Prodware

Application Software / France

Good revenue growth, above expectation.

Earnings/sales releases - 21/02/2019

In Q4 18, revenue growth (+10.7% on constant scope) was above expectation and benefited also from a low comparative in Q4 17 (-16.7% on constant scope). Prodware had record SaaS revenue growth (+45.9%) following a weak Q3 18 (+2%). Geographically, there was a good development in International (c.+11%), in particular in Benelux (+23.6%) which integrated the Microsoft Dynamics business acquired from CTAC in the Netherlands.

Fact

In Q4 18, revenue reached €52.7m (+12.6%, +10.7% on constant scope). Revenue growth was above expectation and benefited also from a low comparative in Q4 17 (-16.7% on constant scope). Prodware had record SaaS revenue growth (+45.9%) following a weak Q3 18 (+2%). Geographically, revenue growth was sustained by the rebound of activities in Benelux (+23.6%) which integrated the Microsoft Dynamics business acquired from CTAC in the Netherlands.

2018 revenue.

- Prodware posted revenue of €175.9m (+4.9%, +4.3% on constant scope) above expectation (€172m estimated).
- SaaS revenue surged by 25.8% to €29m and represented 16.5% of total revenue (+2.8pts yoy). Software editing was stable at €56.5m (32% of the total) and the integration services increased by 2.9% to €90.5m thanks to the growing implementation of Microsoft Dynamics 365.
- Geographically, the trend was contrasted between International markets and France and the French-speaking countries. International revenue surged by 17% to €107m (61% of total revenue), driven by activities in Germany, Spain and Belgium/Luxembourg. Conversely, revenue in France and the French-speaking countries dropped by 10% to €69m due to a significant slowdown in North Africa and a difficult environment in France in Q4 18.

The release of the 2018 results is due on 11 March 19.

Analysis

Strong year-end for SaaS.

Prodware is involved in a business transformation which consists of replacing traditional software licence fees by three-year subscription fees in the SaaS mode. SaaS provides recurring and predictable revenue. The transformation of the model had been well-managed up to now as there was no significant disruption in total revenue growth.

In Q4 18, Prodware had record SaaS revenue growth (+45.9%) following a weak Q3 18 (+2%) and a strong H1 18 (+25.7% o/w +20% in Q2 18, +37% in Q1 18). All in all, SaaS revenue grew by 25.8% in 2018 and is expected to drive growth in the medium-term considering that it represented 16.5% of revenue in 2018.

Steady software editing and other services.

In 2018, software editing revenue (€56.5m) was stable which was a good performance (vs -11% in 2017, -6% in 2016). Integration revenue growth (+2.9%) benefited from the deployment of the Microsoft Dynamics 365 platform at





Hélène COUMES

Company Page

software@alphavalue.eu +33 (0) 1 70 61 10 50 cs.alphavalue.com

AlphaValue is contracted by Prodware to provide equity research on Prodware , using AlphaValue's unique and transparent methods and procedures. Target price and opinion are thus exclusively determined by those methods and procedures.

Buy	Upside: 51.1%
Target Price (6 months)	€ 15.3
Share Price	€ 10.2
Market Cap. €M	78.6
Price Momentum	GOOD
Extremes 12Months	8.10 14.2
Bloomberg	ALPRO FP Equity
Reuters	ALPRO.PA

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Download Full Analysis

PERF	1w	1m	3m	12m
Prodware	9.48%	-1.93%	11.9%	-17.3%
Software	1.11%	5.26%	11.6%	14.6%
STOXX 600	1.78%	4.24%	5.81%	-2.38%

Stoxx 600 (net return) --- Prodware

Last updated: 11/12/2018	12/17A	12/18E	12/19E	12/20E
Adjusted P/E (x)	6.88	7.36	5.80	5.51
Dividend yield (%)	0.68	0.67	0.98	1.18
EV/EBITDA(R) (x)	3.49	3.97	2.94	2.51
Adjusted EPS (€)	1.29	1.61	1.75	1.84
Growth in EPS (%)	23.8	25.1	8.62	5.23
Dividend (€)	0.06	0.08	0.10	0.12
Sales (€M)	168	172	173	176
EBITDA/R margin (%)	18.3	18.6	19.0	19.2
Attributable net profit (€M)	11.6	13.8	15.0	16.4
ROE (after tax) (%)	8.94	10.2	10.2	10.3
Gearing (%)	49.6	40.6	32.9	26.0

Company Valuation - Company Financials

customers and the integration of the Microsoft Dynamics 365 business acquired in early October 18 from CTAC in the Netherlands (annual revenue of €2m).

Dynamic International activities.

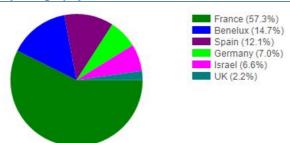
In 2018, International revenue grew significantly (+17%) and represented 61% of the total. The international activities were sustained by the large number of contracts based on the Microsoft Dynamics 365 online platform signed at the beginning of 2018 which had a strong positive impact on revenue growth in H1 18 (+30%). In H2 18, growth (+7%) included a good development in Q4 18 (c.+11%), in particular in Benelux (+23.6%).

In France and the French-speaking countries, revenue dropped significantly (-10% o/w -18% in H1 18). Prodware mentioned that Q4 18 was impacted by a negative environment for the delivery of projects in France but did not disclose the significant effect on revenue.

Impact

In conclusion, Prodware had good revenue growth in 2018 including a fast-growing business transformation to SaaS. Based on reported revenue of €175.9m (vs €172m estimated), we believe that the EBITDA could be in the range of €32.5-33m in 2018 (vs €32.1m currently estimated).

Sales by Geography



Change in sales % -4.64 2.71 0.9 Change in staff costs % -0.40 3.23 1.8 EBITDA €M 20.5 21.6 22 EBITDA(R) margin % 12.2 12.6 12 Depreciation €M -2.54 -2.58 -2.6 Underlying operating profit €M 7.18 8.44 9.4 Operating profit (EBIT) €M 4.62 6.94 7.3 Net financial expense €M -4.47 -3.84 -3. of which related to pensions €M -4.47 -3.84 -3. of which related to pensions €M -0.02 0.00 0.0 Exceptional items & other €M 0.02 0.00 0.0 Corporate tax €M 10.4 9.96 9.9 Equity associates €M 0.59 0.79 0.9 Minority interests €M 0.02 -0.00 0.0 Adjusted attributable net profit €M 11.1 13.8 15 NOPAT €M <th>Consolidated P&L Accounts</th> <th></th> <th>12/17A</th> <th>12/18E</th> <th>12/19E</th>	Consolidated P&L Accounts		12/17A	12/18E	12/19E
Change in staff costs % -0.40 3.23 1.8 EBITDA €M 20.5 21.6 22 EBITDA(R) margin % 12.2 12.6 12 Depreciation €M -2.54 -2.58 -2.6 Underlying operating profit €M 7.18 8.44 9.4 Operating profit (EBIT) €M 4.62 6.94 7.3 Net financial expense €M -4.47 -3.84 -3.3 of which related to pensions €M -0.02 0.00 0.0 Exceptional items & other €M 0.02 0.00 0.0 Corporate tax €M 10.4 9.96 9.9 Equity associates €M 0.59 0.79 0.5 Minority interests €M 0.59 0.79 0.5 Equity associates €M 0.02 -0.02 -0.0 Adjusted attributable net profit €M 11.1 13.8 15 Kejuity associates <	Sales	€M	168	172	173
EBITDA	Change in sales	%	-4.64	2.71	0.51
EBITDA(R) margin Depreciation EM C-2.54 C-2.58 C-2.58 C-2.54 C-2.58 C-2.64 C-3.74 C-3.84 C-3.75 C	Change in staff costs	%	-0.40	3.23	1.80
Depreciation €M -2.54 -2.58 -2.6 Underlying operating profit €M 7.18 8.44 9.4 Operating profit (EBIT) €M 4.62 6.94 7.3 Net financial expense €M -4.47 -3.84 -3.3 of which related to pensions €M -0.02 0.00 0.0 Exceptional items & other €M 0.02 0.00 0.0 Corporate tax €M 10.4 9.96 9.9 Equity associates €M 0.59 0.79 0.9 Minority interests €M -0.02	EBITDA	€M	20.5	21.6	22.3
Underlying operating profit €M 7.18 8.44 9.4 Operating profit (EBIT) €M 4.62 6.94 7.3 Net financial expense €M -4.47 -3.84 -3.7 of which related to pensions €M -0.02 0.00 0.0 Exceptional items & other €M 0.02 0.00 0.0 Corporate tax €M 10.4 9.96 9.9 Equity associates €M 0.59 0.79 0.9 Minority interests €M -0.02 -0.02 -0.02 -0.02 Adjusted attributable net profit €M 11.1 13.8 15 NOPAT €M 5.27 6.74 7.5 Cashflow Statement EM 7.00 1.22 -0.0 Actual div. received from equity holdi €M 7.00 1.22 -0.0 Actual div. received from equity holdi €M 0.17 0.17 0.17 0.17 Paid taxes €M 7.04 7.	EBITDA(R) margin	%	12.2	12.6	12.9
Operating profit (EBIT) €M 4.62 6.94 7.5 Net financial expense €M -4.47 -3.84 -3.3 of which related to pensions €M 0.02 0.00 0.0 Exceptional items & other €M 0.02 0.00 0.0 Corporate tax €M 10.4 9.96 9.8 Equity associates €M 0.59 0.79 0.8 Minority interests €M -0.02 -0.02 -0.02 Adjusted attributable net profit €M 11.1 13.8 15 NOPAT €M 5.27 6.74 7.5 Cashflow Statement EM 7.00 1.22 -0.0 Actual div. received from equity holdi €M 7.00 1.22 -0.0 Actual div. received from equity holdi €M 0.17 0.17 0.7 Paid taxes €M -0.37 9.96 9.8 Exceptional items €M 0.17 0.17 0.7	Depreciation	€M	-2.54	-2.58	-2.60
Net financial expense €M -4.47 -3.84 -3.7 of which related to pensions €M -0.07 -0.0 Exceptional items & other €M 0.02 0.00 0.0 Corporate tax €M 10.4 9.96 9.8 Equity associates €M 0.59 0.79 0.8 Minority interests €M -0.02 -0.02 -0.02 Adjusted attributable net profit €M 11.1 13.8 15 NOPAT €M 5.27 6.74 7.5 Cashflow Statement EM 7.00 1.22 -0.0 Actual div. received from equity holdi €M 7.00 1.22 -0.0 Actual div. received from equity holdi €M 0.17 0.17 0.7 Paid taxes €M -0.37 9.96 9.3 Exceptional items €M 0.17 0.17 0.7 Other operating cash flows €M 6.54 0.00 0.0 Total operati	Underlying operating profit	€M	7.18	8.44	9.41
of which related to pensions €M -0.07 -0.06 Exceptional items & other €M 0.02 0.00 0.0 Corporate tax €M 10.4 9.96 9.5 Equity associates €M 0.59 0.79 0.5 Minority interests €M -0.02 -0.02 -0.02 Adjusted attributable net profit €M 11.1 13.8 15 NOPAT €M 5.27 6.74 7.5 Cashflow Statement EBITDA €M 20.5 21.6 22 Change in WCR €M 7.00 1.22 -0.0 Actual div. received from equity holdi €M 0.17 0.17 0.7 Paid taxes €M 7.037 9.96 9.8 Exceptional items €M 0.17 0.17 0.7 Paid taxes €M -0.37 9.96 9.8 Exceptional items €M 0.37 9.96 9.8 Exceptional items €M <td>Operating profit (EBIT)</td> <td>€M</td> <td>4.62</td> <td>6.94</td> <td>7.91</td>	Operating profit (EBIT)	€M	4.62	6.94	7.91
Exceptional items & other	Net financial expense	€M	-4.47	-3.84	-3.72
Corporate tax €M 10.4 9.96 9.9 Equity associates €M 0.59 0.79 0.5 Minority interests €M -0.02 -0.02 -0.02 Adjusted attributable net profit €M 11.1 13.8 15 NOPAT €M 5.27 6.74 7.5 Cashflow Statement EM 5.27 6.74 7.5 Cashflow Statement EM 7.00 1.22 -0.0 Change in WCR €M 7.00 1.22 -0.0 Actual div. received from equity holdi €M 0.17 0.17 0.7 Paid taxes €M -0.37 9.96 9.5 Exceptional items €M -0.37 9.96 9.5 Exceptional items €M 6.54 0.00 0.0 Other operating cash flows €M 6.54 0.00 0.0 Total operating cash flows €M -23.1 -22.0 -21 Total investment flows	of which related to pensions	€M		-0.07	-0.06
Equity associates	Exceptional items & other	€M	0.02	0.00	0.00
Minority interests €M -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.02 -0.04 7.5 6.74 7.5 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.5 6.74 7.0 7.2 7.0 6.74 7.0 7.2 7.0 7.0 7.2 7.0 7.0 7.0 7.2 7.0 7.	Corporate tax	€M	10.4	9.96	9.91
Adjusted attributable net profit €M 11.1 13.8 15 NOPAT €M 5.27 6.74 7.5 Cashflow Statement EBITDA €M 20.5 21.6 22 Change in WCR €M 7.00 1.22 -0.0 Actual div. received from equity holdi €M 0.17 0.17 0.7 Paid taxes €M -0.37 9.96 9.5 Exceptional items €M 6.54 0.00 0.0 Other operating cash flows €M 6.54 0.00 0.0 Total operating cash flows €M -23.1 -22.0 -21 Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 <td< td=""><td>Equity associates</td><td>€M</td><td>0.59</td><td>0.79</td><td>0.93</td></td<>	Equity associates	€M	0.59	0.79	0.93
NOPAT €M 5.27 6.74 7.8 Cashflow Statement EBITDA €M 20.5 21.6 22 Change in WCR €M 7.00 1.22 -0.0 Actual div. received from equity holdi €M 0.17 0.17 0.7 Paid taxes €M -0.37 9.96 9.8 Exceptional items €M 6.54 0.00 0.0 0.0 Other operating cash flows €M 6.54 0.00 0.0 0.0 Capital expenditure €M -23.1 -22.0 -21 Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 New shareholders' equity €M 1.3	Minority interests	€M	-0.02	-0.02	-0.02
Cashflow Statement EBITDA €M 20.5 21.6 22 Change in WCR €M 7.00 1.22 -0.0 Actual div. received from equity holdi €M 0.17 0.17 0.7 Paid taxes €M -0.37 9.96 9.5 Exceptional items €M 6.54 0.00 0.0 0.0 Total operating cash flows €M 6.54 0.00 0.0 0.0 Capital expenditure €M -23.1 -22.0 -21 Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 New shareholders' equity €M 1.	Adjusted attributable net profit	€M	11.1	13.8	15.0
EBITDA	NOPAT	€M	5.27	6.74	7.56
Change in WCR €M 7.00 1.22 -0.0 Actual div. received from equity holdi €M 0.17 0.17 0.1 Paid taxes €M -0.37 9.96 9.9 Exceptional items €M -0.54 0.00 0.0 Other operating cash flows €M 6.54 0.00 0.0 Total operating cash flows €M -23.1 -22.0 -21 Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 New shareholders' equity €M 1.36 0.00 0.0 New shareholders' equity €M 6.32 1.01 0.8 <t< td=""><td>Cashflow Statement</td><td></td><td></td><td></td><td></td></t<>	Cashflow Statement				
Actual div. received from equity holdi Paid taxes	EBITDA	€M	20.5	21.6	22.3
Paid taxes €M -0.37 9.96 9.9 Exceptional items €M -0.37 9.96 9.9 Other operating cash flows €M 6.54 0.00 0.0 Total operating cash flows €M 33.8 33.0 32 Capital expenditure €M -23.1 -22.0 -21 Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 Dividends (parent company) €M 0.00 0.00 0.00 New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74<	Change in WCR	€M	7.00	1.22	-0.05
Exceptional items €M Other operating cash flows €M 6.54 0.00 0.0 Total operating cash flows €M 33.8 33.0 32 Capital expenditure €M -23.1 -22.0 -21 Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 Dividends to minorities interests €M 0.00 0.00 0.0 New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 <	Actual div. received from equity holdi	€M	0.17	0.17	0.17
Other operating cash flows €M 6.54 0.00 0.0 Total operating cash flows €M 33.8 33.0 32 Capital expenditure €M -23.1 -22.0 -21 Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 Dividends to minorities interests €M 0.00 0.00 0.0 New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS	Paid taxes	€M	-0.37	9.96	9.91
Total operating cash flows €M 33.8 33.0 32 Capital expenditure €M -23.1 -22.0 -21 Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 Dividends to minorities interests €M 0.00 0.00 0.0 New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share €	Exceptional items	€M			
Capital expenditure €M -23.1 -22.0 -21 Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 Dividends to minorities interests €M 0.00 0.00 0.0 New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.8 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share € 1.29 1.61 1.7	Other operating cash flows	€M	6.54	0.00	0.00
Total investment flows €M -24.8 -22.0 -21 Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 Dividends to minorities interests €M 0.00 0.00 0.0 New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.8 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share € 1.29 1.61 1.7	Total operating cash flows	€M	33.8	33.0	32.3
Net interest expense €M -4.47 -3.84 -3.7 Dividends (parent company) €M -0.31 -0.46 -0.6 Dividends to minorities interests €M 0.00 0.00 0.0 New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.6 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share € 1.29 1.61 1.7	Capital expenditure	€M	-23.1	-22.0	-21.0
Dividends (parent company) €M -0.31 -0.46 -0.6 Dividends to minorities interests €M 0.00 0.00 0.0 New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.7 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share € 1.29 1.61 1.7	Total investment flows	€M	-24.8	-22.0	-21.0
Dividends to minorities interests €M 0.00 0.00 0.0 New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share €	Net interest expense	€M	-4.47	-3.84	-3.72
New shareholders' equity €M 1.36 0.00 0.0 Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.8 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share €	Dividends (parent company)	€M	-0.31	-0.46	-0.62
Total financial flows €M -5.04 -9.96 -10 Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share €	Dividends to minorities interests	€M	0.00	0.00	0.00
Change in cash position €M 6.32 1.01 0.8 Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share €	New shareholders' equity	€M	1.36	0.00	0.00
Free cash flow (pre div.) €M 6.24 7.13 7.6 Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.7 Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share € 1.29 1.61 1.7	Total financial flows	€M	-5.04	-9.96	-10.5
Per Share Data No. of shares net of treas. stock (year Mio 7.74 7.74 7.74 Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share €	Change in cash position	€M	6.32	1.01	0.86
No. of shares net of treas. stock (year Mio 7.74 7.74 7.74 Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share €	Free cash flow (pre div.)	€M	6.24	7.13	7.62
Number of diluted shares (average) Mio 8.61 8.57 8.5 Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share €	Per Share Data				
Benchmark EPS € 1.29 1.61 1.7 Restated NAV per share €	No. of shares net of treas. stock (year	Mio	7.74	7.74	7.74
Restated NAV per share €	Number of diluted shares (average)	Mio	8.61	8.57	8.57
	Benchmark EPS	€	1.29	1.61	1.75
Net dividend per share € 0.06 0.08 0.1	Restated NAV per share	€			
	Net dividend per share	€	0.06	0.08	0.10

Valuation Summary

Benchmarks	Value	Weight
DCF	€ 14.0	35%
NAV/SOTP per share	€ 21.9	20%
EV/Ebitda	€ 15.9	20%
P/E	€ 14.2	10%
Dividend Yield	€ 4.57	10%
P/Book	€ 20.3	5%
TARGET PRICE	€ 15.3	100%

NAV/SOTP Calculation

Largest comparables

- Atos
- Capgemini
- Indra Sistemas
- Sopra Steria Group
- Sage Group (the)
- Software AG

Balance Sheet		12/17A	12/18E	12/19E
Goodwill	€M	34.2	34.2	34.2
Total intangible	€M	101	107	112
Tangible fixed assets	€M	7.44	6.65	5.8
Financial fixed assets	€M	62.9	63.5	64.2
WCR	€M	11.7	10.4	10.5
Other assets	€M	2.14	2.10	2.10
Total assets (net of short term liab.)	€M	186	190	19
Ordinary shareholders' equity	€M	130	141	15
Quasi Equity & Preferred	€M			
Minority interests	€M	0.36	0.38	0.39
Provisions for pensions	€M	4.35	4.47	4.5
Other provisions for risks and liabilities	€M	0.62	0.50	0.50
Total provisions for risks and liabilities	€M	4.97	4.97	5.0
Tax liabilities	€M	-10.3	-10.5	-10.
Other liabilities	€M			
Net debt (cash)	€M	60.6	53.8	46.8
Total liab. and shareholders' equity	€M	186	190	198
Capital Employed				
Capital employed after depreciation	€M	183	187	193
Profits & Risks Ratios				
ROE (after tax)	%	8.94	10.2	10.2
ROCE	%	2.88	3.59	3.93
Gearing (at book value)	%	49.6	40.6	32.9
Adj. Net debt/EBITDA(R)	x	2.95	2.49	2.10
Interest cover (x)	х	1.65	2.28	2.62
Valuation Ratios				
Reference P/E (benchmark)	x	6.88	7.36	5.80
Free cash flow yield	%	9.09	7.75	9.69
P/Book	х	0.53	0.65	0.5
Dividend yield	%	0.68	0.67	0.98
EV Calculation				
Market cap	€M	68.6	92.0	78.0
+ Provisions	€M	4.97	4.97	5.0
+ Unrecognised acturial losses/(gains)	€M	0.00	0.00	0.0
+ Net debt at year end	€M	60.6	53.8	46.8
+ Leases debt equivalent	€M	0.00	0.00	0.0
- Financial fixed assets (fair value)	€M	62.9	65.2	65.2
+ Minority interests (fair value)	€M	0.36	0.38	0.39
= EV	€M	71.7	85.9	65.0
EV/EBITDA(R)	x	3.49	3.97	2.9
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Analyst : Hélène Coumes, Changes to Forecasts : 11/12/2018.