

# EV Digital Invest AG

Financial Services - Germany



by Hauck Aufhäuser Lampe

**Buy** (old: Buy)

28.05.2024

**EUR 3.60** (old: EUR 3.60)

## Strategic partnership to unlock renewable energy projects

**Topic:** EVDI announced to have entered a strategic partnership with Green FOX Energy – a project developer and owner of renewable energy plants. The cooperation enables EVDI to offer direct investments into renewable energy projects to its customers via its platform. In detail:

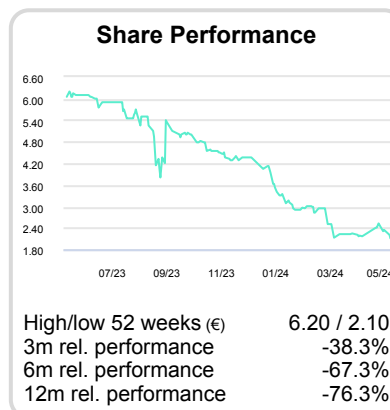
With this cooperation, EVDI is further expanding its product range of “Engel & Völkers Digital Invest” that is currently comprising real-estate investments into residential, office and logistics. The added green investment opportunities not only give investors the opportunity to diversify their investments even more broadly, but also to directly participate from the transformation of the energy infrastructure. The offered projects should allow low minimum investments of € 100 and rather short terms of only 12 months.

In our view, **the partnership should bode well for EVDI** as 1) renewable energy is one of the current megatrends showing a steep growth trajectory, 2) it should further diversify the business by reducing the dependency from the developments in the real-estate sector and 3) it should attract new target investor groups. Even better, operational EVDI can build on its established two-stage review process (internal and external analysis by renowned experts) used for real-estate projects. As a result, the first solar project (“Solarpark Eyendorf”) is already available on the platform.

Going forward, we expect **more renewable projects to follow as Green FOX Energy’s project pipeline is well filled** with around 2GW peak and the demand for electricity generation from renewable energy sources is expected to increase by more than 60% until 2026 (according to the IEA).

In light of the promising strategic partnership with Green FOX Energy, paired with first signs of revitalization of the real-estate market mainly stemming from the anticipated reduction of interest rates, EVDI should easily achieve its **conservative guidance of € 4.9-5.8m in op. income** (vs eNuW: € 5.6m) and **up to € -1.9m EBITDA**, (eNuW: € -2m). While we see the growth potential arising from the partnership, we play it safe, leaving our estimates unchanged for now.

**BUY** on valuation with an unchanged PT of **€ 3.60**, based on DCF.



### Market data

Share price (in €)	2.10
Market cap (in € m)	10.1
Number of shares (in m pcs)	4.7
Enterprise value (in € m)	10.2
Ø trading volume (6 months)	400

### Identifier

Bloomberg	ENGL GR
Reuters	ENGL
WKN	A3DD6W
ISIN	DE000A3DD6W5

### Key shareholders

VdZ Berlin	83.9%
Management	6.0%

### Estimates changes

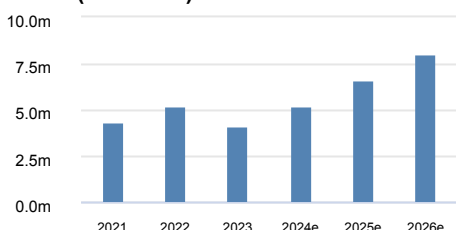
	2024e	2025e	2026e
Sales	0%	0%	0%
EBIT	0%	0%	0%
EPS	0%	0%	0%

### Comment on changes

Y/E 31.12 (EUR m)	2021	2022	2023	2024e	2025e	2026e
Sales	4.4	5.2	4.1	5.2	6.6	8.1
Sales growth	39.9%	19.0%	-20.3%	25.3%	27.2%	22.3%
EBITDA	0.0	-3.4	-3.9	-2.0	-0.5	0.6
Net debt (if net cash=0)	-4.3	-3.3	-1.8	0.1	0.5	-0.1
FCF	-0.2	-7.2	-2.1	-1.5	-0.4	0.7
Net Debt/EBITDA	0.0	0.0	0.0	-0.0	-1.2	0.0
EPS pro forma	0.01	-0.75	-0.79	-0.39	-0.04	0.21
EBITDA margin	1.1%	-66.0%	-93.0%	-39.2%	-7.0%	7.6%
ROCE	0.9%	-70.9%	-95.7%	-50.6%	-9.4%	11.6%
EV/sales	1.0	1.2	2.0	2.0	1.6	1.2
EV/EBITDA	87.6	-1.8	-2.2	-5.0	-23.0	16.3
PER	241.6	-2.9	-2.7	-5.6	-55.8	10.5
Adjusted FCF yield	0.9%	-53.1%	-44.7%	-18.4%	-2.5%	8.6%

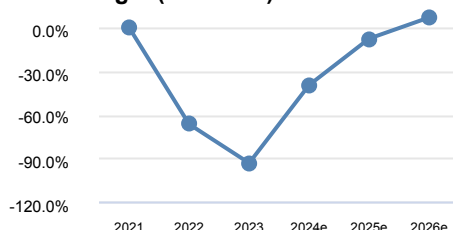
Source: Company data, NuWays, Close price as of 23.05.2024

### Sales (2021-26e)



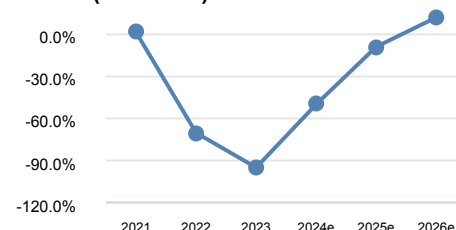
Source: NuWays Research

### EBIT margin (2021-26e)



Source: NuWays Research

### ROCE (2021-26e)



Source: NuWays Research

### Company description

EV Digital Invest is a leading, high quality platform provider that is offering digital real estate financing to real estate companies and real-estate investments to private clients. The company enjoys high brand recognition as a registered license partner of Engel & Völkers.

### Guidance

- 2024 income: 10-30% growth
- 2024 EBIT: up to EUR -1.9m

## Financials

Profit and loss (EUR m)	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	<b>4.4</b>	<b>5.2</b>	<b>4.1</b>	<b>5.2</b>	<b>6.6</b>	<b>8.1</b>
Sales growth	39.9%	19.0%	-20.3%	25.3%	27.2%	22.3%
Cost of sales	0.4	0.7	0.5	0.3	0.3	0.2
<b>Gross profit</b>	<b>4.0</b>	<b>4.5</b>	<b>3.7</b>	<b>4.9</b>	<b>6.3</b>	<b>7.9</b>
Sales and marketing	0.2	0.0	0.0	0.5	0.6	0.7
General and administration	2.3	5.9	3.6	3.9	4.0	4.1
Research and development	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	0.1	1.8	0.1	0.2	0.2	0.3
Other operating expenses	1.6	3.7	4.0	2.6	2.4	2.7
<b>Total operating expenses</b>	<b>3.9</b>	<b>7.9</b>	<b>7.5</b>	<b>6.9</b>	<b>6.8</b>	<b>7.2</b>
Unusual or infrequent items	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>0.0</b>	<b>-3.4</b>	<b>-3.9</b>	<b>-2.0</b>	<b>-0.5</b>	<b>0.6</b>
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Impairment charges	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBIT (inc revaluation net)</b>	<b>0.0</b>	<b>-3.5</b>	<b>-3.9</b>	<b>-2.0</b>	<b>-0.5</b>	<b>0.6</b>
Interest income	0.0	0.1	0.2	0.2	0.3	0.3
Interest expenses	0.0	0.0	0.0	0.0	0.0	0.0
Investment income	0.0	0.0	0.0	0.0	0.0	0.0
Financial result	0.0	0.1	0.2	0.2	0.3	0.3
<b>Recurring pretax income from continuing operations</b>	<b>0.0</b>	<b>-3.3</b>	<b>-3.7</b>	<b>-1.8</b>	<b>-0.2</b>	<b>1.0</b>
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
<b>Earnings before taxes</b>	<b>0.0</b>	<b>-3.3</b>	<b>-3.7</b>	<b>-1.8</b>	<b>-0.2</b>	<b>1.0</b>
Income tax expense	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net income from continuing operations</b>	<b>0.0</b>	<b>-3.3</b>	<b>-3.7</b>	<b>-1.8</b>	<b>-0.2</b>	<b>1.0</b>
Income from discontinued operations (net of tax)						
<b>Net income</b>	<b>0.0</b>	<b>-3.3</b>	<b>-3.7</b>	<b>-1.8</b>	<b>-0.2</b>	<b>1.0</b>
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
<b>Net profit (reported)</b>	<b>0.0</b>	<b>-3.3</b>	<b>-3.7</b>	<b>-1.8</b>	<b>-0.2</b>	<b>1.0</b>
Average number of shares	4.0	4.2	4.7	4.7	4.7	4.7
<b>EPS reported</b>	<b>0.01</b>	<b>-0.79</b>	<b>-0.79</b>	<b>-0.39</b>	<b>-0.04</b>	<b>0.21</b>

Profit and loss (common size)	2021	2022	2023	2024e	2025e	2026e
<b>Sales</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
Cost of sales	8.5%	14.3%	11.4%	6.4%	3.9%	2.8%
<b>Gross profit</b>	<b>91.5%</b>	<b>85.7%</b>	<b>88.6%</b>	<b>93.6%</b>	<b>96.1%</b>	<b>97.2%</b>
Sales and marketing	3.7%	0.0%	0.0%	9.6%	9.3%	8.9%
General and administration	53.4%	114.4%	87.9%	75.9%	61.2%	51.3%
Research and development	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other operating income	2.8%	34.3%	3.3%	3.3%	3.3%	3.3%
Other operating expenses	36.1%	71.6%	97.0%	50.7%	36.0%	32.8%
<b>Total operating expenses</b>	<b>90.3%</b>	<b>151.6%</b>	<b>181.6%</b>	<b>132.9%</b>	<b>103.1%</b>	<b>89.6%</b>
Unusual or infrequent items	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBITDA</b>	<b>1.1%</b>	<b>-66.0%</b>	<b>-93.0%</b>	<b>-39.2%</b>	<b>-7.0%</b>	<b>7.6%</b>
Depreciation	0.5%	0.4%	0.4%	0.0%	0.0%	0.0%
Amortisation of goodwill	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Amortisation of intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Impairment charges	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>EBIT (inc revaluation net)</b>	<b>0.6%</b>	<b>-66.4%</b>	<b>-93.3%</b>	<b>-39.2%</b>	<b>-7.0%</b>	<b>7.6%</b>
Interest income	0.2%	2.5%	4.4%	4.3%	4.3%	4.3%
Interest expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Investment income	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Financial result	0.2%	2.5%	4.4%	4.3%	4.3%	4.3%
<b>Recurring pretax income from continuing operations</b>	<b>0.8%</b>	<b>-63.9%</b>	<b>-89.0%</b>	<b>-34.9%</b>	<b>-2.7%</b>	<b>11.9%</b>
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Earnings before taxes</b>	<b>0.8%</b>	<b>-63.9%</b>	<b>-89.0%</b>	<b>-34.9%</b>	<b>-2.7%</b>	<b>11.9%</b>
Tax rate	0.0%	0.0%	-0.0%	0.0%	0.0%	0.0%
<b>Net income from continuing operations</b>	<b>0.8%</b>	<b>-63.9%</b>	<b>-89.0%</b>	<b>-34.9%</b>	<b>-2.7%</b>	<b>11.9%</b>
<b>Net income</b>	<b>0.8%</b>	<b>-63.9%</b>	<b>-89.0%</b>	<b>-34.9%</b>	<b>-2.7%</b>	<b>11.9%</b>
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Net profit (reported)</b>	<b>0.8%</b>	<b>-63.9%</b>	<b>-89.0%</b>	<b>-34.9%</b>	<b>-2.7%</b>	<b>11.9%</b>

Source: Company data, NuWays

Balance sheet (EUR m)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.1	0.1	0.0	0.0	0.0	0.0
Financial assets	0.2	0.2	1.4	1.4	1.4	1.4
<b>FIXED ASSETS</b>	<b>0.2</b>	<b>0.2</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.8	0.9	1.1	1.1	1.4	1.8
Other assets and short-term financial assets	0.1	0.1	0.2	0.2	0.2	0.2
Liquid assets	4.1	3.3	0.8	0.7	0.5	1.2
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.1	0.0	0.0	0.0	0.0
<b>CURRENT ASSETS</b>	<b>5.1</b>	<b>8.2</b>	<b>4.2</b>	<b>4.1</b>	<b>4.2</b>	<b>5.2</b>
<b>TOTAL ASSETS</b>	<b>5.4</b>	<b>8.5</b>	<b>5.7</b>	<b>5.6</b>	<b>5.6</b>	<b>6.7</b>

<b>SHAREHOLDERS EQUITY</b>	<b>4.5</b>	<b>7.5</b>	<b>4.5</b>	<b>2.7</b>	<b>2.5</b>	<b>3.5</b>
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Provisions for pensions and similar obligations	0.0	0.0	0.0	0.0	0.0	0.0
Other provisions and accrued liabilities	0.4	0.5	0.4	0.3	0.3	0.3
Short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.1	0.2	0.2	0.5	0.5	0.5
Advance payments received on orders	0.0	0.0	0.0	0.0	0.0	0.0
Other liabilities (incl. from lease and rental contracts)	0.0	0.1	0.3	0.3	0.4	0.4
Deferred taxes	0.2	0.2	0.1	0.1	0.1	0.1
Deferred income	0.1	0.0	0.0	0.0	0.0	0.0
<b>CURRENT LIABILITIES</b>	<b>0.1</b>	<b>0.2</b>	<b>0.5</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>5.4</b>	<b>8.5</b>	<b>5.7</b>	<b>5.6</b>	<b>5.6</b>	<b>6.7</b>

Balance sheet (common size)	2021	2022	2023	2024e	2025e	2026e
Intangible assets	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Property, plant and equipment	1.4%	0.8%	0.5%	0.7%	0.5%	0.3%
Financial assets	3.3%	2.1%	25.2%	25.6%	25.5%	21.5%
<b>FIXED ASSETS</b>	<b>4.6%</b>	<b>2.9%</b>	<b>25.7%</b>	<b>26.3%</b>	<b>26.0%</b>	<b>21.8%</b>
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	14.5%	10.6%	20.1%	20.3%	25.7%	26.6%
Other assets and short-term financial assets	2.4%	1.5%	2.7%	3.0%	2.9%	2.5%
Liquid assets	76.5%	38.7%	13.7%	13.1%	8.2%	17.7%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	0.5%	0.9%	0.7%	0.0%	0.0%	0.0%
<b>CURRENT ASSETS</b>	<b>95.4%</b>	<b>97.1%</b>	<b>74.0%</b>	<b>73.7%</b>	<b>74.0%</b>	<b>78.2%</b>
<b>TOTAL ASSETS</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

<b>SHAREHOLDERS EQUITY</b>	<b>83.2%</b>	<b>88.1%</b>	<b>79.4%</b>	<b>48.2%</b>	<b>44.7%</b>	<b>52.2%</b>
MINORITY INTEREST	0.3%	0.2%	0.3%	0.3%	0.3%	0.2%
Provisions for pensions and similar obligations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other provisions and accrued liabilities	8.3%	6.1%	7.3%	5.6%	5.9%	5.1%
Short-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts payable	1.8%	1.8%	2.8%	8.7%	9.2%	8.0%
Advance payments received on orders	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other liabilities (incl. from lease and rental contracts)	0.3%	0.7%	5.5%	5.5%	6.5%	6.1%
Deferred taxes	4.2%	2.1%	2.2%	2.3%	2.4%	2.2%
Deferred income	1.7%	0.1%	0.2%	0.3%	0.3%	0.2%
<b>CURRENT LIABILITIES</b>	<b>2.2%</b>	<b>2.6%</b>	<b>8.3%</b>	<b>14.2%</b>	<b>15.7%</b>	<b>14.1%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS EQUITY</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Company data, NuWays

Cash flow statement (EUR m)	2021	2022	2023	2024e	2025e	2026e
Net profit/loss	0.0	-3.3	-3.7	-1.8	-0.2	1.0
Depreciation of fixed assets (incl. leases)	0.0	0.0	0.0	0.0	0.0	0.0
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Other costs affecting income / expenses	0.0	0.0	0.0	0.1	0.0	0.0
Cash flow from operating activities	-0.2	-7.2	-2.1	-1.5	-0.4	0.7
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.6	-3.8	1.5	0.0	-0.3	-0.3
Increase/decrease in accounts payable	0.0	0.0	0.3	0.1	0.1	0.1
Increase/decrease in other working capital positions	-0.0	-0.1	-0.2	0.0	0.0	0.0
Increase/decrease in working capital	-0.6	-3.9	1.6	0.1	-0.2	-0.3
<b>Cash flow from operating activities</b>	<b>-0.2</b>	<b>-7.2</b>	<b>-2.1</b>	<b>-1.5</b>	<b>-0.4</b>	<b>0.7</b>
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	0.0	0.0	0.5	0.0	0.0	0.0
Financial investments	0.0	-0.0	-0.2	0.0	0.0	0.0
Income from asset disposals	0.0	0.0	0.0	0.0	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0.0</b>	<b>0.0</b>	<b>-0.4</b>	<b>-0.0</b>	<b>-0.0</b>	<b>-0.0</b>
Cash flow before financing	-0.2	-7.1	-2.5	-1.5	-0.4	0.7
Increase/decrease in debt position	0.0	0.0	0.0	1.5	0.1	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	4.0	6.3	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0	0.0	0.0	0.0
Others	-0.0	-0.0	-0.0	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
<b>Cash flow from financing activities</b>	<b>4.0</b>	<b>6.3</b>	<b>-0.0</b>	<b>1.5</b>	<b>0.1</b>	<b>0.0</b>
Increase/decrease in liquid assets	3.8	-0.8	-2.5	-0.0	-0.3	0.7
<b>Liquid assets at end of period</b>	<b>4.1</b>	<b>3.3</b>	<b>0.8</b>	<b>0.7</b>	<b>0.5</b>	<b>1.2</b>

Key ratios (EUR m)	2021	2022	2023	2024e	2025e	2026e
<b>P&amp;L growth analysis</b>						
Sales growth	39.9%	19.0%	-20.3%	25.3%	27.2%	22.3%
EBITDA growth	-105.0%	-7044.3%	12.3%	-47.1%	-77.2%	-232.3%
EBIT growth	-102.6%	-13256.0%	12.1%	-47.3%	-77.2%	-232.3%
EPS growth	-103.0%	-8893.0%	0.1%	-50.8%	-90.0%	-630.7%
<b>Efficiency</b>						
Sales per employee	138.7	119.6	81.8	105.2	133.8	163.6
EBITDA per employee	1.6	-78.9	-76.0	-41.2	-9.4	12.5
No. employees (average)	32	44	51	49	49	49
<b>Balance sheet analysis</b>						
Avg. working capital / sales	9.3%	51.4%	92.5%	56.0%	43.6%	39.3%
Inventory turnover (sales/inventory)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Accounts receivable turnover	65.5	80.0	80.0	80.0	80.0	80.0
Accounts payable turnover	36.7	36.7	36.7	36.7	36.7	36.7
<b>Cash flow analysis</b>						
Free cash flow	-0.2	-7.2	-2.1	-1.5	-0.4	0.7
Free cash flow/sales	-5.2%	-138.4%	-51.6%	-29.8%	-5.6%	8.9%
FCF / net profit	neg.	216.7%	58.0%	85.2%	205.5%	74.8%
Capex / sales	0.5%	-0.7%	-3.9%	0.3%	0.2%	0.1%
<b>Solvency</b>						
Net debt	-4.3	-3.3	-1.8	0.1	0.5	-0.1
Net Debt/EBITDA	0.0	0.0	0.0	-0.0	-1.2	0.0
Dividend payout ratio	0.0%	0.0%	0.0%	0.0%	0.0%	3409.6%
Interest paid / avg. debt	0.0%	0.3%	1.5%	0.0%	0.0%	0.0%
<b>Returns</b>						
ROCE	0.9%	-70.9%	-95.7%	-50.6%	-9.4%	11.6%
ROE	0.8%	-44.5%	-81.7%	-67.2%	-7.2%	27.6%
Adjusted FCF yield	0.9%	-53.1%	-44.7%	-18.4%	-2.5%	8.6%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%	324.1%
DPS	0.0	0.0	0.0	0.0	0.0	7.0
EPS reported	0.01	-0.79	-0.79	-0.39	-0.04	0.21
Average number of shares	4.0	4.2	4.7	4.7	4.7	4.7
<b>Valuation ratios</b>						
P/BV	1.9	1.3	2.2	3.7	4.0	2.9
EV/sales	1.0	1.2	2.0	2.0	1.6	1.2
EV/EBITDA	87.6	-1.8	-2.2	-5.0	-23.0	16.3
EV/EBIT	164.9	-1.8	-2.2	-5.0	-23.0	16.3

Source: Company data, NuWays

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Company	Disclosures
EV Digital Invest AG	2

### Historical target price and rating changes for EV Digital Invest AG

Company	Date	Analyst	Rating	Target Price	Close
EV Digital Invest AG	26.04.2024	Jarchow, Frederik	Buy	EUR 3.60	EUR 2.16
	02.02.2024	Jarchow, Frederik	Hold	EUR 4.80	EUR 3.16
	13.11.2023	Jarchow, Frederik	Hold	EUR 5.20	EUR 4.54
	11.06.2023	Jarchow, Frederik	Hold	EUR 5.00	EUR 6.15

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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.

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