

THE NAGA GROUP AG

Germany - Services



HAUCK & AUFHÄUSER
Investment Banking

Buy (old: Buy)

Price target: EUR 12.50 (old: EUR 12.00)

Price: EUR 7.15 **Next result:** FY 21 tbd.
Bloomberg: N4G GR **Market cap:** EUR 300.7 m
Reuters: N4G.DE **Enterprise Value:** EUR 272.6 m

12-October-21

Frederik Jarchow
Analyst

frederik.jarchow@ha-ib.de
Tel.: +49 40 414 388 576

Next record quarter – guidance upgrade likely; chg est & PT

NAGA reported strong Q3 preliminary figures that clearly exceeded expectations: Sales came in at **€ 18m (38% qoq, 157% yoy)** resulting in € 42.3m in 9M (vs. eH&A: € 37.3m), driven by:

- **Improved customer conversion** that resulted in a quicker average amortisation of marketing spendings (4.5 month).
- **Strongly growing trading activity in cryptocurrencies** that accounted already for 15% of total sales in Q3 (600% yoy).

EBITDA for Q3 came in at € 4.5m (eH&A: € 3.8m, 125% yoy), still burdened by ongoing high investments in marketing to fuel further growth. This should result in an EBITDA-margin of 25%.

Given that NAGA reached after 9m already 83% of its FY21 guidance of € 51m at mid-point (79% of our old FY estimates) and 86% of its EBITDA guidance (€ 14m), a **guidance hike is clearly in the cards**. Especially since we expect NAGA to continue its stellar growth, driven by:

- **The relaunch of NAGA PAY** in Q4, which can be seen as “door-opener” to new target groups that can be acquired at lower customer acquisition costs and that can potentially be converted into high margin CFD-traders **via the social trading platform** with its influencing community.
- **The ongoing forceful expansion in new countries** such as the world’s 2nd biggest CFD market Australia, the exponentially growing online brokerage market China as well as South Africa and Nigeria.

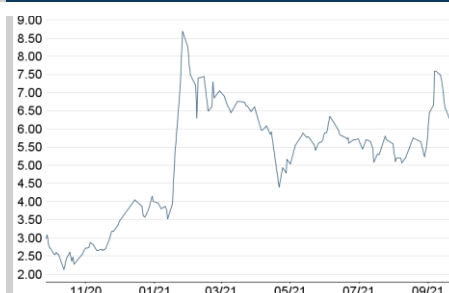
Tailwinds should come from the planned IPO of peer eToro in the US with an expected valuation of >14.5x sales 2020 leaving 45% upside for NAGA trading on undemanding 10x EV/sales 2020.

Action: Estimates are raised, following the upbeat Q3 prelims and the sound growth prospects.

Stock remains a **BUY** with an increased **PT of € 12.50** based on **DCF**.

Y/E 31.12 (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	12.8	16.1	6.2	24.4	60.1	96.7	135.3
Sales growth	552 %	26 %	-61 %	291 %	147 %	61 %	40 %
EBITDA	2.9	0.3	-9.2	6.6	16.5	34.9	55.5
EBIT	-1.9	-4.8	-12.2	2.8	12.8	30.7	51.0
Net income	-2.2	-4.0	-12.0	1.3	11.5	21.6	36.6
Net debt	-8.7	-3.7	-3.2	-4.0	-33.7	-47.8	-76.5
Net gearing	-43.0 %	-3.0 %	-2.8 %	-3.4 %	-22.2 %	-27.6 %	-36.4 %
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS pro forma	-0.10	-0.10	-0.30	0.03	0.25	0.47	0.79
CPS	-0.43	-0.20	-0.13	0.00	0.16	0.33	0.68
DPS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Gross profit margin	73.3 %	93.5 %	78.5 %	85.7 %	84.0 %	84.5 %	84.8 %
EBITDA margin	22.4 %	1.7 %	-147.3 %	27.0 %	27.5 %	36.1 %	41.0 %
EBIT margin	-14.8 %	-29.9 %	-195.8 %	11.5 %	21.3 %	31.7 %	37.7 %
ROCE	-8.3 %	-6.5 %	-10.6 %	2.3 %	9.7 %	20.7 %	27.7 %
EV/sales	11.0	17.6	46.3	12.4	4.5	2.7	1.7
EV/EBITDA	49.2	1,047.1	-31.4	46.0	16.5	7.4	4.1
EV/EBIT	-74.5	-58.9	-23.6	108.3	21.3	8.4	4.5
PER	-68.3	-71.1	-23.9	239.2	28.8	15.3	9.0
Adjusted FCF yield	-1.4 %	-1.8 %	-3.8 %	0.6 %	4.4 %	8.7 %	16.5 %

Source: Company data, Hauck & Aufhäuser Close price as of: 11.10.2021



Source: Company data, Hauck & Aufhäuser

High/low 52 weeks: 8.70 / 2.12

Price/Book Ratio: 2.2

Relative performance (SDAX):

3 months 27.8 %

6 months 6.9 %

12 months 119.3 %

Changes in estimates

		Sales	EBIT	EPS
2021	old:	53.9	11.6	0.22
	Δ	11.5%	10.1%	10.7%
2022	old:	93.3	29.0	0.44
	Δ	3.6%	5.7%	6.0%
2023	old:	133.7	49.5	0.77
	Δ	1.1%	3.0%	3.1%

Key share data:

Number of shares: (in m pcs) 43.1

Authorised capital: (in € m) 15.5

Book value per share: (in €) 3.3

Ø trading volume: (12 months) 119

Major shareholders:

Fosun Fintech Holdings 44.7 %

Others 22.0 %

Management 15.2 %

Free Float 13.4 %

H&A 3.4 %

Fosun Management 1.4 %

Company description:

The NAGA Group AG is a financial technology and services company that develops and markets disruptive online brokerage applications

Financials

Profit and loss (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	12.8	16.1	6.2	24.4	60.1	96.7	135.3
<i>Sales growth</i>	551.6 %	25.5 %	-61.4 %	291.3 %	146.8 %	60.8 %	39.9 %
Cost of sales	3.4	1.0	1.3	3.5	9.6	15.0	20.6
Gross profit	9.4	15.1	4.9	20.9	50.5	81.7	114.7
Sales and marketing	0.2	1.8	2.5	6.6	16.5	19.3	27.1
General and administration	2.7	6.8	4.6	4.1	7.9	12.4	14.9
Research and development	2.0	2.6	1.7	2.5	3.0	4.1	5.1
Other operating income	4.8	6.3	0.9	3.5	3.3	4.4	5.4
Other operating expenses	6.4	9.9	6.2	4.5	9.8	15.5	17.6
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	2.9	0.3	-9.2	6.6	16.5	34.9	55.5
Depreciation	4.8	5.1	2.7	3.6	3.5	3.9	4.3
EBITA	-1.9	-4.8	-11.9	3.0	13.0	30.9	51.2
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.3	0.2	0.2	0.2	0.2
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EBIT (inc revaluation net)	-1.9	-4.8	-12.2	2.8	12.8	30.7	51.0
Interest income	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Interest expenses	0.2	0.2	0.1	0.7	0.6	1.0	1.4
Other financial result	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	-0.2	-0.1	-0.1	-0.7	-0.5	-0.9	-1.2
Recurring pretax income from continuing operations	-2.1	-5.0	-12.3	2.1	12.2	29.8	49.8
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	-2.1	-5.0	-12.3	2.1	12.2	29.8	49.8
Taxes	0.1	-0.9	1.1	0.1	0.0	7.5	12.4
Net income from continuing operations	-2.2	-4.1	-13.4	2.0	12.2	22.4	37.3
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income	-2.2	-4.1	-13.4	2.0	12.2	22.4	37.3
Minority interest	0.0	-0.1	-1.4	0.8	0.8	0.8	0.8
Net profit (reported)	-2.2	-4.0	-12.0	1.3	11.5	21.6	36.6
Average number of shares	10.5	36.8	40.2	42.0	43.1	43.1	43.1
EPS reported	-0.21	-0.11	-0.30	0.03	0.27	0.50	0.85

Profit and loss (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	26.7 %	6.5 %	21.5 %	14.3 %	16.0 %	15.5 %	15.2 %
Gross profit	73.3 %	93.5 %	78.5 %	85.7 %	84.0 %	84.5 %	84.8 %
Sales and marketing	1.6 %	11.0 %	39.5 %	27.2 %	27.5 %	20.0 %	20.0 %
General and administration	21.0 %	42.3 %	73.7 %	16.9 %	13.2 %	12.8 %	11.0 %
Research and development	15.6 %	16.2 %	27.6 %	10.3 %	5.0 %	4.2 %	3.8 %
Other operating income	37.4 %	39.2 %	15.2 %	14.2 %	5.5 %	4.6 %	4.0 %
Other operating expenses	50.1 %	61.6 %	100.2 %	18.5 %	16.3 %	16.0 %	13.0 %
Unusual or infrequent items	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBITDA	22.4 %	1.7 %	neg.	27.0 %	27.5 %	36.1 %	41.0 %
Depreciation	37.2 %	31.6 %	44.1 %	14.8 %	5.9 %	4.1 %	3.2 %
EBITA	neg.	neg.	neg.	12.2 %	21.6 %	32.0 %	37.9 %
Amortisation of goodwill	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Amortisation of intangible assets	0.0 %	0.0 %	4.3 %	0.8 %	0.3 %	0.2 %	0.2 %
Impairment charges	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
EBIT (inc revaluation net)	neg.	neg.	neg.	11.5 %	21.3 %	31.7 %	37.7 %
Interest income	0.0 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %	0.1 %
Interest expenses	1.6 %	1.0 %	2.1 %	2.8 %	1.0 %	1.0 %	1.0 %
Other financial result	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Financial result	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Recurring pretax income from continuing operations	neg.	neg.	neg.	8.8 %	20.4 %	30.8 %	36.8 %
Extraordinary income/loss	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Earnings before taxes	neg.	neg.	neg.	8.8 %	20.4 %	30.8 %	36.8 %
Tax rate	-6.7 %	17.3 %	-8.7 %	0.0 %	0.0 %	25.0 %	25.0 %
Net income from continuing operations	neg.	neg.	neg.	8.3 %	20.4 %	23.1 %	27.6 %
Result from discontinued operations (net of tax)	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Net income	neg.	neg.	neg.	8.3 %	20.4 %	23.1 %	27.6 %
Minority interest	neg.	neg.	neg.	3.1 %	1.3 %	0.8 %	0.6 %
Net profit (reported)	neg.	neg.	neg.	5.2 %	19.1 %	22.3 %	27.0 %

Source: Company data, Hauck & Aufhäuser

Balance sheet (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	15.7	110.5	108.8	112.3	112.1	111.8	111.6
Property, plant and equipment	0.1	0.2	0.4	0.6	0.6	0.6	0.6
Financial assets	0.2	0.3	0.2	0.1	0.1	0.1	0.1
FIXED ASSETS	16.0	111.0	109.4	113.0	112.8	112.5	112.3
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	4.6	3.1	1.5	1.5	14.3	23.1	32.3
Other current assets	5.4	5.8	4.8	9.5	5.9	7.1	8.6
Liquid assets	8.7	3.7	3.2	5.2	34.9	49.0	77.7
Deferred taxes	0.0	0.4	0.1	0.6	0.6	0.6	0.6
Deferred charges and prepaid expenses	0.0	0.1	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	18.7	13.0	9.6	16.9	55.7	79.8	119.1
TOTAL ASSETS	34.7	124.0	119.0	129.8	168.5	192.3	231.4
SHAREHOLDERS EQUITY	20.3	123.8	112.0	117.7	151.9	173.5	210.1
MINORITY INTEREST	7.4	-5.1	-6.7	-5.9	-5.9	-5.9	-5.9
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	3.6	5.6	5.6	5.6	5.6
Other provisions	0.0	0.7	0.6	2.0	2.0	2.0	2.0
Non-current liabilities	0.0	0.7	4.2	7.6	7.6	7.6	7.6
short-term liabilities to banks	0.0	0.0	0.0	1.2	1.2	1.2	1.2
Accounts payable	5.2	1.3	0.9	1.0	5.5	8.6	11.8
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	1.2	1.7	7.5	8.2	8.2	7.4	6.6
Deferred taxes	0.1	0.6	0.7	0.0	0.0	0.0	0.0
Deferred income	0.5	0.9	0.4	n/a	0.0	0.0	0.0
Current liabilities	7.0	4.6	9.5	10.5	14.9	17.2	19.6
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	34.7	124.0	119.0	129.8	168.5	192.3	231.4

Balance sheet (common size)	2017	2018	2019	2020	2021E	2022E	2023E
Intangible assets	45.3 %	89.1 %	91.5 %	86.5 %	66.5 %	58.1 %	48.2 %
Property, plant and equipment	0.3 %	0.2 %	0.3 %	0.4 %	0.3 %	0.3 %	0.2 %
Financial assets	0.4 %	0.2 %	0.2 %	0.1 %	0.1 %	0.1 %	0.1 %
FIXED ASSETS	46.1 %	89.5 %	92.0 %	87.0 %	66.9 %	58.5 %	48.5 %
Inventories	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Accounts receivable	13.1 %	2.5 %	1.2 %	1.2 %	8.5 %	12.0 %	13.9 %
Other current assets	15.6 %	4.6 %	4.0 %	7.3 %	3.5 %	3.7 %	3.7 %
Liquid assets	25.1 %	3.0 %	2.6 %	4.0 %	20.7 %	25.5 %	33.6 %
Deferred taxes	0.0 %	0.3 %	0.1 %	0.5 %	0.4 %	0.3 %	0.3 %
Deferred charges and prepaid expenses	0.0 %	0.1 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
CURRENT ASSETS	53.9 %	10.5 %	8.0 %	13.0 %	33.1 %	41.5 %	51.5 %
TOTAL ASSETS	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
SHAREHOLDERS EQUITY	58.5 %	99.8 %	94.1 %	90.7 %	90.2 %	90.2 %	90.8 %
MINORITY INTEREST	21.3 %	neg.	neg.	neg.	neg.	neg.	neg.
Long-term debt	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Provisions for pensions and similar obligations	0.0 %	0.0 %	3.1 %	4.3 %	3.3 %	2.9 %	2.4 %
Other provisions	0.0 %	0.6 %	0.5 %	1.6 %	1.2 %	1.0 %	0.9 %
Non-current liabilities	0.0 %	0.6 %	3.5 %	5.8 %	4.5 %	3.9 %	3.3 %
short-term liabilities to banks	0.0 %	0.0 %	0.0 %	0.9 %	0.7 %	0.6 %	0.5 %
Accounts payable	15.0 %	1.1 %	0.7 %	0.8 %	3.3 %	4.5 %	5.1 %
Advance payments received on orders	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Other liabilities (incl. from lease and rental contracts)	3.5 %	1.4 %	6.3 %	6.3 %	4.9 %	3.8 %	2.9 %
Deferred taxes	0.2 %	0.5 %	0.6 %	0.0 %	0.0 %	0.0 %	0.0 %
Deferred income	1.6 %	0.8 %	0.4 %	n/a	0.0 %	0.0 %	0.0 %
Current liabilities	20.3 %	3.7 %	8.0 %	8.0 %	8.9 %	8.9 %	8.5 %
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

Source: Company data, Hauck & Aufhäuser

Cash flow statement (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Net profit/loss	-2.2	-4.1	-13.4	2.0	12.2	22.4	37.3
Depreciation of fixed assets (incl. leases)	4.8	5.1	2.7	3.6	3.5	3.9	4.3
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.3	0.2	0.2	0.2	0.2
Others	0.0	0.0	0.0	-4.9	2.8	-2.8	-2.9
Cash flow from operations before changes in w/c	2.5	1.0	-10.4	0.9	18.8	23.7	38.9
Increase/decrease in inventory	-3.7	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-4.4	-4.6	6.8	2.2	-12.8	-8.7	-9.2
Increase/decrease in accounts payable	1.3	-0.8	0.2	-0.1	4.5	3.1	3.2
Increase/decrease in other working capital positions	0.0	1.6	1.0	0.7	0.0	0.0	0.0
Increase/decrease in working capital	-6.8	-3.9	8.0	2.8	-8.3	-5.6	-6.0
Cash flow from operating activities	-4.2	-2.9	-2.4	3.7	10.5	18.1	32.9
CAPEX	1.6	2.3	1.1	7.2	3.5	3.9	4.3
Payments for acquisitions	0.0	-0.2	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	-0.1	0.1	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.1	0.0	0.0	0.0
Cash flow from investing activities	-1.6	-2.2	-1.0	-7.3	-3.5	-3.9	-4.3
Cash flow before financing	-5.8	-5.0	-3.4	-3.6	6.9	14.1	28.7
Increase/decrease in debt position	-1.5	0.0	3.0	2.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	11.4	0.0	0.0	4.3	22.7	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	-0.1	-0.7	0.0	0.0	0.0
Effects of exchange rate changes on cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash flow from financing activities	9.9	0.0	2.9	5.7	22.7	0.0	0.0
Increase/decrease in liquid assets	4.0	-5.0	-0.5	2.1	29.6	14.1	28.7
Liquid assets at end of period	8.7	3.7	3.2	5.2	34.9	49.0	77.7

Source: Company data, Hauck & Aufhäuser

Regional split (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
Domestic	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of Europe	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
NAFTA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Asia Pacific	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Rest of world	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a
TTL	0.0	0.0	0.0	0.0	0.0	0.0	0.0
yoy change	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Source: Company data, Hauck & Aufhäuser

Key ratios (EUR m)	2017	2018	2019	2020	2021E	2022E	2023E
P&L growth analysis							
Sales growth	551.6 %	25.5 %	-61.4 %	291.3 %	146.8 %	60.8 %	39.9 %
EBITDA growth	-306.2 %	-90.6 %	-	2324.4 %	-280.3 %	430.6 %	235.6 %
EBIT growth	-49.1 %	153.4 %	153.0 %	-157.9 %	-205.0 %	1000.0 %	298.7 %
EPS growth	-99.7 %	-47.4 %	171.9 %	-127.2 %	-189.2 %	1576.5 %	218.4 %
Efficiency							
Total operating costs / sales	50.9 %	91.9 %	225.8 %	58.7 %	56.5 %	48.4 %	43.8 %
Sales per employee	583.8	176.2	83.5	279.1	481.8	606.1	661.5
EBITDA per employee	130.8	3.0	-123.1	75.3	132.5	218.6	271.3
Balance sheet analysis							
Avg. working capital / sales	neg.	3.4 %	19.1 %	4.6 %	7.9 %	7.7 %	10.8 %
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Trade debtors in days of sales	129.5	70.1	87.0	87.0	87.0	87.0	87.0
A/P turnover [(A/P*365)/sales]	555.3	470.8	232.5	209.3	209.3	209.3	209.3
Cash conversion cycle (days)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cash flow analysis							
Free cash flow	-5.8	-5.2	-3.5	-3.5	6.9	14.1	28.7
Free cash flow/sales	-45.1 %	-32.2 %	-56.0 %	-14.5 %	11.5 %	14.6 %	21.2 %
FCF / net profit	neg.	neg.	neg.	neg.	60.3 %	65.5 %	78.4 %
Capex / depre	33.4 %	45.4 %	33.6 %	194.6 %	94.5 %	94.7 %	94.6 %
Capex / maintenance capex	0.0 %	0.0 %	0.0 %	95.1 %	94.5 %	94.7 %	94.6 %
Capex / sales	12.4 %	14.3 %	16.3 %	30.2 %	5.9 %	4.1 %	3.2 %
Security							
Net debt	-8.7	-3.7	-3.2	-4.0	-33.7	-47.8	-76.5
Net Debt/EBITDA	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net debt / equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Interest cover	0.0	0.0	0.0	4.1	21.3	31.7	37.7
Dividend payout ratio	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %
Asset utilisation							
Capital employed turnover	0.5	0.1	0.1	0.2	0.4	0.5	0.6
Operating assets turnover	-23.7	8.1	6.0	23.4	6.4	6.4	6.4
Plant turnover	113.7	68.3	15.5	44.3	109.3	175.8	246.0
Inventory turnover (sales/inventory)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Returns							
ROCE	-8.3 %	-6.5 %	-10.6 %	2.3 %	9.7 %	20.7 %	27.7 %
ROE	-10.8 %	-3.3 %	-10.7 %	1.1 %	7.6 %	12.5 %	17.4 %
Other							
Interest paid / avg. debt	12.0 %	n/a	n/a	56.8 %	50.0 %	80.4 %	112.5 %
No. employees (average)	22	92	75	87	125	160	205
Number of shares	10.5	36.8	40.2	42.0	43.1	43.1	43.1
DPS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
EPS reported	-0.21	-0.11	-0.30	0.03	0.27	0.50	0.85
Valuation ratios							
P/BV	7.4	2.3	2.6	2.6	2.2	1.9	1.6
EV/sales	11.0	17.6	46.3	12.4	4.5	2.7	1.7
EV/EBITDA	49.2	1047.1	-31.4	46.0	16.5	7.4	4.1
EV/EBITA	-74.5	-58.9	-24.2	101.5	21.0	8.4	4.5
EV/EBIT	-74.5	-58.9	-23.6	108.3	21.3	8.4	4.5
EV/FCF	-24.4	-54.6	-82.6	-85.6	39.4	18.3	8.0
Adjusted FCF yield	-1.4 %	-1.8 %	-3.8 %	0.6 %	4.4 %	8.7 %	16.5 %
Dividend yield	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %	0.0 %

Source: Company data, Hauck & Aufhäuser

Disclosures regarding research publications of Hauck & Aufhäuser Privatbankiers AG pursuant to section 85 of the German Securities Trading Act (WpHG) and distributed in the UK under the Temporary Permission Regime for EEA firms, subject to the FCA requirements on research recommendation disclosures

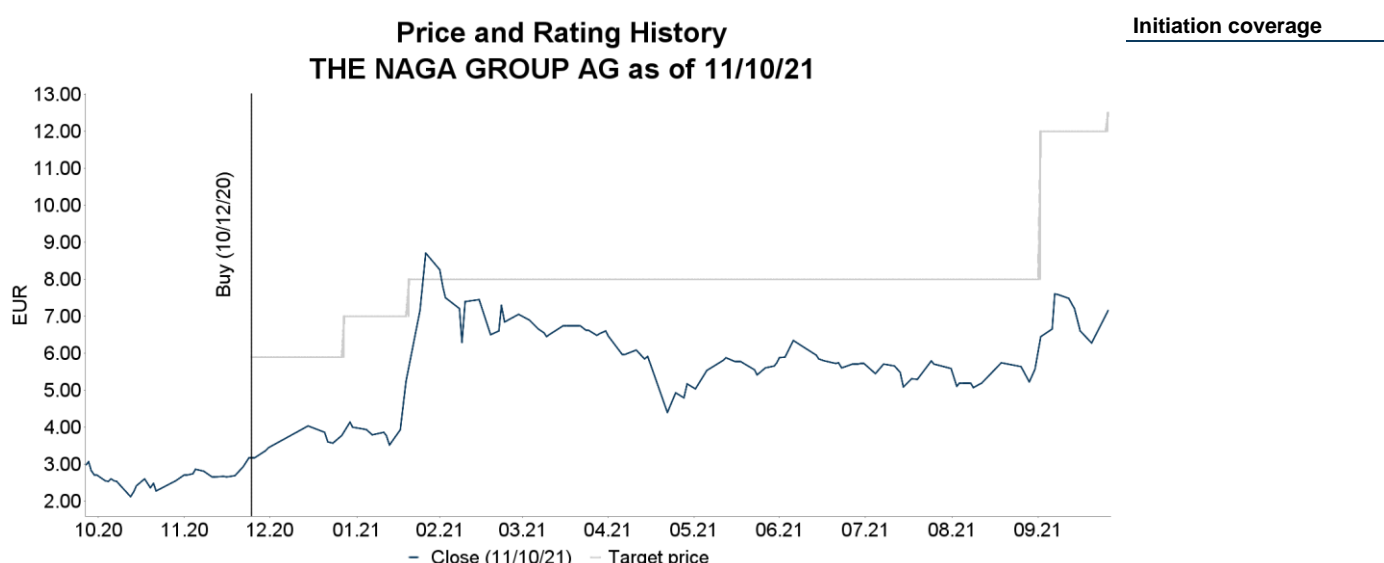
It is essential that any research recommendation is fairly presented and discloses interests of indicates relevant conflicts of interest. Pursuant to section 85 of the German Securities Trading Act (WpHG) a research report has to point out possible conflicts of interest in connection with the analysed company. Further to this, under the FCA’s rules on research recommendations, any conflicts of interest in connection with the recommendation must be disclosed. A conflict of interest is presumed to exist in particular if Hauck & Aufhäuser Privatbankiers AG

- (1) or any other person belonging to the same group with that person (as part of a consortium) within the past twelve months, acquired the financial instruments of the analysed company,
- (2) or any other person belonging to the same group with that person has entered into an agreement on the production of the research report with the analysed company,
- (3) has, within the past twelve months, 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,
- (4) holds a) 5% or more of the share capital of the analysed company, or b) the analysed company holds 5% or more of the share capital of Hauck & Aufhäuser Privatbankiers AG or its affiliate(s),
- (5) holds a net long (a) or a net short (b) position of 0.5% of the outstanding share capital of the analysed company or derivatives thereof,
- (6) or any other person belonging to the same group with that person 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 or a significant conflict of interest with respect to the issuer,
- (8) The research report has been made available to the 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	Disclosure
THE NAGA GROUP AG	2, 3, 6

Historical target price and rating changes for THE NAGA GROUP AG in the last 12 months



Company	Date	Analyst	Rating	Target price	Close
THE NAGA GROUP AG	20.09.2021	Jarchow, Frederik	Buy	EUR 12.00	EUR 6.45
	07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75
	07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75
	07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75
	07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75

07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75
07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75
07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75
07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75
07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75
07.09.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.75
11.08.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.71
21.07.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.45
15.06.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.74
11.05.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 4.94
11.05.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 4.94
11.05.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 4.94
06.04.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 6.74
10.03.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 6.85
04.02.2021	Jarchow, Frederik	Buy	EUR 8.00	EUR 5.25
25.01.2021	Jarchow, Frederik	Buy	EUR 7.00	EUR 3.80
12.01.2021	Jarchow, Frederik	Buy	EUR 7.00	EUR 3.78
10.12.2020	Jarchow, Frederik	Buy	EUR 5.90	EUR 3.18
10.12.2020	Jarchow, Frederik	Buy	EUR 5.90	EUR 3.18

Hauck & Aufhäuser distribution of ratings and in proportion to investment banking services

Buy	75.17 %	96.30 %
Sell	4.83 %	0.00 %
Hold	20.00 %	3.70 %

Date of publication creation: 11/10/2021 06:38 PM

Date of publication dissemination: 12/10/2021 08:10 AM

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 Hauck & Aufhäuser Privatbankiers AG, exclusively to selected recipients [in DE, GB, FR, CH, US, UK, Scandinavia, and Benelux or, in individual cases, also in other countries]. A distribution to private investors in the sense of the German Securities Trading Act (WpHG) is excluded. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of Hauck & Aufhäuser Privatbankiers AG. Reproduction of this document, in whole or in part, is not permitted without prior permission Hauck & Aufhäuser Privatbankiers AG. All rights reserved.

Under no circumstances shall Hauck & Aufhäuser Privatbankiers 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

Hauck & Aufhäuser Privatbankiers 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 Hauck & Aufhäuser Privatbankiers 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 resultant 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 adjustment 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.

Hauck & Aufhäuser Privatbankiers AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 10% within 12 months
Sell: Sustainable downside potential of more than 10% within 12 months.
Hold: Upside/downside potential is limited. No immediate catalyst visible.

NB: The ratings of Hauck & Aufhäuser Privatbankiers AG are not based on a performance that is expected to be "relative" to the market.

The decision on the choice of the financial instruments analysed in this document was solely made by Hauck & Aufhäuser Privatbankiers AG. The opinions and estimates in this research report are subject to change without notice. It is within the discretion of Hauck & Aufhäuser Privatbankiers 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. Hauck & Aufhäuser Privatbankiers AG has checked the information for plausibility but not for accuracy or completeness.

6. Competent Supervisory Authority

Hauck & Aufhäuser Privatbankiers AG are 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.

This document is distributed in the UK under the Temporary Permission Regime for EEA firms and in compliance with the applicable FCA requirements.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany. 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.

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:
<https://www.hauck-aufhaeuser.com/en/investment-banking/equities#institutionalresearch>

Disclosures for U.S. persons only

This research report is a product of HAUCK & AUFHÄUSER PRIVATBANKIERS AG, which is the employer of the research analyst(s) who has prepared the research report. The research analyst(s) preparing the research report is/are resident outside the United States (U.S.) and are not associated persons of any U.S. regulated broker-dealer and therefore the analyst(s) is/are not subject to supervision by a U.S. broker-dealer, and is/are not required to satisfy the regulatory licensing requirements of FINRA or required to otherwise comply with U.S. rules or regulations regarding, among other things, communications with a subject company, public appearances and trading securities held by a research analyst account.

This report is intended for distribution by HAUCK & AUFHÄUSER PRIVATBANKIERS AG, only to "Major Institutional Investors" as defined by Rule 15a-6(b)(4) of the U.S. Securities and Exchange Act, 1934 (the Exchange Act) and interpretations thereof by U.S. Securities and Exchange Commission (SEC) in reliance on Rule 15a 6(a)(2). If the recipient of this report is not a Major Institutional Investor as specified above, then it should not act upon this report and return the same to the sender. Further, this report may not be copied, duplicated and/or transmitted onward to any U.S. person, which is not the Major Institutional Investor.

In reliance on the exemption from registration provided by Rule 15a-6 of the Exchange Act and interpretations thereof by the SEC in order to conduct certain business with Major Institutional Investors, HAUCK & AUFHÄUSER PRIVATBANKIERS AG, has entered into an agreement with a U.S. registered broker-dealer, Marco Polo Securities Inc. ("Marco Polo"). Transactions in securities discussed in this research report should be effected through Marco Polo or another U.S. registered broker dealer.

Contacts: Hauck & Aufhäuser Privatbankiers AG

Hauck & Aufhäuser Research

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 (0) 40 414 3885 91
Fax: +49 (0) 40 414 3885 71
Email: research@ha-ib.de
www.ha-research.de

Tim Wunderlich, CFA
Head of Transactional Research
Tel.: +49 40 414 3885 81
E-Mail: tim.wunderlich@ha-ib.de

Henning Breiter
Head of Research
Tel.: +49 40 414 3885 73
E-Mail: henning.breiter@ha-ib.de

Marie-Thérèse Grübner
Head of Capital Advisory
Tel.: +49 40 450 6342 3097
E-Mail: marie-therese.gruebner@ha-ib.de

Christian Sandherr
Head of Equity Research
Tel.: +49 40 414 3885 79
E-Mail: christian.sandherr@ha-ib.de

Alexander Galitsa
Analyst
Tel.: +49 40 414 3885 83
E-Mail: alexander.galitsa@ha-ib.de

Alina Köhler
Analyst
Tel.: +49 40 450 6342 3095
E-Mail: alina.koehler@ha-ib.de

Christian Glowa
Analyst
Tel.: +49 40 414 3885 95
E-Mail: christian.glowa@ha-ib.de

Christian Salis
Analyst
Tel.: +49 40 414 3885 96
E-Mail: christian.salis@ha-ib.de

Frederik Jarchow
Analyst
Tel.: +49 40 414 3885 76
E-Mail: frederik.jarchow@ha-ib.de

Jorge González Sadornil
Senior Analyst
Tel.: +49 40 414 3885 84
E-Mail: jorge.gonzalez@ha-ib.de

Nicole Winkler
Analyst
Tel.: +49 40 414 3885 97
E-Mail: nicole.winkler@ha-ib.de

Philipp Sennewald
Analyst
Tel.: +49 40 450 6342 3091
E-Mail: philipp.sennewald@ha-ib.de

Simon Bentlage
Analyst
Tel.: +49 40 450 6342 3096
E-Mail: simon.bentlage@ha-ib.de

Hauck & Aufhäuser Sales

Alexander Lachmann
Equity Sales
Tel.: +41 43 497 30 23
E-Mail: alexander.lachmann@ha-ib.de

Carlos Becke
Equity Sales
Tel.: +44 203 84 107 97
E-Mail: carlos.becke@ha-ib.de

Christian Schwenkenbecher
Equity Sales
Tel.: +44 203 84 107 96
E-Mail: christian.schwenkenbecher@ha-ib.de

Christian Bybjerg
Equity Sales
Tel.: +49 414 3885 74
E-Mail: christian.bybjerg@ha-ib.de

Hugues Madelin
Equity Sales
Tel.: +33 1 78 41 40 62
E-Mail: hugues.madelin@ha-ib.de

Imogen Voorspuy
Equity Sales
Tel.: +44 203 84 107 98
E-Mail: imogen.voorspuy@ha-ib.de

Markus Scharhag
Equity Sales
Tel.: +49 89 23 93 2813
E-Mail: markus.scharhag@ha-ib.de

Rune Dinesen
Equity Sales
Tel.: +49 40 414 38 85 72
E-Mail: rune.dinesen@ha-ib.de

Valentin Popow
Equity Sales
Tel.: +49 69 2161 1749
E-Mail: valentin.popow@ha-ib.de

Vincent Bischoff
Equity Sales
Tel.: +49 40 414 38 85 88
E-Mail: vincent.bischoff@ha-ib.de

Hauck & Aufhäuser Sales Trading

Hauck & Aufhäuser
Privatbankiers AG
Mittelweg 16/17
20148 Hamburg
Germany

Tel.: +49 40 414 3885 78
Fax: +49 40 414 3885 71
Email: info@hauck-aufhaeuser.com
www.hauck-aufhaeuser.com

Fin Schaffer
Trading
Tel.: +49 40 414 38 85 98
E-Mail: fin.schaffer@hauck-aufhaeuser.com

Nils Carstens
Trading
Tel.: +49 40 414 38 85 85
E-Mail: Nils.Carstens@ha-ib.de

Tom Warlich
Middle-Office
Tel.: +49 40 414 3885 78
E-Mail: tom.warlich@hauck-aufhaeuser.com

Carolin Heidrich
Middle-Office
Tel.: +49 176 10 59 41 52
E-Mail: carolin.heidrich@hauck-aufhaeuser.com

