

**Recommendation:** Buy

**Price target:** 31.00 Euro

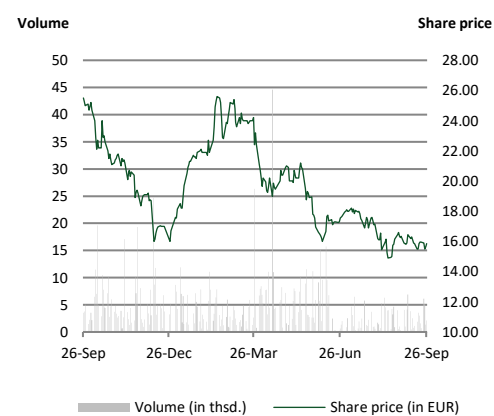
**Upside potential:** +94 percent

**Share data**

Share price	15.95 EURO (XETRA)
Number of shares (in m)	5.07
Market cap. (in EUR m)	80.9
Enterprise Value (in EUR m)	95.7
Code	M7U
ISIN	DE000A0MSN11

**Performance**

52 week high (in EUR)	26.00
52 week low (in EUR)	14.50
3 m relative to CDAX	-8.7%
6 m relative to CDAX	-31.4%



Source: Capital IQ

**Shareholder**

Management & supervisory board	25.0%
Freefloat	75.0%

**Calendar**

Q3 results	30 November 2019
FY 19 results	31 March 2019

**Changes in estimates**

	2019e	2020e	2021e
Sales (old)	68.9	78.9	87.3
Δ in %	-	4.6%	4.5%
EBIT (old)	9.0	11.2	13.4
Δ in %	-	4.5%	4.0%
EPS (old)	0.91	1.20	1.53
Δ in %	-	4.2%	3.9%

**Analysts**

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**Publication**

Comment	27 September 2019
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**Acquisition of Sensortherm expands Nynomic's product portfolio by fast-growing infrared measuring technology**

Yesterday, Nynomic announced the acquisition of 100% of the shares in Sensortherm GmbH and thus has successfully continued the group-wide buy and build strategy.

**Profitable target at a reasonable price:** We expect a purchase price of EUR 3.0m - EUR 4.0m for the cash-financed acquisition. In view of an anticipated sales contribution of EUR 3.5m - EUR 4.0m in the next year (MONE: EUR 3.6m) and an EBIT margin in the low double-digit percentage ranges (MONE: c. 14% in 2020) the valuation should be reasonable in our view with an EV/EBIT of around 7-8x, which once again underlines the management's M&A expertise. When assuming a consolidation from October, the target is expected to still contribute sales of some EUR 0.75m and EBIT of EUR 0.1m to the consolidated result in the current financial year. However, this should have been mostly included in the communicated annual targets, as the management had indicated that there may be further acquisition in the course of the year.

**Reorganisation of management and sales structures likely to accelerate growth:** In addition to the upcoming reorganisation of the management structures in the form of a succession plan for the present managing director, the focus of the operating integration will mainly be put on an optimization of Sensortherm's sales structures. The company is expected to significantly benefit from Nynomic's group-wide expertise and scope and should generate further growth potential in the medium term by tapping new sales markets in the USA. We therefore believe the company will be able to achieve growth rates in the low double-digit percentage ranges and a margin at the group's target level of 15% in the coming years.

**Meaningful expansion of technological expertise:** As a specialist for infrared measuring technology, Sensortherm offers numerous applications for non-contact, precise and quick temperature measurements. The company is an industry-wide technology leader in this area with a market experience of more than 30 years. The proprietary measuring devices, so-called pyrometers, are used to control and regulate the process temperatures in laser systems amongst others. They are of central importance for the steel industry, for instance, to pave the way for the best possible product quality by avoiding temperature deviations. We therefore believe the technology is a meaningful expansion of Nynomic's product portfolio and enables the group to enter the fast-growing market of infrared temperature measurement. This market is expected to grow at a rate of just under 10% p.a. by 2023 according to MarketWatch.

**Conclusion:** By taking over Sensortherm Nynomic has added another complementary pillar to its service portfolio, which should result in significant synergies in the medium term, predominantly in international sales, once the structures have been integrated. We have adjusted our estimates for the expected contributions of the target and confirm our Buy rating with a price target of EUR 31.00 given the structurally unchanged investment case.

FYend: 31.12.	2017	2018	2019e	2020e	2021e
Sales	60.7	67.1	68.9	82.5	91.2
Growth yoy	11.4%	10.5%	2.8%	19.7%	10.5%
EBITDA	10.2	13.2	9.8	12.7	15.1
EBIT	9.1	10.1	9.0	11.7	14.0
Net income	4.6	6.8	4.6	6.4	8.1
Gross profit margin	58.2%	64.8%	59.0%	59.4%	59.8%
EBITDA margin	16.8%	19.7%	14.2%	15.4%	16.5%
EBIT margin	15.0%	15.0%	13.0%	14.2%	15.3%
Net Debt	-13.0	12.5	11.0	7.3	2.4
Net Debt/EBITDA	-1.3	0.9	1.1	0.6	0.2
ROCE	76.5%	39.8%	24.6%	30.5%	34.4%
EPS	0.97	1.35	0.91	1.25	1.59
FCF per share	1.74	0.09	1.58	1.12	1.37
Dividend	0.00	0.00	0.00	0.00	0.00
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
EV/Sales	1.6	1.4	1.4	1.2	1.0
EV/EBITDA	9.4	7.2	9.8	7.5	6.3
EV/EBIT	10.5	9.5	10.7	8.2	6.8
PER	16.4	11.8	17.5	12.8	10.0
P/B	6.0	3.9	3.4	2.7	2.2

Source: Company data, Montega, CapitalIQ

Figures in EUR m, EPS in EUR, Price: 15.95

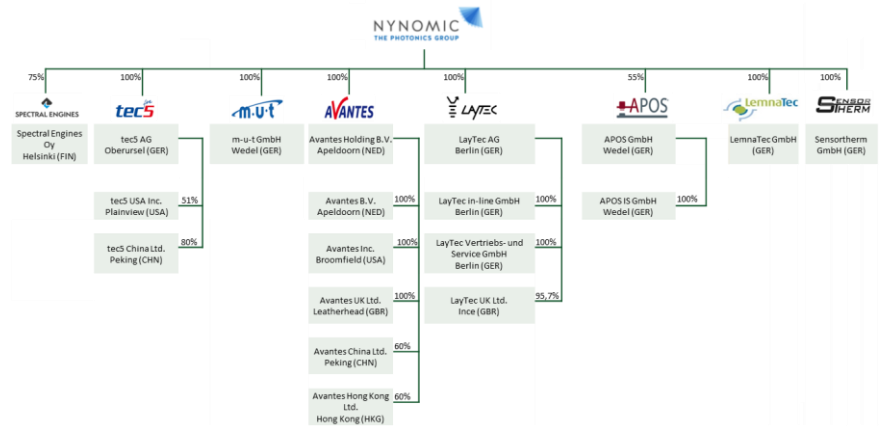
**COMPANY BACKGROUND**

The Nynomic AG was founded in 1995 under the name of m-u-t GmbH Meßgeräte für Medizin- und Umwelttechnik and is based in Wedel near Hamburg. The company's origins are in the system integration of spectroscopy in medical and biotechnology. Today, the group is the leading full-line supplier of non-contact optical measurement technology. Unlike the classical techniques, such a measurement process does not only analyse the pure geometry but also the properties of objects. For instance, it can measure attributes such as colour, temperature, density or chemical composition in a non-contact and non-destructive way. The company markets both independent brands and white label products. It has access to the most important sales markets through its eight internationally positioned subsidiaries, benefits from a local support of customers and a well-developed sales and logistics network.

As a system supplier of individual components as well as complete equipment, Nynomic attends to a wide range of OEMs in different end markets along the entire value chain. Thanks to the successfully implemented buy and build strategy of the past years, Nynomic can offer its diversified product portfolio to numerous fields of applications both in the B2B and the emerging B2C sector, e.g. around the smart home megatrend. Amongst others, measurement technology is used in medical technology, in the chemicals industry, pharmaceutical industry, agriculture, environmental technology, semiconductor industry as well as in a broad array of applications in the entire industrial sector. Some of the most important milestones in the company's history are shown below.

- 1995** Foundation of m-u-t GmbH with a focus on measurement devices for medical and environmental technology
- 2001** ISO 9001 and VDE certification
- 2007** Conversion into a stock corporation and listing on the Frankfurt Stock Exchange
- 2007** Shareholding in tec5 AG (51%), a supplier of spectroscopy solutions
- 2008** Acquisition of the majority stake in Avantes Holding B.V. (51%), a manufacturer of fibre optic spectroscopy devices
- 2011** Increase in the stake in tec5 AG by another 44% to 95%
- 2012** Restructuring of the business units
- 2014** Outsourcing of the operating business to the m-u-t GmbH
- 2015** Replacement of the Executive Board by Maik Müller (CEO) and Fabian Peters (CFO)
- 2016** Majority stake in APOS GmbH (55%), a spectroscopy supplier for the wood processing industry and complete acquisition of tec5 AG
- 2017** Complete acquisition of Avantes Holding B.V.
- 2017** Majority stake and integration of LayTec AG (95.6%), a market leader for process-integrated measurement technology and MEMS-based spectral sensors
- 2018** Capital increase by way of contribution in kind and acquisition of the remaining shares in LayTec AG
- 2018** Change of name to Nynomic AG
- 2018** Entry into the B2C market through the acquisition of Spectral Engines Oy (75%)
- 2018** First strategic order from the area of end devices for the B2C market from Bosch-Siemens-Hausgeräte GmbH
- 2019** Acquisition of LemnaTec GmbH, a specialist for plant phenotyping
- 2019** Entry into the market of infrared temperature measurement by the acquisition of Sensortherm GmbH

With its roughly 400 employees, Nynomic generated revenue of EUR 67.1m and EBIT of EUR 10.1m in FY 2018. This is a record result in both revenue and earnings for the third time in a row. In addition to continued growth in the core markets (Germany, Europe and North America), this can also be attributed to the subsidiaries and sales partners in the Asian region. The organigram below gives an overview of the group’s organisational structure.



Source: Company

**Shareholdings**

Nynomic accompanies its customers along the entire value chain and offers different degrees of vertical integration and individual product modifications via its subsidiaries. The Nynomic AG acts as a subordinate financial holding and fulfils strategic functions within the group. All shareholdings have the same technological focus and support the vertical integration.

- **Avantes Holding B.V.**, which was acquired in 2008, is the basis for optical measuring cells and spectrometers. The company which is specialised in the miniaturisation of spectroscopy devices and software solutions develops and produces spectrometers, light sources for UV/VIS/NIR, fibre-optics and accessories. In addition, the company adjusts equipment according to customer-specific requirements. The Avantes group has access to all important markets through its own subsidiaries, enabling the company to locally support its OEM customers. The products are used, for instance, in biotechnology, the chemical and food industries as well as in thin film analysis for the production of solar cells.
- The **tec5 AG** has been part of the Nynomic group since 2007 and manufactures high-quality products for the detector array spectroscopy of OEM components as well as drive electronics. The company also covers the next step of the value chain and combines individual parts from Avantes B.V. to create full systems, which are directly sold to OEM and industrial clients as a standard solution under the company’s own name. tec5 has also access to the most important end markets via its subsidiaries.
- Operating subsidiary **m-u-t GmbH** produces products for the permanent, non-contact and non-destructive optical measurement technology. Using its proprietary know-how, m-u-t GmbH transforms the products of other group companies into innovative applications. The resulting customised solutions are then produced, e.g. as series equipment, and sold into the market. The company has a broad product range which, amongst others, includes sensorics, laboratory automation, medical technology, and spectroscopy.
- **APOS GmbH** supplies Nynomic’s customers with spectroscopic measurement systems, specifically for the wood processing industry. APOS is the technology and know-how leader in this niche market and is focused on applications with a high scalability. The products are typically used in the wood products industry, in biomass power plants and other bulk material applications.

- The internationally active **LayTec AG** is the market-leading supplier of process-integrated measurement technology with a focus on laser and LED production. Since the company's acquisition in 2017, the company-specific solutions are also increasingly used in photovoltaic, surface coating and in the semiconductor industry. For instance, the products can be employed in the in-situ process control of LEDs and semiconductor lasers. They are also suited for the real-time analysis of manufacturing processes as optical in-line metrology in the solar cell industry. Another product from LayTec, a measurement system for VCSEL lasers (vertical cavity surface-emitting laser), is used for Face-ID technologies in smartphones.
- **Spectral Engines Oy** develops and produces extremely compact low-cost spectral sensors, which can be used both in industrial applications and in the consumer segment. By acquiring this company, Nynomic laid the foundation for its entry in the area of end devices for the B2C segment. The products of Spectral Engines can be used in mobile devices at a reasonable price and thus predominantly target applications in the fields of smart home, smart industry and smart agriculture. A quick and reliable measurement is guaranteed with the help of the patented MEMS interferometer, which is already used as a food scanner in smartphones. With the help of an app and the corresponding cloud-based software, data is synchronised in real-time and is consistently optimised by machine learning.
- **LemnaTec GmbH** is a specialist for hardware and software systems for digital plant phenotyping. The company's solutions enable a contact-free analysis of plants thanks to complex sensor technology helping to determine both essential growth and quality characteristics (e.g. size, shape and colour as characteristics for shoot and root growth) as well as physiological parameters (e.g. water and nutrient content or photosynthesis). These analyses provide fundamental indicators for the breeding and optimisation of seeds and crops in modern industrial agriculture. The areas of application span from agrochemistry, agronomy and plant research to practical breeding and include both small applications in the laboratory and large-scale installations for greenhouses and open fields.
- **Sensortherm GmbH** is a specialist in infrared measuring technology and offers numerous applications for non-contact, precise and quick temperature measurements. With an experience of more than 30 years the company is an industry-wide technology leader in this market. The pyrometers developed by Sensortherm are among the world's most efficient measuring devices of this kind thanks to their ability of a fully digital signal processing and signal output. Amongst others, pyrometers are used to control and regulate the process temperatures in laser systems. For this reason, they are of central importance for the steel industry, for instance, to pave the way for the best possible product quality by avoiding temperature deviations.

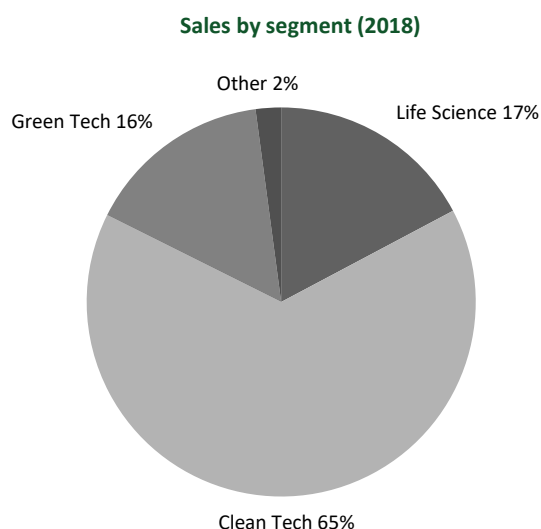
### Segment analysis

Nynomic's operating business activities are divided in the Life Science, Green Tech and Clean Tech reporting segments.

**Life Science (17% of total revenue in 2018):** The products in this segment are mainly used in the pharma industry, in medical technology and biotechnology. The core products are optical sensors, spectroscopy systems and automation solutions for laboratories and research institutes, which can be used in a wide array of applications. Future potential, e.g. in research, is tapped by patent and licensing rights in analytical engineering.

**Green Tech (16%):** This segment develops and produces individual solutions for agriculture, specifically for applications in the area of intelligent farming. The increasingly industrialised and automated agricultural sector is perfectly aligned by efficiency-enhancing processes such as the sensor-based analysis of soils and crop, the automated application of fertilizer, and radio-controlled animal feed. Additionally, the use of spectroscopy sensors supports producers in fulfilling regulatory quality requirements. The use of solar modules also falls under this segment.

**Clean Tech (65%):** This segment comprises a broad range of solutions for the industry sector. The broad areas of application span from individual optical sensors to customer-specific end-to-end solutions. The target markets are the chemical industry, food applications and the semiconductor industry. The automated inspection of processes helps to make the wafer and display production more efficient and guarantees a higher quality standard.



Source: Company

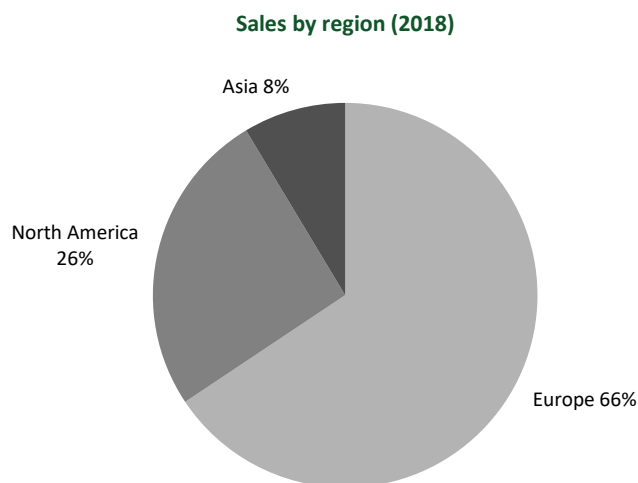
**Products**

The group’s product solutions are all built on a spectral sensor technology platform. This measurement technology allows a non-destructive and non-contact analysis of product characteristics, as it measures the wavelength reflected by an object. These values can be specified in a connected database and the element can be clearly assigned. The procedure is universally applicable and can be easily integrated into the customers’ different process chains. Based on the relevant spectroscopy processes (UV/VIS/NIR/RAMAN/LIBS) the application solutions can be designed for a broad number of end markets. Thanks to Nynomic’s vertical integration the customers can choose between standard products and highly specific full systems, which increase the efficiency of production processes.

Nynomic also accompanies customers along the entire value chain in various end markets. The company has already gained significant experience in a multitude of industries and has a broad problem-solving expertise in the area of process-integrated online measurement technology. The end user is involved in the product development at a very early stage and benefits from Nynomic’s technology and know-how leadership. This leads to close customer relationships which often entail long-term contracts as well as exclusive supplier agreements.

**Markets and sales**

The branches and the sales network of Nynomic lead to a strong international distribution of sales. In addition to the production facilities, which are mainly located in Europe, the company has many subsidiaries and distribution facilities on other continents, supporting the local and direct customer service. In 2018, the group generated some 66% of sales in Europe. The remaining share is mainly generated in the USA, which accounted for some 26% of 2018 sales and is an important core market. The sales share in Europe is expected to increase further due to the full integration of the recently acquired Finnish Spectral Engines.



Source: Company

**Experienced management**

**Maik Müller (CEO)** has been appointed to the Executive Board of Nynomic AG in May 2015. He is responsible for Technology, Operations, and Research and Development. The graduate engineer (Dipl. Ingenieur) previously has been working in management positions for several years. In parallel, he was a member of the Executive Board of tec5 AG for many years, which today is a subsidiary of Nynomic. At that time, he contributed greatly to the establishment of the company. Maik Müller has many years of experience in management, especially in research and development as well as high-tech consulting. In 2018, he extended his contract prematurely until December 31, 2023.

**Fabian Peters (CFO)** has worked for the group since October 2013 and has been appointed to the Executive Board in 2015. The graduate tax consultant (Diplom-Finanzwirt) is responsible for Finance, Controlling, Organisation and Investor Relations. In parallel, he is Managing Director of m-u-t GmbH. Prior to joining the group, Fabian Peters was the CFO of the L&O group for many years, worked at Versatel AG in the field of finance and held several management positions in the insurance industry. In 2017, Fabian Peters’ contract was prematurely extended until December 31, 2022.

**Shareholder structure**

As a result of the last capital increase in February 2018, which was used to finance the acquisition of LayTec AG, the number of shares increased by 285,000 units. The share capital now amounts to EUR 5,070,000, divided into the same number of shares at a value of EUR 1.00 each. All the shares are bearer shares with voting rights. Roughly 25% of the share capital is held by members of the executive board and the supervisory board. The remaining shares are free float.

APPENDIX

DCF Model

Figures in m	2019e	2020e	2021e	2022e	2023e	2024e	2025e	Terminal Value
<b>Sales</b>	<b>68.9</b>	<b>82.5</b>	<b>91.2</b>	<b>101.4</b>	<b>112.8</b>	<b>124.4</b>	<b>134.6</b>	<b>138.0</b>
<i>Change yoy</i>	2.8%	19.7%	10.5%	11.2%	11.3%	10.3%	8.3%	2.5%
<b>EBIT</b>	<b>9.0</b>	<b>11.7</b>	<b>14.0</b>	<b>16.4</b>	<b>18.3</b>	<b>19.8</b>	<b>21.2</b>	<b>21.4</b>
<i>EBIT margin</i>	13.0%	14.2%	15.3%	16.2%	16.3%	16.0%	15.8%	15.5%
<b>NOPAT</b>	<b>5.9</b>	<b>8.0</b>	<b>9.8</b>	<b>11.5</b>	<b>12.9</b>	<b>13.9</b>	<b>14.9</b>	<b>15.0</b>
<b>Depreciation</b>	<b>0.8</b>	<b>1.0</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>
<i>in % of Sales</i>	1.2%	1.2%	1.2%	1.2%	1.1%	1.0%	0.9%	0.9%
<b>Change in Liquidity from</b>								
- Working Capital	3.3	-1.2	-1.8	-2.0	-2.3	-2.3	-2.1	-1.8
- Capex	-1.6	-1.7	-1.8	-1.8	-1.7	-1.6	-1.5	-1.2
<i>Capex in % of Sales</i>	2.3%	2.1%	2.0%	1.8%	1.5%	1.3%	1.1%	0.9%
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Free Cash Flow (WACC model)</b>	<b>8.4</b>	<b>6.1</b>	<b>7.3</b>	<b>8.9</b>	<b>10.3</b>	<b>11.5</b>	<b>12.8</b>	<b>13.3</b>
<b>WACC</b>	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%	8.3%
Present value	8.0	5.3	5.9	6.7	7.1	7.3	7.5	125.5
<b>Total present value</b>	<b>8.0</b>	<b>13.3</b>	<b>19.2</b>	<b>25.9</b>	<b>33.0</b>	<b>40.3</b>	<b>47.9</b>	<b>173.4</b>

Valuation

Total present value (Tpv)	173.4
Terminal Value	125.5
Share of TV on Tpv	72%
Liabilities	25.9
Liquidity	11.1
<b>Equity value</b>	<b>158.6</b>

Growth: sales and margin

Short term: Sales growth	2019-2022	13.7%
Mid term: Sales growth	2019-2025	11.8%
Long term: Sales growth	from 2026	2.5%
Short term: Margin growth	2019-2022	14.7%
Mid term: Margin growth	2019-2025	15.2%
Long term: Margin growth		15.5%

Number of shares (mln)

5.07

**Value per share (EUR)**

**31.28**

**+Upside / -Downside**

**96%**

Share price

15.95

Model parameter

Debt ratio	30.0%
Costs of Debt	5.0%
Market return	9.0%
Risk free rate	2.50%

Sensitivity Value per Share (EUR)

Terminal Growth

WACC	1.75%	2.25%	2.50%	2.75%	3.25%
8.76%	26.00	27.51	28.35	29.26	31.34
8.51%	27.17	28.82	29.75	30.76	33.07
<b>8.26%</b>	28.43	30.25	<b>31.28</b>	32.40	34.98
8.01%	29.79	31.80	32.95	34.20	37.09
7.76%	31.27	33.50	34.77	36.17	39.44

Sensitivity Value per Share (EUR)

EBIT-margin from 2026e

WACC	15.00%	15.25%	15.50%	15.75%	16.00%
8.76%	27.55	27.95	28.35	28.75	29.15
8.51%	28.90	29.33	29.75	30.18	30.60
<b>8.26%</b>	30.38	30.83	<b>31.28</b>	31.73	32.18
8.01%	31.99	32.47	32.95	33.43	33.91
7.76%	33.75	34.26	34.77	35.29	35.80

Source: Montega





<b>P&amp;L (in Euro m) Nynomic AG</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>
<b>Sales</b>	<b>54.5</b>	<b>60.7</b>	<b>67.1</b>	<b>68.9</b>	<b>82.5</b>	<b>91.2</b>
Increase / decrease in inventory	0.3	1.7	0.3	1.1	1.0	0.7
Own work capitalised	0.0	0.0	0.4	0.0	0.0	0.0
<b>Total sales</b>	<b>54.8</b>	<b>62.4</b>	<b>67.7</b>	<b>70.0</b>	<b>83.5</b>	<b>92.0</b>
Material Expenses	25.2	27.1	24.2	29.4	34.5	37.4
<b>Gross profit</b>	<b>29.6</b>	<b>35.3</b>	<b>43.5</b>	<b>40.7</b>	<b>49.0</b>	<b>54.6</b>
Personnel expenses	16.2	17.8	23.4	23.6	27.6	29.8
Other operating expenses	6.8	8.6	10.5	9.0	10.7	11.9
Other operating income	1.3	1.3	3.7	1.7	2.0	2.2
<b>EBITDA</b>	<b>7.9</b>	<b>10.2</b>	<b>13.2</b>	<b>9.8</b>	<b>12.7</b>	<b>15.1</b>
Depreciation on fixed assets	0.5	0.5	0.8	0.5	0.6	0.6
<b>EBITA</b>	<b>7.4</b>	<b>9.7</b>	<b>12.5</b>	<b>9.3</b>	<b>12.1</b>	<b>14.4</b>
Amortisation of intangible assets	0.3	0.3	0.6	0.3	0.4	0.5
Impairment charges and Amortisation of goodwill	0.2	0.2	1.8	0.0	0.0	0.0
<b>EBIT</b>	<b>6.8</b>	<b>9.1</b>	<b>10.1</b>	<b>9.0</b>	<b>11.7</b>	<b>14.0</b>
Financial result	-0.3	-0.2	-0.3	-0.6	-0.6	-0.5
<b>Result from ordinary operations</b>	<b>6.5</b>	<b>9.0</b>	<b>9.8</b>	<b>8.4</b>	<b>11.1</b>	<b>13.4</b>
Extraordinary result	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBT</b>	<b>6.5</b>	<b>9.0</b>	<b>9.8</b>	<b>8.4</b>	<b>11.1</b>	<b>13.4</b>
Taxes	1.7	2.9	2.3	2.9	3.6	4.0
Net Profit of continued operations	4.8	6.1	7.6	5.5	7.6	9.5
Net Profit of discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit before minorities</b>	<b>4.8</b>	<b>6.1</b>	<b>7.6</b>	<b>5.5</b>	<b>7.6</b>	<b>9.5</b>
Minority interests	1.1	1.4	0.7	0.9	1.2	1.4
<b>Net profit</b>	<b>3.7</b>	<b>4.6</b>	<b>6.8</b>	<b>4.6</b>	<b>6.4</b>	<b>8.1</b>

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

<b>P&amp;L (in % of Sales) Nynomic AG</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>
<b>Sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Increase / decrease in inventory	0.5%	2.7%	0.4%	1.6%	1.2%	0.8%
Own work capitalised	0.0%	0.0%	0.6%	0.0%	0.0%	0.0%
<b>Total sales</b>	<b>100.5%</b>	<b>102.8%</b>	<b>101.0%</b>	<b>101.6%</b>	<b>101.2%</b>	<b>100.8%</b>
Material Expenses	46.2%	44.6%	36.1%	42.6%	41.8%	41.0%
<b>Gross profit</b>	<b>54.3%</b>	<b>58.2%</b>	<b>64.8%</b>	<b>59.0%</b>	<b>59.4%</b>	<b>59.8%</b>
Personnel expenses	29.7%	29.4%	34.9%	34.2%	33.4%	32.7%
Other operating expenses	12.5%	14.2%	15.7%	13.0%	13.0%	13.0%
Other operating income	2.4%	2.1%	5.5%	2.4%	2.4%	2.4%
<b>EBITDA</b>	<b>14.5%</b>	<b>16.8%</b>	<b>19.7%</b>	<b>14.2%</b>	<b>15.4%</b>	<b>16.5%</b>
Depreciation on fixed assets	0.9%	0.8%	1.1%	0.7%	0.7%	0.7%
<b>EBITA</b>	<b>13.6%</b>	<b>15.9%</b>	<b>18.6%</b>	<b>13.5%</b>	<b>14.7%</b>	<b>15.8%</b>
Amortisation of intangible assets	0.6%	0.5%	0.9%	0.5%	0.5%	0.5%
Impairment charges and Amortisation of goodwill	0.5%	0.4%	2.7%	0.0%	0.0%	0.0%
<b>EBIT</b>	<b>12.6%</b>	<b>15.0%</b>	<b>15.0%</b>	<b>13.0%</b>	<b>14.2%</b>	<b>15.3%</b>
Financial result	-0.6%	-0.3%	-0.4%	-0.8%	-0.7%	-0.6%
<b>Result from ordinary operations</b>	<b>12.0%</b>	<b>14.7%</b>	<b>14.6%</b>	<b>12.2%</b>	<b>13.5%</b>	<b>14.7%</b>
Extraordinary result	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBT</b>	<b>12.0%</b>	<b>14.7%</b>	<b>14.6%</b>	<b>12.2%</b>	<b>13.5%</b>	<b>14.7%</b>
Taxes	3.2%	4.7%	3.4%	4.2%	4.3%	4.4%
Net Profit of continued operations	8.8%	10.0%	11.3%	8.0%	9.2%	10.4%
Net Profit of discontinued operations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit before minorities</b>	<b>8.8%</b>	<b>10.0%</b>	<b>11.3%</b>	<b>8.0%</b>	<b>9.2%</b>	<b>10.4%</b>
Minority interests	2.1%	2.4%	1.1%	1.3%	1.5%	1.5%
<b>Net profit</b>	<b>6.7%</b>	<b>7.6%</b>	<b>10.2%</b>	<b>6.7%</b>	<b>7.7%</b>	<b>8.9%</b>

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

Balance sheet (in Euro m) Nynomic AG	2016	2017	2018	2019e	2020e	2021e
<b>ASSETS</b>						
Intangible assets	3.9	10.7	22.4	26.5	26.2	25.8
Property, plant & equipment	1.5	2.0	2.3	3.6	4.6	5.7
Financial assets	0.0	0.7	0.0	0.0	0.0	0.0
<b>Fixed assets</b>	<b>5.4</b>	<b>13.4</b>	<b>24.7</b>	<b>30.1</b>	<b>30.8</b>	<b>31.5</b>
Inventories	6.7	8.4	10.4	10.7	11.0	12.2
Accounts receivable	4.6	6.2	10.1	6.6	7.9	8.7
Liquid assets	10.6	19.6	11.1	12.1	15.5	20.0
Other assets	1.4	1.6	2.8	2.8	2.8	2.8
<b>Current assets</b>	<b>23.3</b>	<b>35.8</b>	<b>34.4</b>	<b>32.2</b>	<b>37.2</b>	<b>43.7</b>
<b>Total assets</b>	<b>28.7</b>	<b>49.1</b>	<b>59.1</b>	<b>62.3</b>	<b>68.0</b>	<b>75.2</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Shareholders' equity</b>	<b>9.5</b>	<b>13.4</b>	<b>20.5</b>	<b>24.1</b>	<b>29.7</b>	<b>37.2</b>
<b>Minority Interest</b>	<b>4.1</b>	<b>3.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>	<b>2.3</b>
Provisions	5.9	23.3	10.7	10.7	10.7	10.7
Financial liabilities	5.3	3.7	20.7	20.3	20.0	19.5
Accounts payable	1.8	2.4	1.9	2.0	2.4	2.6
Other liabilities	2.0	3.0	2.8	2.8	2.8	2.8
<b>Liabilities</b>	<b>15.0</b>	<b>32.4</b>	<b>36.2</b>	<b>35.9</b>	<b>36.0</b>	<b>35.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>28.7</b>	<b>49.1</b>	<b>59.1</b>	<b>62.3</b>	<b>68.0</b>	<b>75.2</b>

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

Balance sheet (in %) Nynomic AG	2016	2017	2018	2019e	2020e	2021e
<b>ASSETS</b>						
Intangible assets	13.6%	21.7%	37.9%	42.6%	38.5%	34.4%
Property, plant & equipment	5.2%	4.1%	3.9%	5.7%	6.8%	7.5%
Financial assets	0.1%	1.4%	0.0%	0.0%	0.0%	0.0%
<b>Fixed assets</b>	<b>18.9%</b>	<b>27.2%</b>	<b>41.8%</b>	<b>48.3%</b>	<b>45.3%</b>	<b>41.9%</b>
Inventories	23.5%	17.2%	17.6%	17.2%	16.2%	16.2%
Accounts receivable	15.9%	12.7%	17.0%	10.6%	11.6%	11.6%
Liquid assets	36.8%	39.8%	18.7%	19.4%	22.8%	26.6%
Other assets	4.9%	3.2%	4.7%	4.5%	4.1%	3.7%
<b>Current assets</b>	<b>81.1%</b>	<b>72.9%</b>	<b>58.1%</b>	<b>51.7%</b>	<b>54.7%</b>	<b>58.1%</b>
<b>Total Assets</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>						
<b>Shareholders' equity</b>	<b>33.2%</b>	<b>27.3%</b>	<b>34.8%</b>	<b>38.6%</b>	<b>43.7%</b>	<b>49.5%</b>
<b>Minority Interest</b>	<b>14.4%</b>	<b>6.8%</b>	<b>3.9%</b>	<b>3.7%</b>	<b>3.4%</b>	<b>3.1%</b>
Provisions	20.5%	47.4%	18.1%	17.2%	15.8%	14.2%
Financial liabilities	18.6%	7.6%	35.1%	32.6%	29.5%	26.0%
Accounts payable	6.2%	4.9%	3.2%	3.2%	3.5%	3.5%
Other liabilities	7.0%	6.0%	4.8%	4.6%	4.2%	3.8%
<b>Total Liabilities</b>	<b>52.4%</b>	<b>66.0%</b>	<b>61.3%</b>	<b>57.6%</b>	<b>52.9%</b>	<b>47.5%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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

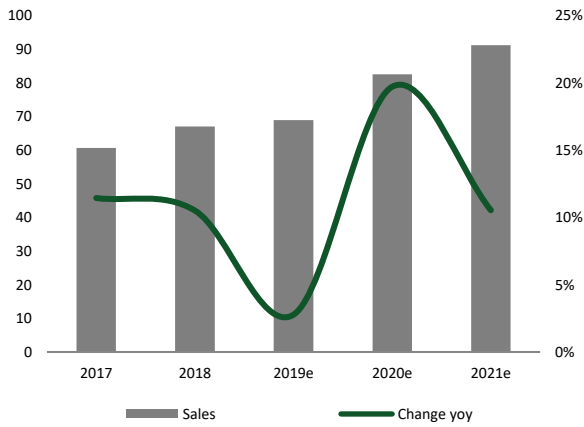
<b>Statement of cash flows (in Euro m) Nynomic AG</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>
Net income	4.8	6.1	7.6	5.5	7.6	9.5
Depreciation of fixed assets	0.5	0.5	0.8	0.5	0.6	0.6
Amortisation of intangible assets	0.6	0.5	2.4	0.3	0.4	0.5
Increase/decrease in long-term provisions	0.4	2.1	-0.9	0.0	0.0	0.0
Other non-cash related payments	0.9	1.9	0.4	0.0	0.0	0.0
<b>Cash flow</b>	<b>7.2</b>	<b>11.1</b>	<b>10.2</b>	<b>6.3</b>	<b>8.6</b>	<b>10.5</b>
Increase / decrease in working capital	-1.0	-2.1	-8.0	3.3	-1.2	-1.8
<b>Cash flow from operating activities</b>	<b>6.1</b>	<b>9.0</b>	<b>2.2</b>	<b>9.6</b>	<b>7.4</b>	<b>8.7</b>
CAPEX	-0.7	-0.7	-1.7	-1.6	-1.7	-1.8
Other	-1.1	0.0	-23.7	-4.6	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-1.8</b>	<b>-0.6</b>	<b>-25.4</b>	<b>-6.2</b>	<b>-1.7</b>	<b>-1.8</b>
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Change in financial liabilities	-0.8	-1.5	16.3	-0.4	-0.3	-0.5
Other	-1.5	-1.5	-2.0	-2.0	-2.0	-2.0
<b>Cash flow from financing activities</b>	<b>-2.3</b>	<b>-3.1</b>	<b>14.3</b>	<b>-2.4</b>	<b>-2.3</b>	<b>-2.5</b>
Effects of exchange rate changes on cash	0.4	3.8	0.3	0.0	0.0	0.0
<b>Change in liquid funds</b>	<b>2.0</b>	<b>5.3</b>	<b>-8.9</b>	<b>1.0</b>	<b>3.4</b>	<b>4.5</b>
<b>Liquid assets at end of period</b>	<b>10.4</b>	<b>19.5</b>	<b>10.9</b>	<b>12.1</b>	<b>15.5</b>	<b>20.0</b>

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

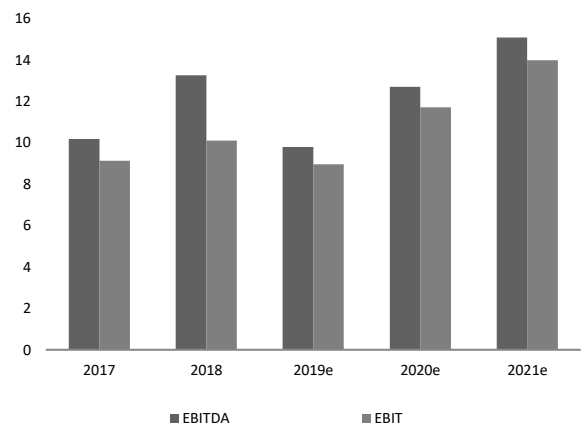
<b>Key figures Nynomic AG</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019e</b>	<b>2020e</b>	<b>2021e</b>
<b>Earnings margins</b>						
Gross margin (%)	54.3%	58.2%	64.8%	59.0%	59.4%	59.8%
EBITDA margin (%)	14.5%	16.8%	19.7%	14.2%	15.4%	16.5%
EBIT margin (%)	12.6%	15.0%	15.0%	13.0%	14.2%	15.3%
EBT margin (%)	12.0%	14.7%	14.6%	12.2%	13.5%	14.7%
Net income margin (%)	8.8%	10.0%	11.3%	8.0%	9.2%	10.4%
<b>Return on capital</b>						
ROCE (%)	79.2%	76.5%	39.8%	24.6%	30.5%	34.4%
ROE (%)	33.5%	33.9%	40.7%	20.2%	24.1%	25.2%
ROA (%)	12.7%	9.4%	11.5%	7.4%	9.3%	10.8%
<b>Solvency</b>						
YE net debt (in EUR)	-5.2	-13.0	12.5	11.0	7.3	2.4
Net debt / EBITDA	-0.7	-1.3	0.9	1.1	0.6	0.2
Net gearing (Net debt/equity)	-0.4	-0.8	0.5	0.4	0.2	0.1
<b>Cash Flow</b>						
Free cash flow (EUR m)	5.4	8.3	0.4	8.0	5.7	6.9
Capex / sales (%)	1.3%	1.1%	1.6%	2.3%	2.1%	2.0%
Working capital / sales (%)	18%	18%	23%	25%	19%	19%
<b>Valuation</b>						
EV/Sales	1.8	1.6	1.4	1.4	1.2	1.0
EV/EBITDA	12.1	9.4	7.2	9.8	7.5	6.3
EV/EBIT	14.0	10.5	9.5	10.7	8.2	6.8
EV/FCF	17.6	11.5	217.6	11.9	16.8	13.8
PE	21.0	16.4	11.8	17.5	12.8	10.0
P/B	8.5	6.0	3.9	3.4	2.7	2.2
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

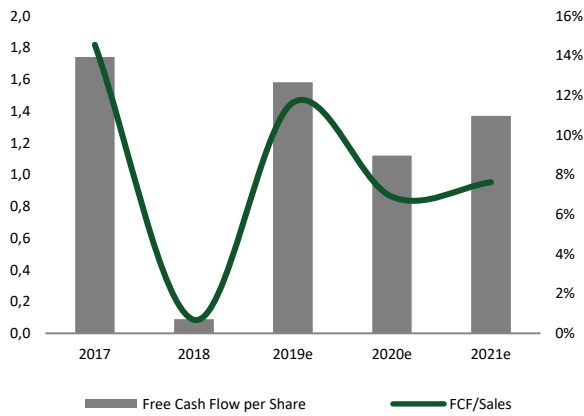
**Sales development**



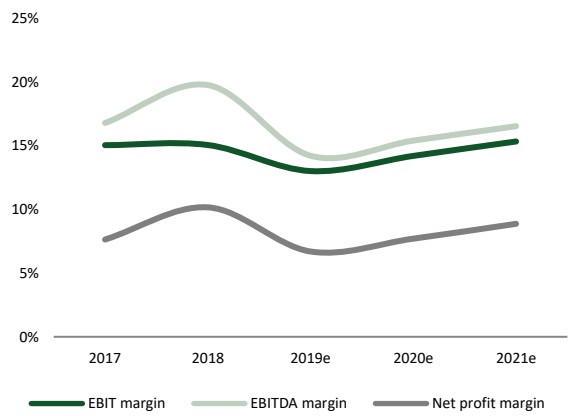
**Earnings development**



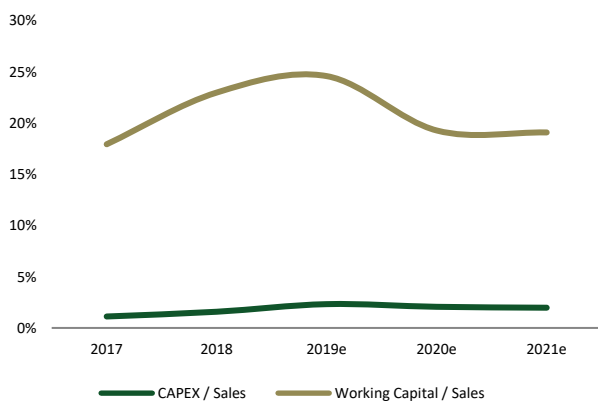
**Free-Cash-Flow development**



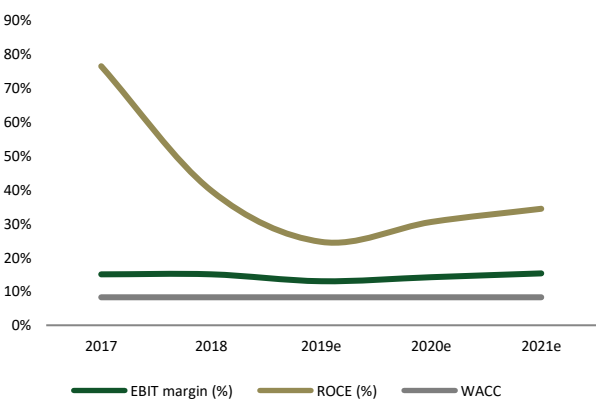
**Margin development**



**Capex / Working Capital**



**EBIT Yield / ROCE**



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Buy: The analysts at Montega AG believe the share price will rise during the next twelve months.

Hold: Upside/downside potential limited. No immediate catalyst visible.

Sell: The analysts at Montega AG believe the share price will fall during the next twelve months.

### **Authority responsible for supervision:**

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**Share price and recommendation history**

<b>Recommendation</b>	<b>Date</b>	<b>Price (EUR)</b>	<b>Price target (EUR)</b>	<b>Potential</b>
Buy (Initiation)	01.04.2019	22.40	31.00	+38%
Buy	29.05.2019	17.80	30.00	+69%
Buy	13.08.2019	15.85	31.00	+96%
Buy	21.08.2019	15.00	31.00	+107%
Buy	27.09.2019	15.95	31.00	+94%