

coinIX GmbH & Co. KGaA

Germany | Technology | MCap EUR 6.4m

13 November 2024

UPDATE



PEAQ token off to a spectacular start; price target up; BUY

What's it all about?

coinIX has acquired 12.5 million PEAQ tokens via a SAFT in 2022 at a price of USD 0.012. The PEAQ token has now had a spectacular IPO with high trading volume and a trading range between USD 0.30 and USD 0.50, giving SAFT investors such as coinIX a capital multiplier of up to 40 times. The current market price values coinIX's PEAQ holdings at approximately EUR 4.1m or over EUR 1.30 per share. In addition to PEAQ's additional value contribution, the other tokens and the COINVEST SCI1 fund have also performed positively. On this basis, we arrive at a new price target of EUR 5.00 (old: EUR 3.40). The listing of PEAQ shows that coinIX can open up highly lucrative investment opportunities in the blockchain value chain, e.g. in the form of SAFTs, which would otherwise remain closed to investors. We reiterate our BUY recommendation.

IMPORTANT. Please refer to the last page of this report for "Important disclosures" and analyst(s) certifications.

BUY (BUY)

Target price	EUR 5.00 (3.40)
Current price	EUR 2.08
Up/downside	140.4%

 ResearchHub 



SCAN ME

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PEAQ token off to a spectacular start; price target up; BUY

PEAQ token is listed for the first time. In April 2022, coinIX acquired a right to the allocation of 12.5m PEAQ tokens at a price of USD 0.012 per PEAQ as part of a pre-sale via a SAFT (Simple Agreement for Future Token). The PEAQ token was listed for the first time yesterday on several trading platforms, including the very active KuCoin, Bitget, Gate.io and MEXC platforms. On Gate.io alone, the 24-hour trading volume of PEAQ amounted to almost USD 28m, albeit with still high volatility.

What does peaq do? peaq is a blockchain platform that enables machines such as vehicles or robots to work autonomously and carry out transactions with each other. By providing a decentralized infrastructure, peaq enables these machines to offer services, exchange data and carry out transactions without having to rely on central authorities. peaq's blockchain platform is currently being actively used by various organizations and projects, particularly in the areas of mobility and data exchange.

Spectacular launch of PEAQ Token. The trading range of PEAQ was between USD 0.30 and USD 0.50 in the first hours of trading. For SAFT investors such as coinIX, this results in a multiplier of more than 40 times the invested capital. At the upper end of the valuation range, the market capitalization of the 132.3m tokens currently in circulation for the PEAQ token is c. USD 66m. Fully diluted, i.e. assuming that all 4.2bn tokens are admitted to trading, the market capitalization amounts to USD 2.1bn. The 12.5m tokens of coinIX are subject to a selling restriction, 7.5% of the tokens can be sold immediately, the remaining 92.5% can be sold over a period of 24 months. The introduction of lock-up periods for the tokens is common practice in SAFT agreements in order to retain investors in the longer term - a comparable structure can also be found with The Graph tokens in coinIX's portfolio.



Source: Company data, mwb research

High/low 52 weeks 3.66 / 1.21
Price/Book Ratio 1.0x

Ticker / Symbols

ISIN DE000A2LQ1G5
WKN A2LQ1G
Bloomberg XCX:GR

Changes in estimates

		Sales	EBIT	EPS
2024E	old	0.0	0.9	0.20
	Δ	0.0%	0.0%	0.0%
2025E	old	0.0	0.8	0.18
	Δ	0.0%	0.0%	0.0%
2026E	old	0.0	1.0	0.23
	Δ	0.0%	0.0%	0.0%

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coinIX GmbH & Co. KGaA	2021	2022	2023	2024E	2025E	2026E
Sales	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	1.7	-0.2	0.8	0.9	0.8	1.0
EBIT	1.7	-1.5	0.1	0.9	0.8	1.0
Net profit	1.8	-1.3	0.0	0.6	0.5	0.7
Net debt (net cash)*	-0.8	-0.2	-0.4	-0.5	-1.1	-1.8
Net debt/EBITDA	-0.5x	1.1x	-0.5x	-0.6x	-1.3x	-1.7x
EPS reported	0.63	-0.43	0.01	0.20	0.18	0.23
DPS	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%
ROCE	22.4%	-23.2%	1.8%	12.2%	10.2%	12.1%
EV/EBITDA	3.3x	-30.2x	7.5x	6.5x	6.6x	4.4x
EV/EBIT	3.3x	-4.1x	51.3x	6.5x	6.6x	4.4x
PER	3.3x	-4.8x	169.8x	10.5x	11.7x	9.0x

* Negative = cash. coinIX is financed exclusively by equity.

Note 1: German GAAP reporting is not very meaningful for an investment company.

Note 2: Estimates do not include any proceeds from divestments of equity stakes.

Key share data

Number of shares: (in m pcs) 3.07
Book value per share: (in EUR) 2.04
Ø trading vol.: (12 months) 129

Major shareholders

Free Float 100.0%

Company description

coinIX is a venture capital investment firm that invests in blockchain technology companies, tokens and cryptocurrencies.

A boost for valuation. So far, we had not included the peaq SAFT in the valuation. A realistic valuation of USD 0.35 results in a value of the PEAQ tokens held by coinIX of c. EUR 4.1m or over EUR 1.30 per share. Of course, it must be taken into account that this value cannot be fully realized immediately, and that the expiry of lock-up periods may lead to price pressure later on. However, a further increase in value is also possible, so that we consider the valuation at the current price to be fair.

PT up, BUY. Next to PEAQ's additional value contribution, the other tokens and the COINVEST SCI1 fund have also performed positively. On this basis, we arrive at a new price target of EUR 5.00 (old: EUR 3.40). The listing of PEAQ shows that coinIX can open up highly lucrative investment opportunities in the blockchain value chain, e.g. in the form of SAFTs, which would otherwise remain out of reach to investors. We reiterate our BUY recommendation.

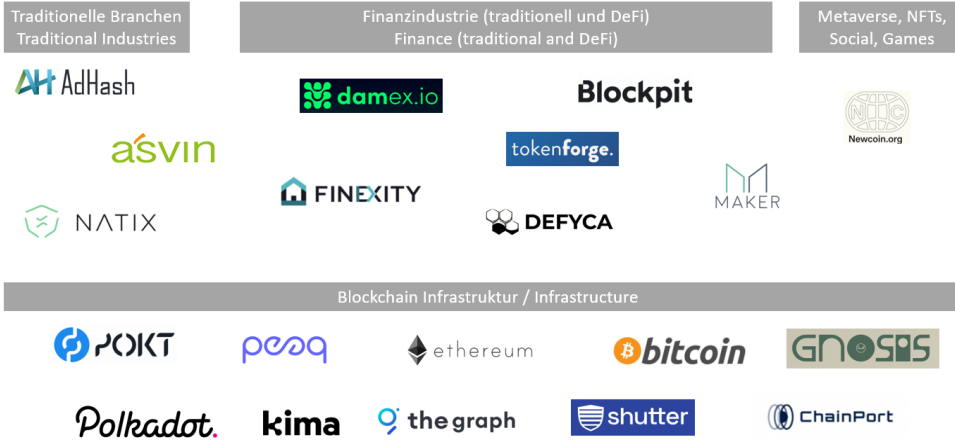
Valuation

Portfolio coinIX						
Unternehmen / Company	Quelle / source	Buchwert book value (reported, EUR k)	Valuation base	Bewertungs- grundlage	aktueller Wert current value (eAR, EUR k)	
Asvin GmbH	reported	254,0	book value	Schätzung	500	
Blockpit GmbH	reported	104,9	Series A 07/21	Series A 07/21	300	
Defyca Holdings Sarl	reported	102,1	book value	Buchwert	102	
Finexity AG	reported	294,5	estimate	Schätzung	700	
FinToVentures	reported	211,4	book value	Buchwert	211	
Kima (ehem. Diversifi)	reported	85,0	estimate	Schätzung	300	
Livin Media Ltd.	reported	139,9	book value	Buchwert	140	
Natix GmbH	reported	200,8	book value	Schätzung	265	
Nexus Network	reported	100,0	book value	Buchwert	100	
Novum Group	reported	150,9	book value	Buchwert	151	
OURZ AG	reported	16,0	book value	Buchwert	16	
Pandora Core AG	reported	107,0	book value	Buchwert	107	
Shifu Software Solutions	reported	94,1	book value	Buchwert	94	
Tokenforge	reported	200,0	book value	Buchwert	200	
XVA Blockchain GmbH	reported	63,5	book value	Buchwert	64	
Summe Equity-Beteiligungen				TTL equity investments	3.250	
EUR/USD	1,0630					
Token & Fonds	Quelle / Source	Anteile / units	Preis / Price (USD)	Preis / Price (EUR)	Wert / Value (EUR k)	
coinIX COINVEST SCI1	reported	33.987		231,51	7.868	
Bitcoin (BTC)	est.	22	82.212	77.340	1.701	
The Graph (GRT)	est.	4.000.000	0,1860	0,1750	700	
peaq (PEAQ)		12.500.000	0,3500	0,3293	4.116	
All other tokens & Saft	est.				0	
Summe Fondsanteile und Token				TTL funds and tokens	14.386	
Cash (EUR k, Schätzung)				Cash (EUR k, est.)	30	
Zeitwert der Vermögensgegenstände				Fair value of assets	17.665	
-Managementgebühr 6 Jahre auf Equity				- management fee 6 years on equity	390	
-Managementgebühr 2 Jahre auf Token				- management fee 2 years on tokens	575	
-Managementgebühr 1 Jahr auf Cash				- management fee 1 year on cash	1	
-Managementgebühr Erfolgsbeteiligung & Steuern				- outstanding profit participation & taxes	1.316	
				NAV (EUR k)	15.383	
12-Nov-24				NAV je Aktie / NAV per share (EUR)	5,01	

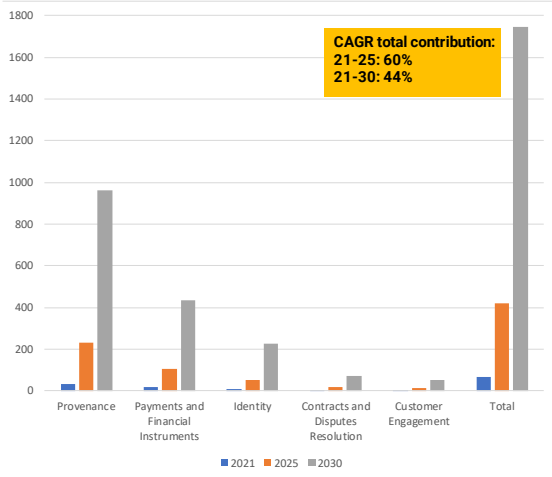
Source: Company data; mwb research

Investment case in five charts

Portfolio (excerpt)

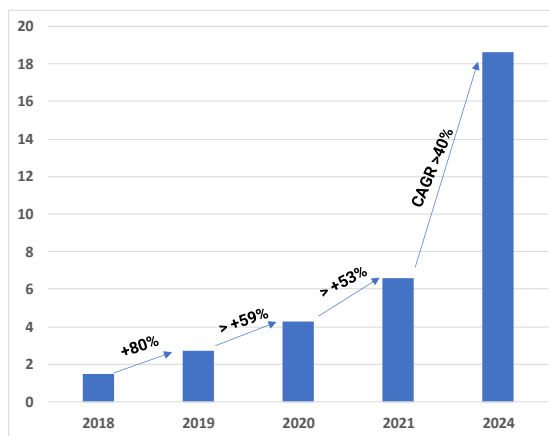


Blockchain's Economic Contributions (worldwide, USD bn)



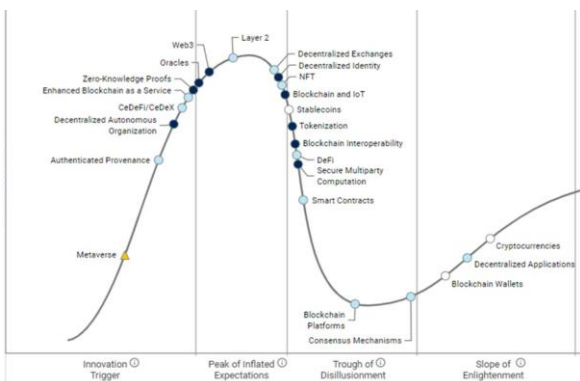
Source: PwC, Time for Trust, October 2020

Global Spending on Blockchain Solutions (USD bn)



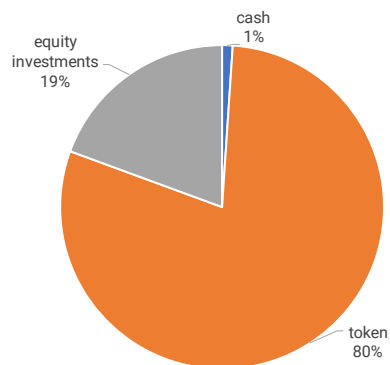
Source: IDC

Gartner Blockchain Hype Cycle



Source: Gartner (Juli 2022)

Portfolio allocation



Source: coinIX

Source: Company data, mwb research

SWOT analysis

Strengths

- Early mover with good track record
- Exclusive focus on blockchain; deep and complementary know-how in the team (including inhouse regulatory expertise)
- Network enables access to attractive pre-sales and seed rounds
- Flexibility in asset allocation and high diversification in cryptocurrencies, tokens and blockchain venture capital

Weaknesses

- Unusual legal form (GmbH & Co KGaA)
- Listing on the open market (Düsseldorf, Munich, Berlin) with low transparency and reporting requirements

Opportunities

- Enormous growth of the blockchain market and related investment opportunities
- Very high return potential with simultaneously high liquidity of cryptocurrencies and some tokens
- Generating recurring revenues through staking / delegating
- Eurocentric business model with clear regulatory framework

Risks

- Volatility of cryptocurrencies and token prices
- Stricter regulation of cryptocurrencies and accompanying higher regulatory requirements for coinIX

Financials

Attention: German GAAP reporting is not very meaningful for an investment company.

Profit and loss (EURm)	2021	2022	2023	2024E	2025E	2026E
Net sales	0.0	0.0	0.0	0.0	0.0	0.0
Change in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	0.0	0.0	0.0	0.0	0.0	0.0
Material expenses	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	0.0	0.0	0.0	0.0	0.0	0.0
Other operating income	4.1	0.6	1.3	2.4	1.6	1.8
Personnel expenses	0.0	0.0	0.0	0.0	0.0	0.0
Other operating expenses	2.4	0.8	0.5	1.5	0.8	0.8
EBITDA	1.7	-0.2	0.8	0.9	0.8	1.0
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
EBITA	1.7	-0.2	0.8	0.9	0.8	1.0
Amortisation of goodwill and intangible assets	0.0	1.3	0.7	0.0	0.0	0.0
EBIT	1.7	-1.5	0.1	0.9	0.8	1.0
Financial result	0.5	0.0	0.0	0.0	0.0	0.0
Recurring pretax income from continuing operations	2.2	-1.5	0.1	0.9	0.8	1.0
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	2.2	-1.5	0.1	0.9	0.8	1.0
Taxes	0.4	-0.2	0.1	0.3	0.3	0.3
Net income from continuing operations	1.8	-1.3	0.0	0.6	0.5	0.7
Result from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	1.8	-1.3	0.0	0.6	0.5	0.7
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	1.8	-1.3	0.0	0.6	0.5	0.7
Average number of shares	2.87	3.07	3.07	3.07	3.07	3.07
EPS reported	0.63	-0.43	0.01	0.20	0.18	0.23

Balance sheet (EURm)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	5.1	3.6	0.0	0.0	0.0	0.0
Goodwill	0.0	0.0	0.0	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0	0.0	0.0	0.0
Financial assets	1.4	1.9	1.8	1.8	1.8	1.8
FIXED ASSETS	6.5	5.5	1.8	1.8	1.8	1.8
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.0	0.0	0.0	0.5	0.5	0.5
Other current assets	0.4	0.9	4.6	4.6	4.6	4.6
Liquid assets	0.8	0.2	0.4	0.5	1.1	1.8
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.0	0.0	0.0	0.0	0.0	0.0
CURRENT ASSETS	1.3	1.1	5.0	5.6	6.2	6.9
TOTAL ASSETS	7.8	6.6	6.7	7.4	7.9	8.6
SHAREHOLDERS EQUITY	7.0	6.2	6.3	6.9	7.4	8.1
MINORITY INTEREST	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	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	0.5	0.3	0.4	0.5	0.5	0.5
Non-current liabilities	0.5	0.3	0.4	0.5	0.5	0.5
short-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	0.2	0.0	0.1	0.0	0.0	0.0
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)	0.0	0.0	0.0	0.0	0.0	0.0
Deferred taxes	0.0	0.0	0.0	0.0	0.0	0.0
Deferred income	0.0	0.0	0.0	0.0	0.0	0.0
Current liabilities	0.2	0.0	0.1	0.0	0.0	0.0
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	7.8	6.6	6.7	7.4	7.9	8.6

Balance sheet (common size)	2021	2022	2023	2024E	2025E	2026E
Intangible assets (excl. Goodwill)	66%	54%	0%	0%	0%	0%
Goodwill	0%	0%	0%	0%	0%	0%
Property, plant and equipment	0%	0%	0%	0%	0%	0%
Financial assets	17%	28%	26%	24%	22%	20%
FIXED ASSETS	84%	83%	26%	24%	22%	20%
Inventories	0%	0%	0%	0%	0%	0%
Accounts receivable	0%	0%	0%	7%	6%	6%
Other current assets	6%	14%	68%	62%	58%	53%
Liquid assets	11%	4%	6%	7%	14%	21%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred charges and prepaid expenses	0%	0%	0%	0%	0%	0%
CURRENT ASSETS	16%	17%	74%	76%	78%	80%
TOTAL ASSETS	100%	100%	100%	100%	100%	100%
SHAREHOLDERS EQUITY	90%	95%	93%	93%	94%	94%
MINORITY INTEREST	0%	0%	0%	0%	0%	0%
Long-term debt	0%	0%	0%	0%	0%	0%
Provisions for pensions and similar obligations	0%	0%	0%	0%	0%	0%
Other provisions	7%	5%	5%	7%	6%	6%
Non-current liabilities	7%	5%	5%	7%	6%	6%
short-term liabilities to banks	0%	0%	0%	0%	0%	0%
Accounts payable	3%	1%	1%	0%	0%	0%
Advance payments received on orders	0%	0%	0%	0%	0%	0%
Other liabilities (incl. from lease and rental contracts)	0%	0%	0%	0%	0%	0%
Deferred taxes	0%	0%	0%	0%	0%	0%
Deferred income	0%	0%	0%	0%	0%	0%
Current liabilities	3%	1%	1%	0%	0%	0%
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	100%	100%	100%	100%	100%	100%

Source: Company data; mwb research

Cash flow statement (EURm)	2021	2022	2023	2024E	2025E	2026E
Net profit/loss	1.8	-1.3	0.0	0.6	0.5	0.7
Depreciation of fixed assets (incl. leases)	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	1.3	0.7	0.0	0.0	0.0
Others	-0.5	-0.7	0.0	0.1	0.0	0.0
Cash flow from operations before changes in w/c	1.4	-0.8	0.7	0.7	0.5	0.7
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	0.0	0.0	0.0	-0.5	0.0	0.0
Increase/decrease in accounts payable	0.1	-0.2	0.0	-0.1	0.0	0.0
Increase/decrease in other w/c positions	-0.1	-0.4	0.0	0.0	0.0	0.0
Increase/decrease in working capital	-0.0	-0.6	-0.6	-0.6	0.0	0.0
Cash flow from operating activities	1.3	-1.4	0.1	0.1	0.5	0.7
CAPEX	0.0	0.0	0.0	0.0	0.0	0.0
Payments for acquisitions	-3.5	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	0.0	0.0	0.0
Income from asset disposals	0.0	0.3	0.0	0.0	0.0	0.0
Cash flow from investing activities	-3.5	0.3	0.0	0.0	0.0	0.0
Cash flow before financing	-2.2	-1.1	0.1	0.1	0.5	0.7
Increase/decrease in debt position	0.0	0.0	0.0	0.0	0.0	0.0
Purchase of own shares	0.0	0.0	0.0	0.0	0.0	0.0
Capital measures	3.8	0.5	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
Cash flow from financing activities	3.8	0.5	0.0	0.0	0.0	0.0
Increase/decrease in liquid assets	0.8	-0.6	0.1	0.1	0.5	0.7
Liquid assets at end of period	0.8	0.2	0.4	0.5	1.1	1.8

Source: Company data; mwb research

Ratios	2021	2022	2023	2024E	2025E	2026E
Per share data						
Earnings per share reported	0.63	-0.43	0.01	0.20	0.18	0.23
Cash flow per share	0.46	-0.45	0.05	0.05	0.18	0.23
Book value per share	2.44	2.03	2.04	2.24	2.42	2.65
Dividend per share	0.00	0.00	0.00	0.00	0.00	0.00
Valuation						
P/E	3.3x	-4.8x	169.8x	10.5x	11.7x	9.0x
P/CF	4.5x	-4.6x	44.2x	43.6x	11.7x	9.0x
P/BV	0.9x	1.0x	1.0x	0.9x	0.9x	0.8x
Dividend yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
FCF yield (%)	22.3%	-21.6%	2.3%	2.3%	8.6%	11.1%
EV/EBITDA	3.3x	-30.2x	7.5x	6.5x	6.6x	4.4x
EV/EBIT	3.3x	-4.1x	51.3x	6.5x	6.6x	4.4x
Income statement (EURm)						
Sales	0.0	0.0	0.0	0.0	0.0	0.0
Gross profit	0.0	0.0	0.0	0.0	0.0	0.0
EBITDA	1.7	-0.2	0.8	0.9	0.8	1.0
EBIT	1.7	-1.5	0.1	0.9	0.8	1.0
Net profit	1.8	-1.3	0.0	0.6	0.5	0.7
Cash flow statement (EURm)						
CF from operations	1.3	-1.4	0.1	0.1	0.5	0.7
Capex	0.0	0.0	0.0	0.0	0.0	0.0
Maintenance Capex	0.0	0.0	0.0	0.0	0.0	0.0
Free cash flow	1.3	-1.4	0.1	0.1	0.5	0.7
Balance sheet (EURm)						
Intangible assets	5.1	3.6	0.0	0.0	0.0	0.0
Tangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	7.0	6.2	6.3	6.9	7.4	8.1
Pension provisions	0.0	0.0	0.0	0.0	0.0	0.0
Liabilities and provisions	0.5	0.3	0.4	0.5	0.5	0.5
Net financial debt	-0.8	-0.2	-0.4	-0.5	-1.1	-1.8
w/c requirements	-0.2	-0.0	-0.1	0.5	0.5	0.5
Ratios						
ROE	26.0%	-21.3%	0.6%	8.9%	7.4%	8.7%
ROCE	22.4%	-23.2%	1.8%	12.2%	10.2%	12.1%
Net gearing	-11.9%	-3.8%	-6.0%	-7.6%	-14.4%	-21.9%
Net debt / EBITDA	-0.5x	1.1x	-0.5x	-0.6x	-1.3x	-1.7x

Source: Company data; mwb research

Conflicts of interest

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