

MyBucks S.A. ^{*5a;11}

BUY

Target Price: 23.25

Current Price: 12.50
13/03/2018 / XETRA /
10:00am
currency: EUR

Key Data:

ISIN: LU1404975507
WKN: A2AJLT
Ticker symbol: MBC
Number of shares³: 12.97
Marketcap³: 162.07
³ in m / in EUR m
Freefloat: 19.4 %

Transparency level:
Scale

Market Segment:
Open Market

Accounting Standard:
IFRS

Financial year-end: 30/06

Designated Sponsor:
Hauck&Aufhäuser

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* catalogue of potential conflicts of interests on page 6

Completion/Publication:
13/03/2018 / 14/03/2018

Company Profile

Sector: FinTech

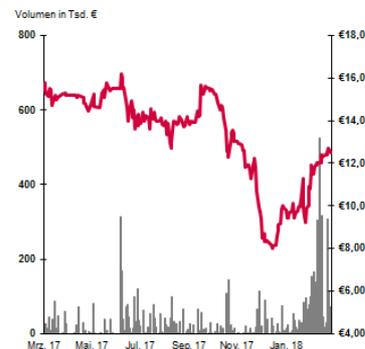
Focus: consumer credits, bank solutions, insurance products through the use of new technologies

Founded in: 2011

Headquarter: Luxemburg

Executive Board: Dave von Niekerk (Executive Chairman), Tim Nuy (CEO), Dr. Markus Schachner (Deputy Chairman)

MyBucks S.A. is a FinTech company registered in Luxembourg, delivering seamless financial services through the use of technology. With its trademarks GetBucks, GetSure and Opportunity Bank, the company offers its customers non-hedged consumer credits, bank solutions and insurance products. Since its foundation in 2011, MyBucks has grown exponentially and currently operates in twelve African and two European countries, as well as in Australia. MyBucks is committed to ensuring that, compared with conventional, non-technology-based methods, its product range is simple and trustworthy, and ultimately offers its customers more benefits. The range of products offered by MyBucks allows customers to easily and conveniently manage their financial transactions.



P&L in €m \ FY-End	30/06/2017	30/06/2018e	30/06/2019e	30/06/2020e
Revenue	53.77	65.60	98.40	127.92
EBIT	10.93	21.73	33.01	58.09
EBIT-margin	20.3%	33.1%	33.5%	45.4%
Net profit after minorities	-11.33	0.28	7.12	22.39

Per Share Figures in EUR

EPS	-0.97	0.02	0.55	1.73
Dividend per share	0.00	0.00	0.00	0.00

Key financials

EV/Sales	20.23	32.21	39.34	61.72
EV/EBITDA	neg.	0.9%	18.1%	36.3%
EV/EBIT	3.01	2.47	1.65	1.27
P/E	neg.	580.90	22.75	7.24
P/B	8.01	5.03	4.12	2.63

Financial Dates:

31/10/2018: Annual Report 2017/2018

**last research published by GBC:

Date: publication / price target in € / rating

12/02/2017: RS / 23.25 / BUY

11/08/2017: RS / 27.60 / BUY

10/07/2017: RS / 27.60 / BUY

19/06/2017: RS / 27.60 / BUY

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2. The research reports are published extensively and simultaneously made available to the public and all interested investment services companies.

LOAN REPAYMENT CREATES FOUNDATION FOR EARNINGS GROWTH; TARGET PRICE AND RATING CONFIRMED

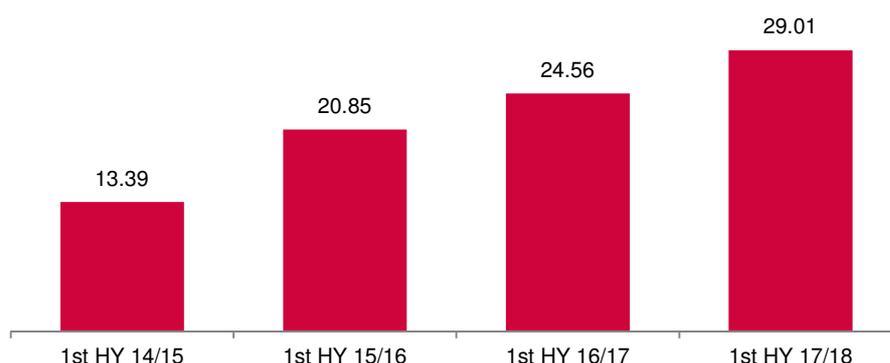
P&L (in €m)	1st HY 14/15	1st HY 15/16	1st HY 16/17	1st HY 17/18
Revenue	13.39	20.85	24.56	29.01
EBIT	4.32	8.28	5.28	9.75
EBIT-margin	32.3%	39.7%	21.5%	33.6%
Financial result	-2.49	-4.54	-8.64	-9.68
Net profit	0.27	1.58	-4.80	-2.03

Source: MyBucks S.A.; GBC AG

Revenue and earnings development 1st HY 2017/2018

MyBucks S.A. has continued its growth during the first six months of the current financial year 2017/2018 (end of financial year: 30 June). Revenue significantly increased by 18.1% to €29.01 million (1st HY 16/17: €24.56 million). Since the majority of the acquired opportunity companies were already included at the beginning of the past financial year 2016/2017, the achieved sales growth almost exclusively represents organic growth.

Revenue development (in €m)



Source: MyBucks S.A.; GBC AG

The strong growth in sales can be attributed to the expanded lending business, as during previous periods. Compared to the end of the financial year 2016/2017, the lending volume outstanding at the balance sheet date increased from €68.53 million to €73.64 million, which constitutes the basis for the increase in interest income. It represents approx. 80% of total turnover.

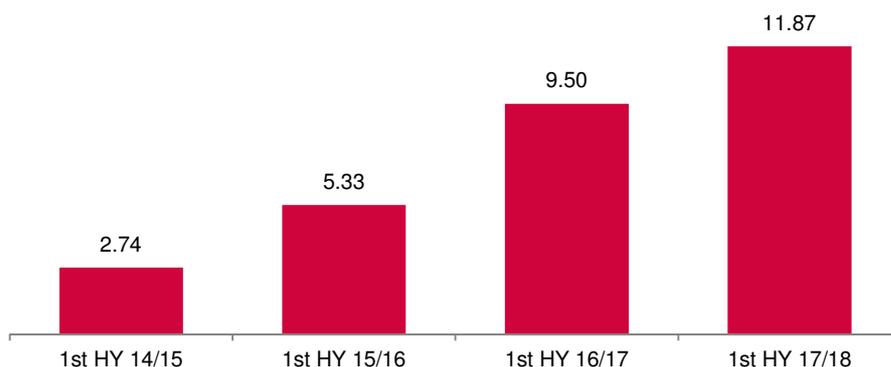
Expanded sales are also reflected in the development of profits, with an increase in EBIT to €9.75 million (1st HY 16/17: €5.28 million). The **turnaround** of the added **opportunity companies**, which were not profitable at the time of acquisition, is especially noteworthy. The restructuring measures initiated during the previous year, accompanied by the corresponding special expenses, are therefore already bearing fruit. Accordingly, the opportunity companies made a positive profit contribution.

Furthermore, the **loan depreciation rate** in relation to revenue was **reduced** from 23.9% (1st HY 16/17) to 21.4%. This reduction had been expected, after loans had been written off more aggressively in the previous year and therefore produced an “adjustment” of the loan book. The current value approximately corresponds to the mean value of the previous financial years, although MyBucks intends to make further improvements here. Primarily, the proprietary and self-learning Fintech solution will contribute to achieving this

objective. The more data are evaluated, the better the analysis and forecast quality with respect to the credit rating basis when lending.

Based on the otherwise consistent development of operating costs, MyBucks reports an increase of post-tax earnings to -€2.03 million (1st HY 16/17: -€4.80 million). The fact that the result for this period remains negative is primarily due to the still high **financial expenses**. They further increased to €11.87 million (1st HY 16/17: €9.50 million) and, according to our calculations, still bore an interest rate above 20%.

Financial expenses (in €m)



Source: MyBucks S.A.; GBC AG

Since MyBucks S.A. is actively pursuing cost reductions in this aspect (see press release dated 07 March 2018), a short-term break-even after tax is also expected.

Financial development as at 31/12/2017

in €m	31/12/2016	30/06/2017	31/12/2017
Equity (Equity-ratio)	35.28 (22.9 %)	20.23 (12.9%)	16.71 (9.8%)
Loan book	77.19	68.53	73.64
Interest bearing debt	99.65	121.02	133.09
Liquid Assets	21.70	15.05	13.16

Source: MyBucks S.A.; GBC AG

During the past reporting periods, MyBucks significantly expanded the financing side, meaning the equity and liabilities of the balance sheet. During the first six months of the current financial year, the company further increased interest-bearing liabilities to €133.09 million (30 June 2017: €121.02 million). As a comparison: At the end of the financial year 14/15, liabilities amounted to €48.62 million. A good foundation for the expansion of the revenue-generating loan business has been built, although parts of the high-interest liabilities are to be refinanced in the coming periods.

The resulting increase in total assets and liabilities and the losses of the previous reporting periods had resulted in a decrease in equity to €16.71 million (30 June 2017: €20.23 million) and an above-average decline in equity ratio to 9.8% (30 June 2017: 12.9%). After the balance sheet date, the company executed a capital increase in the amount of €11.7 million (issuing 1.3 million shares), which represents a significant improvement of equity.

Forecasts and valuation

P&L (in €m)	FY 16/17	FY 17/18e	FY 18/19e	FY 19/20e
Revenue	53.77	65.60	98.40	127.92
EBIT	10.94	21.73	33.01	58.09
EBIT-margin	20.3%	33.1%	33.5%	45.4%
Financial result	18.63	20.65	21.04	24.21
Net profit	-11.33	0.28	7.12	22.39

Source: GBC AG

The half-year-figures 2017/2018 confirm our assumptions that MyBucks S.A. continues to be on a dynamic growth path. The achieved revenue amounting to €29.01 million provides a good foundation for achieving our revenue forecasts for the fiscal year 2017/2018, which are unchanged at €65.50 million. MyBucks will only have to do better with the results after taxes in the second half of the financial year in order to reach our targeted positive result after taxes in the amount of €0.28 million.

As revealed in the current Corporate News dated 07 March 2018, which reported that comparably expensive debt capital was repaid, the company created an important basis for significant improvements in earnings. After the successful capital increase and the resulting repayment of loans, the average refinancing rate of previously over 20% was significantly reduced to below 15%. Based on the current debt capital in the amount of €133.09 million (31 December 2017), this amounts to annual interest savings of around €6 million. The first effects will already be evident during the current financial year, although they will only be partially effective until the end of this financial year on 30 June 2018. This should, however, suffice to achieve our target results after tax.

In the coming year, the achieved interest savings will be effective throughout the entire year, resulting in a likely disproportionate earnings improvement. Furthermore, MyBucks is anticipated to achieve a gradual increase in revenue in the coming financial years. We expect that a roll-out in other countries on the basis of MyBucks technology that has already been developed can be implemented relatively quickly and cost-effectively. Currently, the company operates in a total of 14 countries (12 in the sub-Saharan region). Another aspect regarding the planned increase in market shares in operating regions is the expansion of the product range and thereby the leveraging of cross-selling potential.

Since MyBucks S.A. achieved our assumptions postulated in the last research report (see study dated 12 February 2018), not least through implemented interest savings, we are confirming our forecasts. We are also confirming our residual income model, for which we have determined a target price of €23.25. Based on the current share price of €12.50, we are continuing to award a BUY rating.

ANNEX

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The analysts responsible for this analysis are:

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Marcel Goldmann, M.Sc., Financial Analyst

Other person involved:

Jörg Grunwald, Member of board

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