NuWays

Trading the retail renaissance; INITIATE WITH BUY



Simon Keller, CFA
Equity Research Analyst
simon.keller@nuways-ag.com

RECOMMENDATION	BUY
TARGET	EUR 20.00
UPSIDE	+30.3%
PREVIOUS	N.A. N.A.

The market is pricing Lang & Schwarz as if its story ended with Trade Republic. We disagree. The payment for order flow (PFOF) ban and Trade Republic's abrupt change in order routing and trading technology have reset earnings, but not the franchise. What remains is a profitable retail-market-making platform with proprietary technology, substantial capital and a highly attractive Structured Products business. The focus should now shift from the earnings lost to the quality and growth potential that remain.

The moat was built trade by trade. 30 years of pricing and risk decisions are embedded in L&S' models, technology and routines. Around 60% of its c. 100 employees work in trading or IT, while two data centres and € 207m of capital including the fund for general banking risks provide reliability and risk-bearing capacity. These capabilities support quotes on more than 50,000 securities and distribution through over 20 partners with access to more than 25m retail clients. Smaller, less information-sensitive retail orders create attractive economics. Together, this gives L&S a mature, capital-backed platform that can monetise retail flow across products, partners and market cycles.

Structured Products are set to become the profit engine. Already in FY25, the segment generated € 55m, or 38%, of group trading result on less than 1% of volume. Including Treasury, this equates to c. € 83 trading profit per executed trade versus c. € 0.84 in TradeCenter. With TradeCenter economics now reset, we expect Structured Products to account for the majority of group earnings from H2 26 onward. Rapid automated issuance captures shifts in retail demand, while wikifolio adds recurring fees of an estimated c. € 7m p.a. before performance fees.

Growth has several routes back. Only 38% of German adults hold investments, well below Nordic markets. Germany already counts c. 5m investors below 40, a sizeable cohort still at an early stage of wealth accumulation. As their portfolios and experience grow, funded brokerage accounts should increasingly translate into equity and leveraged-product activity. Orders in structured securities at selected German venues grew at an 11% CAGR from 2015 to 2025, with leveraged products accounting for 96% of 2025 orders. This decade-long expansion demonstrates a structural trend beyond isolated volatility spikes, in our view. New partnerships and the planned Multi-Market-Maker model offer additional growth potential, with our estimates allowing for only a modest initial contribution pending greater visibility.

Q3 2026 marks the clean starting point. H1 26 still reflects the former PFOF regime and the historically large Trade Republic flow. From Q3 onward, the PFOF ban and routing change are fully reflected, making FY27e the first fully standalone year. Its yoy comparison will look weak due to the exceptional H1 26 comparison, but against the annualised clean H2 26e base, our FY27e estimates imply c. 7% growth in trading result and c. 33% growth in adjusted net profit. As cost measures take full effect, FY27e should mark the beginning of renewed earnings growth under the post-PFOF setup.

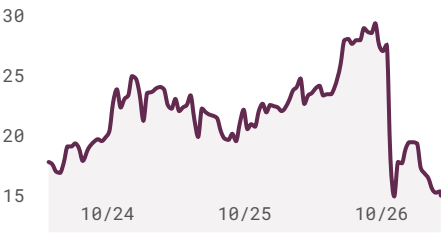
The de-risked earnings base deserves a new valuation. L&S trades at only 7.9x FY27e PER, versus peers at 10.3x. Our residual income model, based on € 193m of economic book value, supports our **PT of € 20**, implying c. 30% upside. **INITIATE with BUY.**

Y/E 31.12. (EUR M)	2023	2024	2025	2026e	2027e	2028e
Trading result	41.7	109.2	145.5	133.1	74.0	77.0
Trading result growth	-4.6%	161.9%	33.3%	-8.5%	-44.4%	4.1%
EBT adj.	15.1	71.3	100.2	83.0	26.5	28.0
Net profit adj.	10.2	49.1	68.9	56.0	18.3	19.3
Net profit reported	7.6	22.1	48.4	54.8	16.5	17.6
EPS adj.	1.08	5.20	7.30	5.93	1.94	2.05
EPS reported	0.81	2.34	5.13	5.81	1.75	1.87
DPS	0.55	1.75	2.00	2.32	0.70	0.75
Shareholders' equity	42.6	59.5	91.4	126.8	121.4	132.4
Economic book value	72.2	106.4	157.6	193.0	187.6	198.6
ROE adj.	14.1%	46.1%	43.7%	29.0%	9.8%	9.7%
P/B (adj.)	1.2	1.4	1.3	0.8	0.8	0.7
PER (adj.)	8.5	3.0	3.0	2.6	7.9	7.5
Dividend yield	6.0%	11.3%	9.1%	15.1%	4.6%	4.9%

Source: Company Data, NuWays AG | e = estimate, p = preliminary

Close Price as of 09.10.2026

Share Performance



52W H/L (EUR)	29.8 / 14.6
3M rel.	2.33%
6M rel.	-44.38%
12M rel.	-27.93%

Market Data

Share Price (in €)	15.35
Market Cap (in € m)	144.87
Number of Shares (in m pcs)	9.44
Enterprise Value (in € m)	-39.85
Ø Volume (6 Months)	23,296

Ticker

Bloomberg	LUS
WKN	LS1LUS
ISIN	DE000LS1LUS9

Key Shareholders

Free Float	94.90%

Guidance

Result of trading activities (2026): slight to moderate decline yoy

Forecast Changes

	2026e	2027e	2028e
Sales	-	-	-
EBITDA	-	-	-
EPS	-	-	-

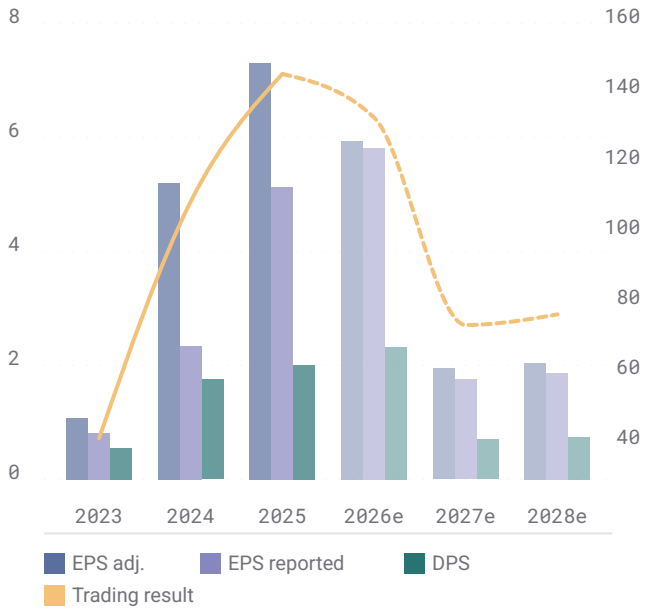
Issuer-Sponsored Research

Prepared in accordance with the EU Code of Conduct on Issuer-Sponsored Research.

Company Profile

Founded in 1996 and headquartered in Düsseldorf, Lang & Schwarz is a financial services group specialised in market making and structured products. The group develops and issues structured products under its own name, primarily leveraged products and wikifolio certificates. Its trading activities are supported by in-house IT infrastructure and software. Moreover, through its TradeCenter activities, the company acts as a market maker for securities.

KPIs



Catalysts

- Successful launch of the Multi-Market-Maker model, providing access to additional order flow and broadening the earnings base
- Evidence of a resilient post-Trade Republic earnings base, which would reduce uncertainty around the sustainable profitability of the TradeCenter business

Investment Case

- L&S operates a mature, capital-backed market-making platform built on decades of pricing and risk-management experience. Proprietary technology, specialist trading and IT capabilities and broad distribution support reliable execution across products and market cycles.
- Structured Products are set to become the key profit engine. In FY25, the segment generated € 55m, or 38%, of group trading result on less than 1% of volume, supported by rapid automated issuance and recurring wikifolio fees.
- German retail investing offers structural growth: a young and growing investor cohort, increasing saving plan rates and the planned Multi-Market-Maker model provide several routes to growth.
- With the PFOF ban and Trade Republic's routing change fully reflected, L&S starts from a cleaner earnings base. A less concentrated broker/partner mix and the full effect of cost measures should support renewed earnings growth.

Upcoming Events

Nov 13	Publication of Q3 Report

Strengths

+ Integrated trading model. Market making, product issuance, pricing and hedging are supported by shared technology and risk infrastructure.
+ Established retail distribution. Long-standing bank and broker connections, broad instrument coverage and long trading hours provide extensive market reach.
+ Differentiated Structured Products franchise. Control over issuance and secondary-market quoting enables rapid product launches and attractive trading economics.
+ Retail-oriented order flow. Predominantly private-investor trading generally carries low adverse-selection risk.
+ Strong capital and liquidity. Supports hedging, settlement, regulatory requirements and investment in new growth initiatives.

Weaknesses

– Limited end-customer ownership. Partner banks and brokers control customer access and order routing.
– High historical order-flow concentration. Trade Republic's routing change demonstrated the potential impact of a single partner decision.
– Transaction-driven earnings. Results can vary materially with retail activity, volatility and individual market events.
– Complex infrastructure requirements. Trading, risk management, settlement and regulation create meaningful fixed costs and capital needs.

Opportunities

↗ Multi-Market-Maker model. The new platform could provide access to additional order flow and diversify the earnings base.
↗ New partners and trading venues. Further German and European connections could expand reach and improve utilisation of the existing infrastructure.
↗ Structured Products expansion. Additional underlyings, rapid issuance and a focus on niche products could further strengthen the independent second earnings pillar.
↗ Digital assets. The MiCAR notification provides a regulatory basis for expanding crypto-related trading and product activities.

Threats

! Broker insourcing or rerouting. Partners could reduce order flow or shift orders towards competing venues.
! Intensifying competition. Greater price transparency and competition between market makers could compress trading spreads.
! Regulatory intervention. Changes affecting order routing, inducements, product governance or capital requirements could restrict activities or increase costs.
! Operational and market risk. Technology outages, cyber incidents, settlement failures or imperfect hedging could result in financial and reputational damage.

Analyst: Simon Keller, CFA | E-Mail: simon.keller@nuways-ag.com

Table of Contents

Company overview 4
Quality 5
Growth 9
Valuation 13
Theme 16
Company background 17
Investment risks 20

Analyst: Simon Keller, CFA | E-Mail: simon.keller@nuways-ag.com

Company overview

	TradeCenter	Structured Products	Group
Products	TradeCenter provides **market-making services** across equities, funds, ETPs, bonds and the Group's own products. Through around 20 connected partner banks, the platform reaches more than 25m retail customers. Trading is offered both off-exchange through systematic internalisation and on-exchange, including via LS Exchange, where TradeCenter acts as market maker and **liquidity provider**. For around 20,000 equities, bonds, funds and ETPs, quotes are provided from 07:30 to 23:00 on weekdays, complemented by shorter Saturday and Sunday sessions.	Lang & Schwarz develops and issues its **own structured products**, focused on leveraged products, thematic certificates and wikifolio index certificates. Around 100,000 own products were issued in 2025, covering equities, indices, currencies, commodities and interest rates. TradeCenter makes these products available for both off-exchange and on-exchange trading, while associated risks are hedged through offsetting positions and/or dynamic delta hedging. Product development follows market trends, allowing Lang & Schwarz to identify and offer attractive underlyings.	
Trading KPIs (2026e)	**Trading volume** Structured products € 3bn 2% TradeCenter € 193bn 98%	**Trading result** Structured products € 65m 49% TradeCenter € 68m 51%	
Competitors	Tradegate; Baader (gettex); ICF Bank (Quotrix) Scalable Capital & mwb fairtrade (EIX); Trade Republic	Vontobel; HSBC; Société Générale; BNP Paribas	
Partners	1822direkt; comdirect; BAWAG PSK; Raiffeisen Oberösterreich boerse-live.at; Consors bank! DAB BNP PARIBAS; TRADE REPUBLIC; dwpbank; ERSTE; flatex ONLINE BROKER Deutsche Bank maxblue; DADAT BANK; broker. Einfach handeln; sino; TARGOBANK		
Listed peers	Baader Leonteq Virtu FlowTraders flatexDEGIRO Swissquote Plus500 CMC IG Vontobel		
Net profit adj. (2026e)			**56.0**
Net profit (2026e)			**54.8**
ROE adj. (2026e)			**29%**

Source: company data; NuWays

Founded in Düsseldorf in 1996, L&S is a technology-driven financial services group specialising in retail market making and the issuance of structured products. Rather than serving investors directly, the company operates behind banks and online brokers, providing the prices, products and trading infrastructure through which their clients can trade. From its origins in broker-based OTC trading, L&S has developed into a capital-backed trading platform with two closely connected pillars: TradeCenter and Structured Products.

TradeCenter provides liquidity for retail securities trading. L&S continuously quotes bid and ask prices for more than 50,000 equities, bonds, funds, ETPs and structured products. When a retail investor places an order through one of the group's more than 20 connected partners, L&S generally trades against its own book. Opposing customer orders can offset each other, while remaining positions are hedged in the relevant reference markets. Pricing systems incorporate market prices, liquidity, volatility, current inventory and expected hedging costs.

Structured Products combine product manufacturing with market making. L&S has issued its own derivatives since 2000 and today focuses on leveraged products and wikifolio index certificates. wikifolio is an online investment platform on which traders create and manage transparent model portfolios. If a portfolio becomes investable, L&S issues a listed perpetual index certificate with its own ISIN that tracks the portfolio's performance. Investors can buy and sell the certificate through their bank or online broker in much the same way as a share. L&S acts as issuer, while TradeCenter continuously provides prices and liquidity for the product. Beyond wikifolio, the group covers the entire issuance process, from selecting an underlying and preparing the product documentation to listing, pricing, hedging and providing secondary-market quotes. TradeCenter and Structured Products use the same technology, dealer expertise, risk controls and capital base, allowing L&S to monetise its infrastructure across both third-party securities and proprietary products.

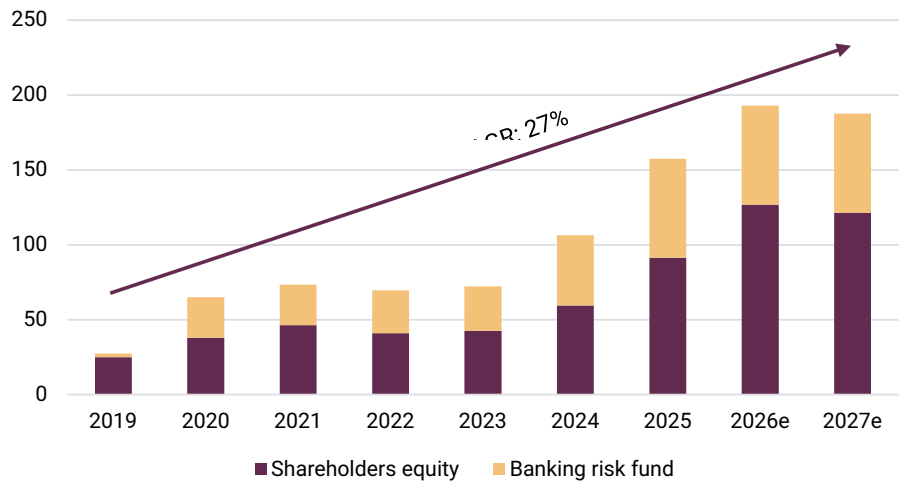
Quality

Almost 30 years in retail market making have created a deep base of accumulated know-how. Since its foundation in 1996, L&S has operated through different market cycles, volatility regimes and shifts in retail trading behaviour. The value of this heritage lies in the thousands of pricing and risk decisions made across instruments and market conditions, which have been absorbed into the group's models, processes and operating routines. This provides a base of institutional knowledge that extends beyond any individual trader.

L&S has institutionalised this experience in a specialised trading and technology organisation. Around 20% of employees work in trading and c. 40% in IT within a workforce of c. 100 employees. Pricing systems continuously incorporate reference-market prices and liquidity, volatility, instrument tradability, existing inventory and potential hedging costs. Experienced dealers complement automated pricing, while position limits, shock tests and continuous intraday monitoring keep exposures controlled. Two data centres provide redundancy and support reliable availability during periods of elevated trading activity. This operating platform turns accumulated experience into repeatable execution quality.

A strong capital base adds the risk-bearing capacity required for principal market making. Capital of € 207m including the fund for general banking risks at the end of H1 2026 supports temporary trading positions, settlement financing and margin requirements. Together with its trading and risk infrastructure, this financial capacity allows L&S to manage positions intraday and maintain liquidity when trading activity and balance-sheet requirements increase.

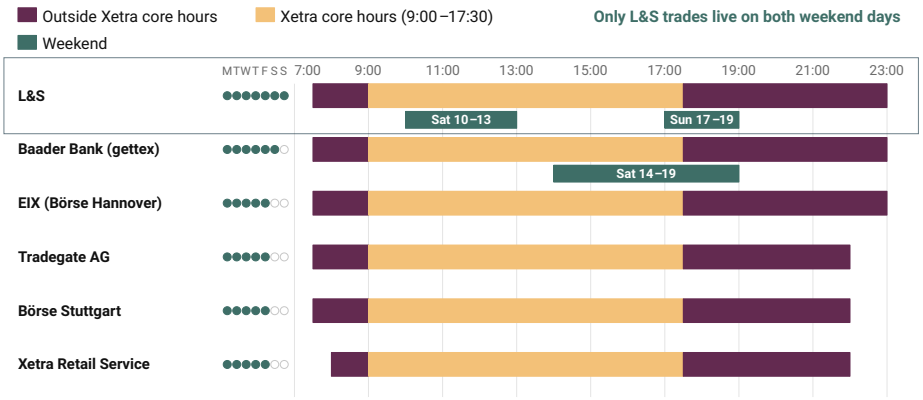
Development of equity and equity-like reserves



Source: company data; NuWays

Backed by these capabilities, L&S has built an unusually broad and continuously evolving retail execution offering. The group quotes more than 50,000 securities across equities, bonds, funds, ETPs and own structured products. Trading is available from 7:30 to 23:00 on weekdays as well as during dedicated weekend hours, with particular strength in small caps and periods outside the most liquid reference-market hours. The combination of product breadth, extended availability and specialist coverage enables brokers to serve a wide range of retail trading needs through L&S.

Trading hours across German retail trading platforms



Source: Baader Bank; EIX; Tradegate; Börse Stuttgart; Deutsche Börse; NuWays

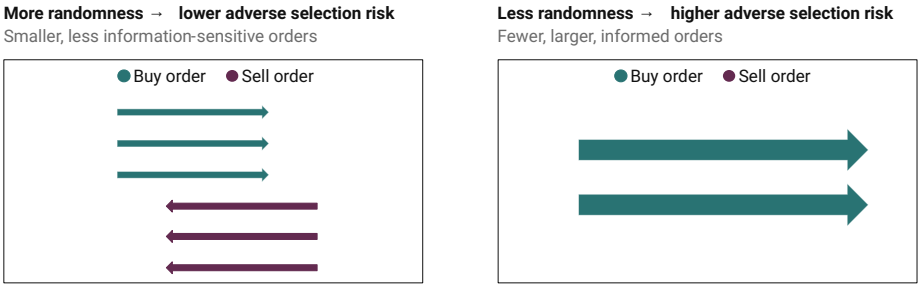
The breadth and reliability of this offering have translated into embedded broker distribution. L&S connects more than 20 trading partners and provides potential access to over 25m retail clients. Interfaces such as "onelink" integrate its pricing and execution directly into brokers' order-routing and operating processes. These connections make L&S part of the broker's day-to-day client proposition and turn its execution capabilities into recurring access to retail order flow.

Strong partnership network

Source: company data; NuWays

This distribution aggregates retail flow with attractive market-making characteristics. Retail orders are generally smaller, more fragmented and less information-sensitive than institutional orders, resulting in lower adverse-selection risk on average. Purchases and sales from a diverse investor base also create more opportunities for positions to offset. L&S internalises its client flow against its own risk book and externally hedges remaining exposures where required. Each additional broker connection broadens the pool across which inventory can be managed, supporting efficient risk-taking and competitive quotes.

Retail flow is highly valuable for market makers



Source: NuWays

Converting the platform into proprietary product economics

Structured Products add a second and substantially higher-value layer of monetisation. As issuer and primary market maker, L&S controls the design and launch timing of its proprietary products and provides secondary-market liquidity under each distinct ISIN. In FY25, **Structured Products generated a trading result equivalent to 38%** (€ 55m) **of the group's total trading result on less than 1% of its trading volume**, highlighting the profitability profile. Including a smaller Treasury result allocated to the segment, this corresponds to c. € 83 trading result per executed trade, compared with around € 0.84 in TradeCenter.

An industrialised issuance engine allows L&S to capture shifts in retail attention at speed. The group focuses on a broad underlying universe and attractive niches that larger issuers may cover less intensively. It launched more than 75,000 new products in H1 2026 through an integrated process spanning product selection, documentation, listing, pricing, hedging, risk control and continuous secondary-market quoting.

The natural renewal of leveraged products turns this speed into recurring issuance opportunities. Warrants expire, knock-out products terminate and the relevance of factor certificates changes with daily rebalancing and market movements. The product shelf therefore requires continuous replenishment. L&S quoted around 23,000 derivative instruments at YE25 but issued more than 75,000 new products during the following six months, illustrating the high renewal intensity of the business.

wikifolio adds instrument-level switching costs to the product franchise. L&S quoted around 11,000 wikifolio index certificates at YE25, equal to roughly one-third of its own quoted product universe. Each certificate combines a published investment strategy, an observable history and an existing investor base under a specific ISIN. Recreating the exposure through another issuer would produce a new instrument without transferring the existing ISIN, holder positions or instrument history. The long-standing wikifolio relationship therefore gives L&S a product category with meaningful continuity and limited direct substitutability.

The two businesses reinforce one another through a shared trading backbone. TradeCenter aggregates and internalises retail order flow, while the Structured Products segment uses its pricing information, execution capabilities and hedging access to manufacture proprietary securities. The structured-product range, in turn, creates additional instruments and trading activity across L&S's partner network. The same dealer expertise, technology, risk controls and capital base consequently generate both liquidity-provision and product-manufacturing economics.

Financial quality

Returns to stay above the hurdle rate. L&S covers its cost of equity in every year of our forecast horizon, which we regard as the sharpest available test of competitive quality. While ROE is still strong in 2025 (at c. 44%, pre PFOF ban), it looks set to normalise from 2026e and thereafter, due to the decline in adj. net income to € 18m in 2027e. ROE is still seen at 9.8%, c. 0.3pp above the hurdle rate (eNuW: 9.5% cost of equity). Note that our equity base includes the € 66m banking risk fund. On shareholders' equity alone, 2027e ROE would be c. 14% (eNuW).

Strong capital base behind a trading-driven balance sheet

In sum, L&S has a strong balance sheet with ample liquidity and substantial loss-absorbing funds, in our view. The total € 1.2bn balance sheet is a reflection of market-making and structured-products activities, with trading assets and trading liabilities equivalent to 78% and 71% of total assets, respectively. Selected relevant B/S items include (for year-end 2025):

- **Equity and fund for general banking risks:** Shareholders' equity amounted to € 92m. In addition, L&S held a € 66m fund for general banking risks. This is a separate, equity-like reserve built through allocations from earnings to absorb general trading and banking risks that cannot be attributed to individual positions. Although reported outside shareholders' equity, it counts as own funds and strengthens L&S's ability to withstand unexpected losses. The fund includes a € 27m reserve accumulated from trading income and a further voluntarily funded component. **Combined own funds thus amounted to c. € 159m**, corresponding to an equity ratio including the fund of 13.4%.
- **Liquid assets:** Cash and bank balances amounted to € 237m, or 20% of total assets, and were mainly held at HSBC and four other German banks. After deducting € 71m of immediately repayable bank liabilities, the cash position reported in the cash flow statement stood at € 166m.
- **Other liabilities** of € 832m. The position almost entirely relates to issued structured products, including € 752m of wikifolio certificates. These obligations are managed within portfolio hedges and are therefore not comparable with conventional financial debt.
- **Short-term financial assets:** Short-term financial assets amounted to € 923m and mainly comprised securities held for hedging issued structured products and for treasury purposes. These assets should not be viewed as a conventional investment portfolio.
- **Tax provisions:** Total tax provisions amounted to € 78m. Of this amount, € 35m related to the Cum-Ex proceedings. Compared with the disclosed total remaining Cum-Ex tax risk of € 43m, only a further c. € 8m is not covered by provisions. Separate provisions of € 26m and € 17m related to taxes for 2025 and 2024, respectively.
- **Other provisions:** The € 21m balance was predominantly personnel-related.

Growth

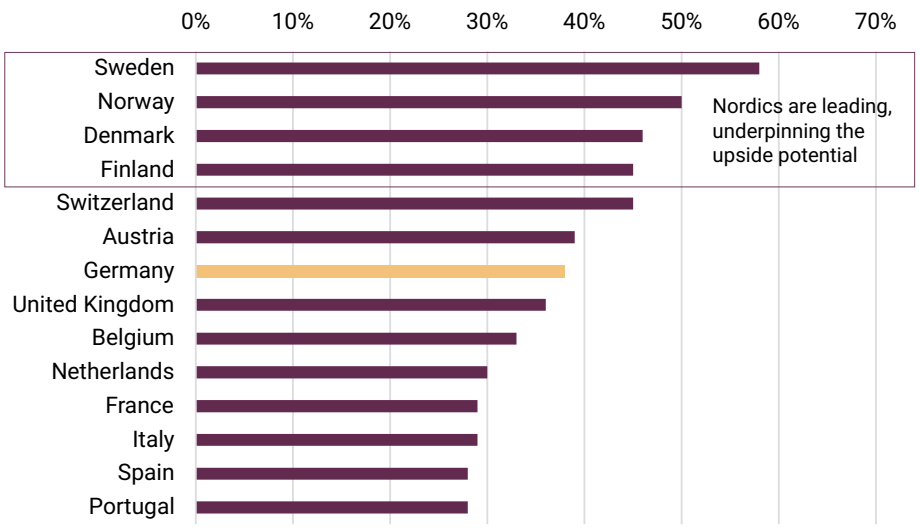
Market growth

We see the German retail market growing on four drivers: a widening investor base, expanding recurring investment flows, greater trading activity within existing accounts, and wider adoption of leveraged products. They overlap and reinforce one another, in our view.

Investment participation in Germany has room to rise. BlackRock/YouGov put overall investment ownership at 38% of German adults in 2024, behind every Nordic market surveyed. Two things are drawing new investors in: 1) Entry costs have fallen, with minimum savings-plan contributions of € 1 and fractional trading as well as junior accounts now standard at the large brokers. 2) Retirement provision now carries a direct incentive: from 1 January 2027, tax-privileged depots without guarantees allow fund-based retirement saving.

The cohort already invested is young. DAI counted 4.9m investors under 40 in 2025, more than twice the mid-2010s level and at an early stage of wealth accumulation. German households held c. € 9.5trn in financial assets at Q1 2026, of which c. € 3.6trn sat in cash and deposits, which frames the allocation potential available to brokers.

Investment participation across Europe



Source: BlackRock/YouGov; NuWays

Savings plans are the main entry channel and they build funded customer relationships. In Continental Europe monthly executions in ETF savings plans increased 40% yoy to 15m, supporting an annual savings volume of c. € 23bn (source: extraETF). The monthly executions are forecasted to more than triple by 2030, a projection that already reflects the German pension depots. The relevance for order flow extends beyond the executions themselves. Regular contributions fund accounts and establish an ongoing relationship, which brokers then address with discretionary investment products.

Savings plan outlook

Year	Annual ETF contributions	
2025	€ 23bn	
2030e	€ 73bn	+217%

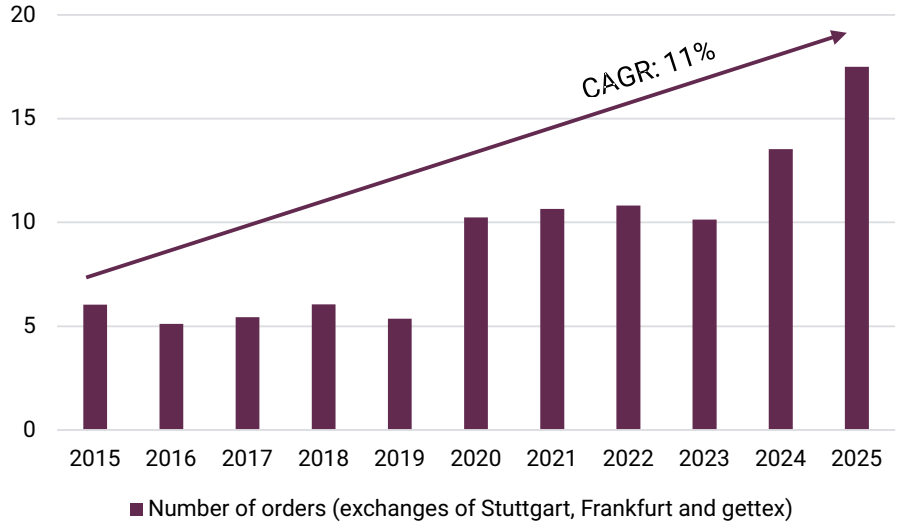
Source: extraETF; NuWays

Brokers are working to raise activity within the accounts they already hold. flatexDEGIRO assumes transactions per customer account to increase in 2026. It explicitly targets customers who do not trade or trade infrequently. As investors gain experience, we expect a proportion to complement regular fund saving with individual equities and tactical positions.

Leveraged products are a growing source of repeat trading. Warrants and knock-outs are held tactically, so positions open and close as views change and small allocations generate repeat orders.

BSW, Germany's industry association for structured securities, tracks trading of structured products at Stuttgart, Frankfurt and gettex in 2025. It shows **11% CAGR 2015-2025**, indicative of an underlying trend, in our view. Leveraged products accounted for 96% of these orders. Distribution keeps broadening, with Scalable Capital for example surfacing related derivatives directly from a stock's information page.

Market growth in structured products (selected venues)



Source: BSW; NuWays

Enter growth at Lang & Schwarz

H2 2026e marks the clean post-reset base for the group. H1 2026 still largely reflects the old market structure, with TradeCenter generating € 66m of trading result on € 173bn of volume. Following the end of Germany's PFOF transition period and Trade Republic's abrupt change in order routing and trading technology in July, we model a sharp step-down in TradeCenter activity, with H2 volume falling to c. € 20bn and trading result to c. € 2m.

In contrast, Structured Products should remain broadly unaffected by the loss of Trade Republic flow, with H2 trading result of c. € 33m broadly stable versus H1 despite a slightly lower volume base. This leaves group trading result at c. € 35m in H2 and **€ 133m for FY26e, down c. 9% yoy and thus consistent with management's guidance for a slight to, at most, moderate decline versus FY25, while remaining above the FY24 level (€ 109m).**

Trading result development

	FY 25 pre PFOF ban	H1 26 pre PFOF ban	H2 26e post PFOF ban	FY 26e mixed PFOF regime	FY 27e post PFOF ban	FY 28e post PFOF ban
Group						
Total trading result	**146**	**99**	**35**	**133**	**74**	**77**
yoy	33%	54%	-58%	-9%	-44%	4%
t/o TradeCenter						
Trading volume (€bn)	**332**	**173**	**20**	**193**	**45**	**48**
yoy	116%	6%	-88%	-42%	-77%	7%
Trading result (€m)	**91**	**66**	**2**	**68**	**7**	**8**
yoy	15%	49%	-96%	-25%	-90%	14%
in % of volume	0.03%	0.04%	0.01%	0.04%	0.02%	0.02%
t/o Structured Products						
Trading volume (€bn)	**2.6**	**1.5**	**1.5**	**3.0**	**3.1**	**3.2**
yoy	65%	48%	-4%	17%	4%	3%
Trading result (€m)	**55**	**32**	**33**	**65**	**67**	**69**
yoy	79%	65%	-8%	18%	3%	3%
in % of volume	2.14%	2.11%	2.21%	2.16%	2.15%	2.16%

Source: company data; NuWays

The FY27e development looks optically weak due to the exceptionally strong H1 2026 comparable, but implies modest growth versus the post-reset run-rate. Our € 74m group trading result estimate represents a 44% yoy decline, yet compares with an annualised H2 2026e run-rate of c. € 70m. Likewise, TradeCenter volume of € 45bn and trading result of € 7m implies a modest sequential recovery from the H2 2026e base, partially supported by the new multi-market maker model (initial eNuW: € 3m trading result), while Structured Products remain broadly stable and continue to provide the majority of group earnings. Given limited visibility on the earnings potential of new market-structure initiatives, we assume only a modest initial contribution, leaving upside should additional significant order flow materialise.

Wikifolio to support earnings stability within Structured Products

Wikifolio should provide a meaningful recurring fee contribution within Structured Products, although L&S does not fully disclose the economics separately. Based on c. € 752m of invested capital at YE25 and the standard annual certificate fee of 0.95%, we estimate annualised recurring fee income of c. € 7.1m. On top, L&S participates in performance fees generated by wikifolios. We assume a L&S participation of **2.5% of investment gains**, derived from the minimum performance fee of 5% and a maximum trader participation of 50%. Under illustrative portfolio performance scenarios of 5-12.5%, this would imply additional performance fee income of c. € 0.9-2.4m and total fee income of c. € 8.1-9.5m. As a result, Wikifolio should reflect broadly 14% of the Structured Products trading result (eNuW; 2026e).

Overview of Wikifolio economics (eNuW)

Recurring certificate fee	
Invested capital (€m, YE25)	752
Annual certificate fee	0.95%
Annualized recurring fee income (€m)	7.1

Illustrative performance fee scenarios				
Assumed portfolio performance	5.0%	7.5%	10.0%	12.5%
Implied investment gains (€m)	38	56	75	94
L+S participation fee (eNuW)	2.5%	2.5%	2.5%	2.5%
Performance fee income (€m)	0.9	1.4	1.9	2.4
Total fee income (€m)	**8.1**	**8.6**	**9.0**	**9.5**

Source: company data; NuWays

P&L development summary

Following the sharp earnings reset in H2 26e, we expect the cost base to adjust gradually, supporting a stabilisation of margins and earnings from FY27e onwards. With major special charges also unlikely to recur, reported earnings should increasingly reflect the underlying post-

PFOF earnings capacity (see table below).

- **Personnel expenses should remain broadly stable in H2 26e at c. € 12m.** While the headcount reduction of more than 10% initiated after H1 should already generate initial savings, we expect these to be largely offset by restructuring-related costs in H2. The full benefit should become visible in FY27e, when we model personnel expenses declining to € 22m despite normal wage inflation, followed by a modest 3% increase in FY28e.
- **Other opex should ease sequentially in H2 and remain broadly stable thereafter.** H1 26 expenses of c. € 14m were elevated by project-related consulting costs, while management has since initiated a broader cost reduction programme. We therefore model c. € 11m for H2 26e and € 25m for FY27e, effectively assuming that savings from the programme offset underlying cost inflation. For FY28e, we assume a moderate 3% increase to € 26m.
- **Other net expenses should remain immaterial at around € 1m p.a.** The line mainly reflects D&A on L&S' IT and operating infrastructure, partly offset by small miscellaneous income such as provision releases, as well as participation income and other taxes. Following recent investments into the group's technical infrastructure, we assume a broadly stable net expense throughout the forecast period.
- **The sharp decline in the trading result consequently translates into a pronounced reduction in adjusted EBT, as the cost base cannot reset at the same speed as income.** We forecast adjusted EBT of c. € 11m in H2 26e, implying a margin (based on the trading result) of c. 33% compared with 73% in H1 26. FY27e adjusted EBT of € 27m still looks optically weak at -68% yoy due to the exceptionally strong H1 26 comparable, but implies a broadly stable margin of 36% versus the clean H2 26e base. We expect a modest improvement to € 28m FY28e (36% margin).
- **For taxes, we assume a normalised group tax rate of c. 33% on reported EBT.** The 39% rate implied for H2 26e is largely a function of the H1 tax charge already reported and our resulting full-year estimate. From FY27e onwards, we also apply a steady c. 33% rate.
- **Adjusted net profit should therefore fall to c. € 7m in H2 26e before recovering from this clean post-reset base.** We forecast € 56m for FY26e, still supported by the very strong first half, followed by € 18m in FY27e and € 19m in FY28e. While the FY27e figure implies a 67% yoy decline, it represents an improvement of c. 33% versus the annualised H2 26e run-rate.
- **Special items should normalise materially after the sizeable FY25 burden.** FY25 included a substantial allocation to the fund for general banking risks as well as AO interest related to legacy dividend-tax matters, while H1 26 only contained a small AO-related charge. We assume around € 1-2m of special items annually over the forecast period and no renewed sizeable discretionary build-up of the risk fund.
- **Reported net profit therefore remains unusually resilient in FY26e despite the operating reset, as the large FY25 special charges do not repeat.** We forecast reported net profit of € 55m in FY26e, followed by €17m in FY27e and € 18m in FY28e, with the latter years providing a cleaner view of the group's earnings capacity under the post-PFOF ban market structure.

P&L summary

	FY 25 pre PFOF ban	H1 26 pre PFOF ban	H2 26e post PFOF ban	FY 26e mixed PFOF regime	FY 27e post PFOF ban	FY 28e post PFOF ban
Total trading result	**146**	**99**	**35**	**133**	**74**	**77**
yoy	33%	54%	-58%	-9%	-44%	4%
Personnel expenses	**24**	**12**	**12**	**24**	**22**	**23**
yoy	23%	-16%	21%	-1%	-8%	3%
Other opex	**20**	**14**	**11**	**25**	**25**	**26**
yoy	15%	50%	5%	25%	0%	3%
Other net expenses	**1**	**1**	**0**	**1**	**1**	**1**
EBT (adj.)	**100**	**72**	**11**	**83**	**27**	**28**
yoy	41%	81%	-81%	-17%	-68%	6%
margin	69%	73%	33%	62%	36%	36%
Taxes	**31**	**23**	**4**	**27**	**8**	**9**
tax rate	31%	32%	39%	33%	31%	31%
Net profit (adj.)	**69**	**49**	**7**	**56**	**18**	**19**
yoy	40%	81%	-83%	-19%	-67%	5%
Special items (incl. risk fund)	**-20**	**-1**	**-1**	**-1**	**-2**	**-2**
Net profit (reported)	**48**	**48**	**6**	**55**	**17**	**18**
yoy	119%	82%	-71%	13%	-70%	6%

Source: company data; NuWays

Analyst: Simon Keller, CFA | E-Mail: simon.keller@nuways-ag.com

Valuation

L&S is valued on a residual income model, with the resulting PT being € 20. In addition, we also conducted a peer group analysis for a valuation cross-reference, also supporting a PT of € 20.

Residual income model

We value L&S using a single-stage residual income model with FY27e as the base year, resulting in a rounded PT of € 20 (eNuW) and a BUY recommendation.

The starting point of our analysis is an economic book value of € 193m. This includes both shareholders' equity and the fund for general banking risks, which serves as a regulatory, equity-like buffer supporting operations and is ultimately attributable to shareholders. For valuation purposes, ROE is calculated on beginning-of-period economic equity.

If L&S generates shareholder value, meaning that its ROE exceeds its cost of equity, the company should be worth more than book value. If its ROE falls below the cost of equity, it should be worth less. This is precisely what the residual income model captures. It starts with the book value in the base year and adds the present value of the future excess returns that L&S is expected to generate above its cost of equity.

FY25 and FY26e still partly reflect the former PFOF regime and the close relationship with Trade Republic. The changes to the partnership with Trade Republic and the PFOF ban took full effect in H2 26, making FY27e the first clean year under the new setup.

Residual income model

	pre PFOF ban **FY 25**	mixed PFOF regime **FY 26e**	post PFOF ban **FY 27e**	post PFOF ban **FY 28e**
Shareholders' equity	91.4	126.8	121.4	132.4
Banking risk fund (equity-like)	66.1	66.1	66.1	66.1
Economic equity	**157.6**	**193.0**	**187.6**	**198.6**
ROE (adj.)	64.7%	35.5%	9.5%	10.3%
Net income (adj.)	68.9	56.0	18.3	19.3
Cost of equity			9.5%	9.5%
Long-term growth rate			2.0%	2.0%
Sustainable retention rate (implied)			21.0%	19.4%
Valuation				
Book value at start of period			193.0	187.6
PV of future residual income			0.0	20.0
Fair equity value			192.9	207.6
# of shares outstanding			9.4	9.4
Fair value per share			**20.4**	**22.0**
Upside to current share price			33%	43%

Source: NuWays

Peer group analysis

Given its financial business model, L&S should be best valued on net profit and book value in a peer group analysis. Differences in accounting and the treatment of banking-risk reserves limit comparability of reported book values, however. Hence, the PER is seen as the most suitable multiple, in our view.

With 2027e reflecting a sustainable earnings base, we consider it the most useful year to look at. With peers trading at 10.3x 2027 earnings, the implied L&S valuation is set at € 20 per share.

Peer group valuation

	PER 2026e	PER 2027e	Dividend yield 2026e	Dividend yield 2027e
Baader Bank	18.0	10.2	1.5%	2.7%
Leonteq	17.3	9.8	1.7%	3.0%
VIRTU Financial	7.9	7.8	1.7%	1.7%
Flow Traders	7.2	7.0	0.0%	0.0%
flatexDEGIRO	12.1	10.3	1.6%	1.9%
Swissquote	17.0	14.8	1.9%	2.1%
Plus500	11.1	10.4	3.3%	2.9%
CMC Markets	11.5	10.5	3.7%	4.1%
IG Group	9.0	7.5	5.0%	5.2%
Vontobel	14.1	14.1	3.8%	3.9%
Median	11.8	10.3	1.8%	2.8%
L&S (PER; dividend yield)	2.6	7.9	15.1%	4.6%
Upside (downside) potential		30%		
Implied PT		20.0		

Source: Bloomberg; NuWays

Baader Bank AG: German family-controlled bank with trading as its largest earnings driver, accounting for c. 41% of FY25 total income. Its trading business comprises market making and brokerage. Baader is the sole market maker for equities, funds, ETPs and bonds on the Munich venue gettex. Additional business lines include capital markets, account services and fund services. FY25 figures still include the partnership with Scalable Capital, which ended at YE25. Baader Bank is predominantly focused on the German market and has a market capitalisation of c. € 330m.

Leonteq AG: Swiss fintech company specialising in the issuance and distribution of structured investment products, which accounted for c. 94% of fee income in FY25. The company also provides long-term savings and retirement products to life insurers and banks. Leonteq has a market capitalisation of c. € 400m and has its strongest presence in Switzerland.

VIRTU Financial Inc.: Virtu is a U.S.-based financial firm with a strong focus on market making, particularly in U.S. equities. Market making accounted for c. 78% of net trading income in FY25, with the business model complemented by execution services. VIRTU is primarily active in the U.S. and has a market capitalisation of c. € 8.8bn.

Flow Traders Ltd.: Flow Traders is a Netherlands-based global liquidity provider and market maker, providing liquidity both on-exchange and over the counter (OTC) across multiple asset classes, with ETPs remaining a key area of focus. Europe represents its largest market, and the company has a market capitalisation of c. € 1.3bn.

flatexDEGIRO SE: German-based online brokerage group, with commission income from brokerage accounting for c. 66% of FY25 revenues. Its core business provides retail investors with access to a broad range of financial instruments via its flatex and DEGIRO platforms, generating commission income from executed transactions. The business is complemented by Credit & Treasury activities. flatexDEGIRO is active across Europe, with a market capitalisation of c. € 4bn.

Swissquote: Swiss-based fully regulated bank, generating c. 40% of FY25 operating income from net fee and commission income, primarily from customers' securities transactions and custody services. The remaining income sources are interest income and trading income, with the latter including foreign exchange and precious metals trading. Switzerland represents Swissquote's largest market, and the company has a market capitalisation of c. € 7bn.

Plus500: Plus500 is an Israel-based fintech group operating proprietary trading platforms, generating c. 87% of FY25 revenue from its OTC CFD offering, acting as a counterparty to customers' trades. The OTC business is complemented by a non-OTC segment comprising futures

and share dealing, which generates commission income. Plus500 is primarily active in Europe and has a market capitalisation of c. € 3bn.

CMC Markets: CMC is a UK-based financial services company providing clients with access to financial markets through products including CFDs, generating revenue from spreads and commissions. Net trading revenue accounted for c. 73% of FY25 net operating income. The Group also earns commission income from investing activities and embeds its technology within partners' platforms. The UK represents its largest market, and the company has a market capitalisation of c. € 2bn.

IG Group: UK-based trading provider offering clients access to OTC derivatives, primarily CFDs. Net trading revenue represented c. 88% of FY25 net operating income, with net interest income on client funds providing the remaining revenue stream. IG Group is predominantly active in the UK and Ireland and has a market capitalisation of c. € 5bn.

Vontobel: Vontobel is a Swiss-based investment firm specialising in wealth management and active asset management. The Group issues and distributes its own structured products, including warrants and bonus certificates, which accounted for c. 21% of FY25 operating income. Vontobel generates the majority of its operating income from fees and commissions related to investment management and advisory services. The company has a market cap of c. € 6bn and is predominantly active in Switzerland.

Theme

The Trade Republic and PFOF reset is fully reflected from Q3 onward. The PFOF ban took effect on 1 July 2026, ending Germany's transitional exemption. At almost the same time, Trade Republic introduced its own trading technology, acting as counterparty to "best-price" orders at prices determined by comparing quotes across relevant exchanges. Customers can alternatively select an exchange. The two changes should be distinguished: the PFOF ban reshapes routing economics across the market, but does not reduce underlying retail trading demand, while Trade Republic's routing decision caused the company-specific step-down in L&S' order flow. As both changes became effective at the beginning of July, the impact was immediate.

Q3 is therefore the first clean quarter and **FY27e the first fully standalone** year under the new setup. Although its yoy comparison will look weak against the exceptional H1 26, there is no second mechanical step-down embedded in FY27e.

FY26 guidance has been reset to reflect the new trading setup. While L&S initially expected the trading result to remain around FY25's level (€ 145m), Trade Republic's abrupt changes to order routing made the company revise its outlook in July. It now expects a **slight to, at most, moderate yoy decline**, to a level above its FY24 result (€ 109m).

With € 98.6m already generated in H1, our FY26e estimate of € 133m, down c. 9% yoy, implies c. € 35m in H2. The **key support should come from Structured Products**, which is independent of Trade Republic's order flow and looks set to show sequentially stable customer activity following the July changes. We regard guidance confirmation with the 9M results on 13 November as likely. More informative than the comparison with an exceptional H1 will be the composition of the clean H2 result: the resilience of Structured Products, the sustainable TradeCenter run-rate and more insights on the initial effects of the cost measures.

The Multi-Market-Maker model is the most tangible route to rebuild TradeCenter. Under the planned setup, several market makers would provide liquidity in parallel, with L&S acting as one of them. The model is being developed with several established investment services firms and is intended to open additional order flows, increase market liquidity and broaden the earnings base. The company targets implementation by year-end 2026, subject to final contractual agreements and any required regulatory approvals. Its earnings contribution is hard to quantify at this stage and consequently, we include only a small contribution in our estimates (c. € 3m trading result in 2027e). Partner disclosure, regulatory progress and a successful launch therefore provide upside potential.

Company background

L&S AG is a Düsseldorf-based financial services group founded in 1996. Its activities span three areas: Trade Center, Structured Products and to a lesser extent IT Services. The parent company operates as an active holding and develops and issues its own derivative products, primarily leveraged products and thematic certificates, including wikifolio perpetual index certificates. Its subsidiary Lang & Schwarz TradeCenter AG & Co. KG provides exchange-based and OTC securities trading and acts as market maker for equities, bonds, funds, ETPs and L&S's own products. Through around 20 connected partner banks, TradeCenter reaches more than 25m retail clients.

The group comprises four companies with complementary functions. Lang & Schwarz AG acts as the operating holding and product issuer, while TradeCenter conducts the group's market-making and securities-trading activities. Lang & Schwarz Gate GmbH provides trading-related IT infrastructure and support, and P3 finance GmbH, held as a 50.004% joint venture with P3 group until August 2026 and now wholly owned, operates the proprietary onelink connectivity platform linking brokers with L&S's market-making infrastructure. The buyout brought a second securities institution licence into the group, and P3 finance is to be renamed Lang & Schwarz Market Technologies GmbH.

History

1996/1999: Founding and OTC origins. Founded 1996 as Lang & Schwarz Börsenmakler GmbH; banking licence granted and off-exchange equity trading launched in 1999, with eight partner banks connected in the first year. The broker-partner OTC model is the company's DNA, now running for over 25 years.

2000-2006: Becoming an issuer. Own derivatives issuance started in 2000; EUWAX listing of derivative products. The second profit engine (structured products) is established.

2010: Today's group structure. Group restructuring completed with the carve-out of the TradeCenter business into Lang & Schwarz TradeCenter AG & Co. KG; licensed activities moved to subsidiaries and the former Wertpapierhandelsbank AG returned its BaFin licences. This explains the current holding/KG setup.

2011: Long trading hours as differentiator. OTC trading start moved forward to 7:30 and the quoted universe expanded by ETFs, 1,400 funds, 2,200 bonds, 7,000 derivatives and 1,400 additional equities.

2012/2013: The wikifolio franchise. First wikifolio index certificates issued in 2012, with L&S as co-initiator, issuer and market maker; equity stake taken in wikifolio Financial Technologies AG in 2013. Co-founder-level involvement, not just a supplier contract; collateralization solution for the certificates introduced in 2017.

2016: LS Exchange launch. LS Exchange started in 2016 and scaled significantly in 2020, establishing itself as one of the main trading venues in Germany. The neobroker-era growth engine.

2017-2019: Multi-venue expansion. Market making for equities and ETFs at the Vienna Stock Exchange from 2017; market making and first wikifolio certificates at BX Swiss from 2018, expanded to around 4,000 instruments in 2019. Footprint diversification beyond the German OTC market.

2020: Retail boom scale-up. 50,000 own issuances in a single year.

2022/2024: Technology build-out. P3 finance GmbH founded in 2022 as a joint venture of P3 group and Lang & Schwarz AG; successful go-live of the proprietary high-performance trading platform "onelink" in 2024. Evidence of in-house technology ownership ahead of the post-PFOF platform strategy.

2026: Trade Republic routing reset and full control of onelink. Trade Republic introduced Best Price execution against itself, using real-time quotes from relevant exchanges to determine the price. This sharply reduced order flow to L&S, which remains a trading partner. L&S acquired the remaining shares in P3 finance, bringing onelink, its employees and infrastructure fully in-house.

Management

Oliver Ertl – Member of the Management Board

Ertl has served on the management board since May 2022, having joined L&S in 2020 and subsequently headed the group's finance function. A trained banker and business graduate, he

previously spent many years as an auditor and tax adviser specialising in financial services. He is also managing director of Lang & Schwarz Gate GmbH.

Andreas Fleischmann – Member of the Management Board

Fleischmann joined the Management Board in January 2026 and brings more than 30 years of experience in international banking and capital markets. Prior to joining L&S in September 2025, he held various executive positions involving the strategic repositioning, technological modernisation and restructuring of banks and financial-services companies. His current focus lies on developing trading and capital-markets business models at the intersection of regulation and technology.

Dr. Ulrich Reidel – Member of the Management Board

Reidel has served on the Management Board since September 2025 and brings extensive experience across trading, technology and strategic corporate development. Before joining L&S, he served as CIO and CTO of Baader Bank, overseeing IT development and key projects across trading systems, core banking and regulatory requirements. He is also Managing Director of Lang & Schwarz Gate GmbH Düsseldorf.

Management Incentive Structure

Management Board variable remuneration combines financial performance, generally requiring a positive consolidated result, with qualitative targets supporting the group's business and risk strategy that are assessed over at least one year. Variable pay is capped at 200% of annual fixed remuneration, adjusted downwards for weak or negative results and, for the majority of executives, is now paid partly in share-based form alongside cash.

Supervisory Board

Jan Liepe – Chairman

Liepe has chaired the Supervisory Board since 2020 and is a partner at Frankfurt-based law firm Waldeck Rechtsanwälte. He specialises in banking supervision, stock-exchange and capital-markets law and previously worked in Banking & Capital Markets at Clifford Chance.

Andreas Willius – Deputy Chairman

Willius has served on the Supervisory Board since 2014 and is currently an independent management consultant. His previous positions include Management Board member of Börse Stuttgart AG, Director at Deutsche Börse AG and Managing Director of Trade Republic Bank GmbH.

Marion Khüny – Member

Khüny joined the Supervisory Board in 2024 and holds supervisory-board mandates at several financial-services companies and banks. She previously held senior positions across risk management and investment banking at Commerzbank and UniCredit, including as divisional board member for risk at Commerzbank.

Gerd Goetz – Member

Goetz has served on the Supervisory Board since 2021 and currently works as an independent management consultant. He previously served on the Management Board of tick Trading Software AG and as Managing Director of HSBC Transaction Services GmbH.

Capital allocation policy

L&S intends to distribute c. 40% of net income of Lang & Schwarz AG as dividends and retain the balance. Retained earnings primarily strengthen capital and liquidity to support trading volumes and margin requirements, while also funding technology investments and selective bolt-on acquisitions, as illustrated by the full takeover of P3 finance and its onelink platform.

Dividend development

	2023	2024	2025	2026e	2027e
Dividend per share (€)	0.55	1.75	2.00	2.32	0.70
Total dividend (€m)	5	17	19	22	7
Payout ratio	68%	75%	39%	40%	40%

Source: company data; NuWays

Investment risks

Structured products concentration. Group earnings now lean on one segment. Demand for leverage and yield products is volatility-driven and can fall quickly.

Principal risk. Both market making and certificate issuance involve positions held on the group's own account. Hedging can be imperfect, particularly in special situations.

Retail cyclicality and mix shift. Both divisions scale with retail activity, which can be sentiment-driven. A structural shift toward ETF savings plans might bring smaller tickets and thinner income per order.

Platform and key-person risk. The business runs on one trading platform and depends on a team of senior traders. An outage during a volatility spike would damage revenues and partner relationships simultaneously.

Market volatility. Trading income correlates with market activity levels. An extended low-volatility environment would reduce both spread capture and certificate turnover.

Regulatory environment. The group operates in a closely supervised segment of the European market structure. Further intervention in retail execution rules could affect revenue models across the sector.

Operating leverage. The cost base is largely fixed. A weaker revenue year would therefore feed through to margins with limited offset.

Regulatory capital. As a regulated securities institution, the group is subject to own funds and liquidity requirements. Growth in trading activity can bind capital accordingly.

Counterparty and settlement. Trading exposes the group to counterparty risk along the settlement chain. A failure at a clearing or settlement partner would be felt directly.

PROFIT AND LOSS (EUR M)	2023	2024	2025	2026e	2027e	2028e
Net sales	**485.3**	**739.5**	**1,196.7**	**1,077.5**	**585.0**	**610.1**
Sales growth	-35.6%	52.4%	61.8%	-10.0%	-45.7%	4.3%
Increase/decrease in finished goods and work-in-process	0.0	0.0	0.0	0.0	0.0	0.0
Total sales	**485.3**	**739.5**	**1,196.7**	**1,077.5**	**585.0**	**610.1**
Other operating income	0.8	0.8	0.4	0.4	0.4	0.4
Material expenses	446.9	634.9	1,053.7	948.2	514.8	536.9
Personnel expenses	11.5	19.8	24.2	24.0	22.0	22.7
Other operating expenses	14.3	17.4	19.9	25.0	25.0	25.8
Total operating expenses	**471.9**	**671.2**	**1,097.5**	**996.8**	**561.4**	**584.9**
EBITDA	**13.3**	**68.3**	**99.3**	**80.7**	**23.6**	**25.2**
Depreciation and amortisation	0.9	1.0	1.2	1.6	1.6	1.6
EBIT	**12.5**	**67.3**	**98.1**	**79.1**	**22.0**	**23.6**
Interest income	3.8	5.0	3.8	5.0	5.0	5.0
Interest expenses	1.9	5.7	2.5	2.5	2.5	2.5
Investment income and risk fund contributions	-1.0	-17.3	-19.0	0.2	0.2	0.2
Financial result	0.9	-17.9	-17.7	2.7	2.7	2.7
Recurring pretax income from continuing operations	**13.4**	**49.4**	**80.3**	**81.8**	**24.7**	**26.3**
Extraordinary income/loss	0.0	0.0	0.0	0.0	0.0	0.0
Earnings before taxes	**13.4**	**49.4**	**80.3**	**81.8**	**24.7**	**26.3**
Income tax expense	5.7	27.3	31.9	27.0	8.2	8.7
Net income from continuing operations	7.6	22.1	48.4	54.8	16.5	17.6
Income from discontinued operations (net of tax)	0.0	0.0	0.0	0.0	0.0	0.0
Net income	**7.6**	**22.1**	**48.4**	**54.8**	**16.5**	**17.6**
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0
Net profit (reported)	**7.6**	**22.1**	**48.4**	**54.8**	**16.5**	**17.6**
Average number of shares	9.4	9.4	9.4	9.4	9.4	9.4
EPS reported	**0.81**	**2.34**	**5.13**	**5.81**	**1.75**	**1.87**

Source: Company Data, NuWays AG

PROFIT AND LOSS (COMMON SIZE)	2023	2024	2025	2026e	2027e	2028e
Net sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Increase/decrease in finished goods and work-in-process	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Other operating income	0.2%	0.1%	0.0%	0.0%	0.1%	0.1%
Material expenses	92.1%	85.8%	88.1%	88.0%	88.0%	88.0%
Personnel expenses	2.4%	2.7%	2.0%	2.2%	3.8%	3.7%
Other operating expenses	2.9%	2.4%	1.7%	2.3%	4.3%	4.2%
Total operating expenses	**97.3%**	**90.8%**	**91.7%**	**92.5%**	**96.0%**	**95.9%**
EBITDA	**2.7%**	**9.2%**	**8.3%**	**7.5%**	**4.0%**	**4.1%**
Depreciation and amortisation	0.2%	0.1%	0.1%	0.1%	0.3%	0.3%
EBIT	**2.6%**	**9.1%**	**8.2%**	**7.3%**	**3.8%**	**3.9%**
Interest income	0.8%	0.7%	0.3%	0.5%	0.9%	0.8%
Interest expenses	0.4%	0.8%	0.2%	0.2%	0.4%	0.4%
Investment income	-0.2%	-2.3%	-1.6%	0.0%	0.0%	0.0%
Financial result	0.2%	-2.4%	-1.5%	0.3%	0.5%	0.4%
Recurring pretax income from continuing operations	**2.8%**	**6.7%**	**6.7%**	**7.6%**	**4.2%**	**4.3%**
Extraordinary income/loss	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Earnings before taxes	**2.8%**	**6.7%**	**6.7%**	**7.6%**	**4.2%**	**4.3%**
Taxes	1.2%	3.7%	2.7%	2.5%	1.4%	1.4%
Net income from continuing operations	**1.6%**	**3.0%**	**4.0%**	**5.1%**	**2.8%**	**2.9%**
Income from discontinued operations (net of tax)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net income	**1.6%**	**3.0%**	**4.0%**	**5.1%**	**2.8%**	**2.9%**
Minority interest	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net profit (reported)	**1.6%**	**3.0%**	**4.0%**	**5.1%**	**2.8%**	**2.9%**

Source: Company Data, NuWays AG

BALANCE SHEET (EUR M)	2023	2024	2025	2026e	2027e	2028e
Intangible assets	0.8	1.1	0.9	0.9	0.9	0.9
Property, plant and equipment	2.9	2.7	4.3	4.3	4.3	4.3
Financial assets	0.9	0.9	0.9	0.9	0.9	0.9
Fixed Assets	**4.7**	**4.8**	**6.1**	**6.1**	**6.1**	**6.1**
Inventories	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	0.3	1.0	1.6	1.4	0.8	0.8
Other assets and short-term financial assets	592.1	727.2	936.2	936.2	936.2	936.2
Liquid assets	125.5	135.1	237.2	272.2	264.5	275.6
Deferred taxes	0.0	0.1	0.0	0.0	0.0	0.0
Deferred charges and prepaid expenses	0.7	2.1	2.6	2.6	2.6	2.6
Current Assets	**718.6**	**865.4**	**1,177.5**	**1,212.4**	**1,204.1**	**1,215.2**
Total Assets	**723.3**	**870.2**	**1,183.6**	**1,218.5**	**1,210.2**	**1,221.3**
Shareholders Equity	**42.6**	**59.5**	**91.4**	**126.8**	**121.4**	**132.4**
Minority interest	0.4	0.6	1.0	0.0	0.0	0.0
Banking risk fund	**29.6**	**46.9**	**66.1**	**66.1**	**66.1**	**66.1**
Long-term liabilities to banks	0.0	0.0	0.0	0.0	0.0	0.0
Bonds (long-term)	0.0	0.0	0.0	0.0	0.0	0.0
Other interest-bearing liabilities	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	7.4	16.9	21.5	21.5	21.5	21.5
Accrued taxes	35.8	52.7	78.4	78.4	78.4	78.4
NON-CURRENT LIABILITIES	**43.2**	**69.5**	**99.9**	**99.9**	**99.9**	**99.9**
Short-term liabilities to banks	39.7	66.9	87.5	87.5	87.5	87.5
Accounts payable	3.3	3.8	5.5	5.9	2.9	3.1
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)	564.6	623.0	832.3	832.3	832.3	832.3
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	**607.5**	**693.7**	**925.2**	**925.6**	**922.7**	**922.8**
Total Liabilities and Shareholders Equity	**723.3**	**870.2**	**1,183.6**	**1,218.5**	**1,210.2**	**1,221.3**

Source: Company Data, NuWays AG

BALANCE SHEET (COMMON SIZE)	2023	2024	2025	2026e	2027e	2028e
Intangible assets	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Property, plant and equipment	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%
Financial assets	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Fixed Assets	**0.6%**	**0.5%**	**0.5%**	**0.5%**	**0.5%**	**0.5%**
Inventories	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Accounts receivable	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Other assets and short-term financial assets	81.9%	83.6%	79.1%	76.8%	77.4%	76.7%
Liquid assets	17.4%	15.5%	20.0%	22.3%	21.9%	22.6%
Deferred taxes	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Deferred charges and prepaid expenses	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Current Assets	**99.4%**	**99.5%**	**99.5%**	**99.5%**	**99.5%**	**99.5%**
Total Assets	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Shareholders Equity	**5.9%**	**6.8%**	**7.7%**	**10.4%**	**10.0%**	**10.8%**
Minority interest	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%
Banking risk fund	**4.1%**	**5.4%**	**5.6%**	**5.4%**	**5.5%**	**5.4%**
Long-term liabilities to banks	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bonds (long-term)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
other interest-bearing liabilities	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	1.0%	1.9%	1.8%	1.8%	1.8%	1.8%
Accrued taxes	4.9%	6.1%	6.6%	6.4%	6.5%	6.4%
Non-current liabilities	**6.0%**	**8.0%**	**8.4%**	**8.2%**	**8.3%**	**8.2%**
Short-term liabilities to banks	5.5%	7.7%	7.4%	7.2%	7.2%	7.2%
Accounts payable	0.5%	0.4%	0.5%	0.5%	0.2%	0.3%
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)	78.1%	71.6%	70.3%	68.3%	68.8%	68.1%
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	**84.0%**	**79.7%**	**78.2%**	**76.0%**	**76.2%**	**75.6%**
Total Liabilities and Shareholders Equity	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: Company Data, NuWays AG

CASH FLOW (EUR M)	2023	2024	2025	2026e	2027e	2028e
Net profit/loss	7.6	22.1	48.4	54.8	16.5	17.6
Depreciation of fixed assets (incl. leases)	0.9	1.0	1.2	1.6	1.6	1.6
Amortisation of goodwill & intangible assets	0.0	0.0	0.0	0.0	0.0	0.0
Increase in provisions	3.6	26.3	30.4	0.0	0.0	0.0
Other costs affecting income / expenses	-61.6	-57.8	20.9	0.0	0.0	0.0
Increase/decrease in inventory	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in accounts receivable	-0.0	-0.7	-0.6	0.2	0.7	-0.0
Increase/decrease in accounts payable	0.6	0.5	1.7	0.4	-2.9	0.1
Increase/decrease in other working capital positions	0.0	0.0	0.0	0.0	0.0	0.0
Increase/decrease in working capital	0.6	-0.2	1.1	0.6	-2.3	0.1
Cash flow from operating activities	**-48.9**	**-8.5**	**101.9**	**57.0**	**15.9**	**19.3**
CAPEX	1.9	1.1	2.6	1.6	1.6	1.6
Payments for acquisitions	0.0	0.0	0.0	0.0	0.0	0.0
Financial investments	0.0	0.0	0.0	1.5	0.0	0.0
Income from asset disposals	0.0	0.0	0.1	0.0	0.0	0.0
Cash flow from investing activities	**-1.9**	**-1.1**	**-2.6**	**-3.1**	**-1.6**	**-1.6**
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	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	6.0	5.2	16.5	18.9	21.9	6.6
Others	0.4	0.2	0.4	0.0	0.0	0.0
Cash flow from financing activities	**-5.7**	**-5.0**	**-16.1**	**-18.9**	**-21.9**	**-6.6**
Increase/decrease in liquid assets	-56.4	-14.6	83.2	35.0	-7.7	11.1
Liquid assets at end of period	**97.4**	**82.8**	**166.0**	**201.0**	**193.4**	**204.5**

Source: Company Data, NuWays AG

KEY RATIOS	2023	2024	2025	2026e	2027e	2028e
P&L growth analysis						
Sales growth	-35.6%	52.4%	61.8%	-10.0%	-45.7%	4.3%
EBITDA growth	-28.1%	412.1%	45.3%	-18.7%	-70.8%	6.8%
EPS (reported) growth	-13.0%	189.6%	119.0%	13.2%	-69.8%	6.5%
Efficiency						
No. employees (average)	74	77	86	94	98	99
Sales per employee	6,557.8	9,604.1	13,915.4	11,462.8	5,939.7	6,133.0
EBITDA per employee	180.2	887.0	1,154.1	858.5	239.6	253.3
Solvency						
Net debt	-85.9	-68.2	-149.7	-184.7	-177.1	-188.2
Dividend payout ratio	68.0%	74.7%	39.0%	40.0%	40.0%	40.0%
Interest paid / avg. debt	6.2%	10.6%	3.2%	2.9%	2.9%	2.9%
Returns						
ROE (adj.)	14.1%	46.1%	43.7%	29.0%	9.8%	9.7%
DPS	0.6	1.8	2.0	2.3	0.7	0.7
EPS reported	0.81	2.34	5.13	5.81	1.75	1.87
EPS adj.	1.1	5.2	7.3	5.9	1.9	2.0
Average number of shares	9.4	9.4	9.4	9.4	9.4	9.4
Valuation ratios						
P/BV (NuWays definition)	1.2	1.4	1.3	0.8	0.8	0.7
Dividend yield	6.0%	11.3%	9.1%	15.1%	4.6%	4.9%
PER	8.5	3.0	3.0	2.6	7.9	7.5

Source: Company Data, NuWays AG

Disclosures

Disclosures regarding research publications of NuWays AG pursuant to section 85 of the German Securities Trading Act (WpHG). This issuer-sponsored research is publicly available and thus accessible to all investors in accordance with Clause 5 of The EU code of conduct on issuer-sponsored research.

Indication of Conflict of Interest

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. A conflict of interest is presumed to exist in particular if NuWays AG

1. or any other person belonging to the same group with it was part of a consortium within the past twelve months that issued the financial instruments of the analysed company by way of a public offer.
2. **or any other person belonging to the same group with it has entered into an agreement on the production of the research report with the analysed company.**
3. or any other person belonging to the same group with it has 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 within the past twelve months.
4. The analysed company holds 5% or more of the share capital of NuWays AG.
5. holds (a) a net short position or (b) a net long position of 0.5% of the outstanding share capital of the analysed company.
6. or any other person belonging to the same group with it 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.
8. **The research report has been made available to the analysed company prior to its publication. Thereafter, only factual changes have been made to the report.**
9. The issuer represents more than 5% of NuWays AG's previous year's consolidated gross revenues.

HISTORICAL TARGET PRICE AND RATING CHANGES FOR LANG & SCHWARZ AG

DATE	ANALYST	RATING	TARGET PRICE	CLOSE

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 NuWays AG exclusively to selected recipients in the European Union (EU) or, in individual cases, also in other countries. It is not allowed to pass the research report on to persons other than the intended recipient without the permission of NuWays AG. Reproduction of this document, in whole or in part, is not permitted without prior permission NuWays AG. All rights reserved.

Under no circumstances shall NuWays 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

NuWays 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 NuWays 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.

NuWays AG uses the following three-step rating system for the analysed companies:

Buy: Sustainable upside potential of more than 20% within 12 months.

Sell: Sustainable downside potential of more than 20% within 12 months.

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

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

6. Competent Supervisory Authority

NuWays AG is registered at the BaFin - the Federal Financial Supervisory Authority, Graurheindorfer Straße 108, 53117 Bonn and Marie-Curie-Straße 24 - 28, 60439 Frankfurt a.M.

7. Specific Comments for Recipients Outside of Germany

This research report is subject to the law of the Federal Republic of Germany and the European Union (EU). 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. If this communication is distributed in the United Kingdom it is solely directed at (i) investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FPO") or (ii) high net-worth entities as defined in article 49 of the FPO. This document should not be distributed or forwarded, either directly or indirectly, to any other individuals.

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: www.nuways-ag.com

Date of publication creation:14/10/2026 08:00 AM

Date of publication dissemination: 14/10/2026 08:00 AM

Contact

Mittelweg 16-17
20148 Hamburg
Germany

+49 170 119 8648
info@nuways-ag.com
www.nuways-ag.com

INSTAGRAM LINKEDIN X YOUTUBE

Equity Research



Christian Sandherr
Co-CEO
christian.sandherr@nuways-ag.com



Sarah Hellemann
Equity Research Analyst
sarah.hellemann@nuways-ag.com



Julius Neittamo
Equity Research Analyst
julius.neittamo@nuways-ag.com



Philipp Sennewald
Equity Research Analyst
philipp.sennewald@nuways-ag.com



Simon Keller, CFA
Equity Research Analyst
simon.keller@nuways-ag.com



Jorge Gonzalez
Equity Research Analyst
jorge.gonzalez@nuways-ag.com

Valentin Schulz
Equity Research Analyst
valentin.schulz@nuways-ag.com

Equity Capital Markets



Frederik Jarchow
Co-CEO
frederik.jarchow@nuways-ag.com

Equity Sales



Vincent Bischoff
Head of Sales
vincent.bischoff@nuways-ag.com



Christian von Schuler
Equity Sales
christian.vonschuler@nuways-ag.com