5.4%	6.0%	6.3%	6.8%
Liquid assets	4.9%	10.8%	8.1%	10.3%	15.6%	20.6%
Other assets	8.9%	7.5%	7.5%	8.4%	8.4%	8.6%
Current assets	**19.1%**	**24.4%**	**23.6%**	**27.6%**	**34.1%**	**40.3%**
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%**	**43.6%**	**46.6%**	**48.2%**
Minority Interest	**5.4%**	**6.5%**	**5.9%**	**6.4%**	**6.2%**	**5.6%**
Provisions	1.7%	0.9%	0.6%	0.7%	0.6%	0.6%
Financial liabilities	22.1%	13.9%	12.8%	10.5%	9.4%	8.0%
Accounts payable	1.8%	2.1%	1.8%	2.4%	2.7%	3.0%
Other liabilities	32.9%	35.0%	40.0%	36.5%	34.5%	34.6%
Total Liabilities	**58.5%**	**51.9%**	**55.3%**	**50.0%**	**47.2%**	**46.2%**
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	15.0	31.2	43.0
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	21.4	20.1
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**	**39.3**	**57.2**	**67.9**
Increase / decrease in working capital	-24.3	23.1	8.0	0.6	-7.0	-9.5
Cash flow from operating activities	**-6.2**	**34.9**	**34.8**	**40.0**	**50.2**	**58.4**
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**	**10.6**	**35.6**	**44.8**
Liquid assets at end of period	**30.3**	**71.8**	**53.7**	**64.2**	**99.9**	**144.7**

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%	67.7%	60.2%	55.5%
EBITDA margin (%)	0.7%	32.7%	31.0%	34.1%	32.3%	31.4%
EBIT margin (%)	-15.4%	20.5%	20.2%	23.6%	22.6%	24.0%
EBT margin (%)	-25.5%	13.5%	9.9%	13.3%	17.0%	18.8%
Net income margin (%)	**-31.1%**	**7.3%**	**5.0%**	**6.6%**	**11.9%**	**13.2%**
Return on capital						
ROCE (%)	-3.2%	8.4%	11.3%	16.6%	19.4%	26.6%
ROE (%)	-7.1%	0.4%	-1.1%	-0.4%	3.0%	4.7%
ROA (%)	**-2.6%**	**0.2%**	**-0.5%**	**-0.2%**	**1.4%**	**2.3%**
Solvency						
YE net debt (in EUR)	105.3	20.2	31.9	0.8	-39.4	-88.7
Net debt / EBITDA	250.7	0.4	0.6	0.0	-0.5	-0.9
Net gearing (Net debt/equity)	**0.4**	**0.1**	**0.1**	**0.0**	**-0.1**	**-0.2**
Cash Flow						
Free cash flow (EUR m)	-9.2	30.5	28.7	33.4	43.3	53.6
Capex / sales (%)	5.0%	3.1%	3.2%	2.9%	2.7%	1.5%
Working capital / sales (%)	**-**	**16.6%**	**18.0%**	**18.1%**	**16.7%**	**16.0%**
Valuation						
EV/Sales	4.6	2.0	1.5	1.2	1.1	0.9
EV/EBITDA	666.7	6.0	4.8	3.6	3.3	2.7
EV/EBIT	-	9.6	7.4	5.3	4.7	3.6
EV/FCF	-	9.2	9.7	8.4	6.5	5.2
PE	-	239.0	-	-	27.2	15.7
KBV	1.1	0.9	1.0	0.9	0.8	0.7

Dividend yield

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Company	Disclosure (as of 19.11.2024)
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%
Buy	28.08.2024	29.00	66.00	+128%
Buy	05.11.2024	24.70	66.00	+167%
Buy	19.11.2024	23.90	59.00	+147%