



Keyware

Smart Cards-Security / Belgium

Integration of the FY21 figures

The soft bet is paying off - 18/05/2022

Change in EPS

2022 : € 0.09 vs 0.09	+1.12%
2023 : € 0.12 vs 0.10	+20.5%

We have integrated the FY21 figures which came in higher than our expectations owing to strong growth across the three segments. Low comps due to the pandemic and the completion of the transition to a new transaction partner drove both the top and bottom lines. Looking forward, the strong FY21 figures have boosted our expectations for the coming years although we also expect some normalization.

Change in DCF

€ 3.32 vs 2.54	+30.4%
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Our DCF has been upgraded due to the revised earnings estimates for FY21 thanks to the reasons outlined above.



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This research has been commissioned and paid for by the company and is deemed to constitute an acceptable minor non-monetary benefit as defined in MiFID II

Buy Upside : 115%

Target Price (6 months)	€ 2.33
Share Price	€ 1.08
Market Cap. €M	25.4
Price Momentum	GOOD
Extremes 12Months	0.92 ▶ 1.16
Bloomberg	KEYW BB Equity
Reuters	KEYW.BR

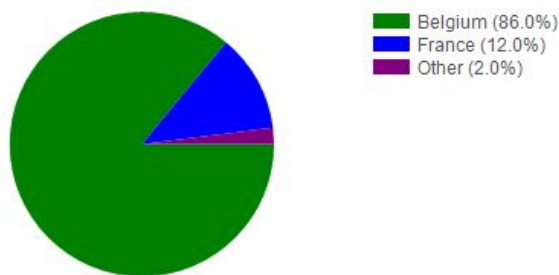
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PERF	1w	1m	3m	12m
Keyware	-0.92%	5.88%	3.85%	11.3%
IT Hardware	4.37%	-4.71%	-12.4%	-14.4%
SXXR Index	4.59%	-3.87%	-4.22%	1.71%

Last updated: 18/05/2022	12/21A	12/22E	12/23E	12/24E
Adjusted P/E (x)	8.22	11.9	9.06	8.47
Dividend yield (%)	0.00	0.00	0.00	0.00
EV/EBITDA(R) (x)	5.66	6.01	4.54	3.91
Adjusted EPS (€)	0.12	0.09	0.12	0.13
Growth in EPS (%)	56.5	-25.7	31.4	7.01
Dividend (€)	0.00	0.00	0.00	0.00
Sales (€th)	17,689	19,539	21,662	22,660
EBIT margin (%)	0.67	2.26	3.74	4.18
Attributable net profit (€th)	478	635	1,006	1,203
ROE (after tax) (%)	1.73	2.14	3.05	3.34
Gearing (%)	10.5	5.26	0.18	-4.94

[Company Valuation](#) - [Company Financials](#)

Sales by Geography



Consolidated P&L Accounts

		12/21A	12/22E	12/23E
Sales	€th	17,689	19,539	21,662
Change in sales	%	36.5	10.5	10.9
Change in staff costs	%	12.8	0.00	0.00
EBITDA	€th	4,610	4,400	5,407
EBITDA(R) margin	%	26.1	22.5	25.0
Depreciation	€th	-1,600	-1,954	-2,166
Underlying operating profit	€th	2,835	2,447	3,241
Operating profit (EBIT)	€th	441	947	1,441
Net financial expense	€th	-106	-100	-100
of which related to pensions	€th		-5.03	-5.63
Exceptional items & other	€th			
Corporate tax	€th	143	-212	-335
Equity associates	€th			
Minority interests	€th			
Adjusted attributable net profit	€th	2,872	2,135	2,806
NOPAT	€th	1,985	1,716	2,273

Cashflow Statement

		12/21A	12/22E	12/23E
EBITDA	€th	4,610	4,400	5,407
Change in WCR	€th	-1,842	-792	-1,018
Actual div. received from equity holdi...	€th	0.00	0.00	0.00
Paid taxes	€th	0.00	-212	-335
Exceptional items	€th			
Other operating cash flows	€th	-533	-800	-800
Total operating cash flows	€th	2,235	2,597	3,254
Capital expenditure	€th	-870	-1,172	-1,300
Total investment flows	€th	-870	-1,172	-1,300
Net interest expense	€th	-106	-100	-100
Dividends (parent company)	€th	0.00	0.00	0.00
Dividends to minorities interests	€th	0.00	0.00	0.00
New shareholders' equity	€th	0.00	0.00	0.00
Total financial flows	€th	-1,408	-433	-383
Change in cash position	€th	-43.0	992	1,571
Free cash flow (pre div.)	€th	1,259	1,325	1,854

Per Share Data

		12/21A	12/22E	12/23E
No. of shares net of treas. stock (year...	Th	23,544	23,544	23,544
Number of diluted shares (average)	Th	23,544	23,544	23,544
Benchmark EPS	€	0.12	0.09	0.12
Restated NAV per share	€			
Net dividend per share	€	0.00	0.00	0.00

Valuation Summary

Benchmarks	Value	Weight	Largest comparables
DCF	€ 3.32	35%	● Adyen
NAV/SOTP per share	€ 2.05	20%	● Nexi
EV/Ebitda	€ 2.16	20%	● Amadeus IT Group
P/E	€ 2.16	10%	● EdenRed
Dividend Yield	€ 0.00	10%	● Worldline
P/Book	€ 2.16	5%	
TARGET PRICE	€ 2.33	100%	

NAV/SOTP Calculation

Balance Sheet

		12/21A	12/22E	12/23E
Goodwill	€th	7,762	8,041	8,041
Total intangible	€th	12,212	13,838	13,838
Tangible fixed assets	€th	1,209	2,177	2,177
Financial fixed assets	€th	168	150	150
WCR	€th	16,694	17,486	18,504
Other assets	€th	3,075	1,000	1,000
Total assets (net of short term liab.)	€th	33,358	34,650	35,668
Ordinary shareholders' equity	€th	27,892	31,499	34,373
Quasi Equity & Preferred	€th			
Minority interests	€th			
Provisions for pensions	€th		158	162
Other provisions for risks and liabilities	€th	332		
Total provisions for risks and liabilities	€th	332	158	162
Tax liabilities	€th	2,811	2,000	2,000
Other liabilities	€th			
Net debt (cash)	€th	2,323	993	-867
Total liab. and shareholders' equity	€th	33,358	34,650	35,668

Capital Employed

		12/21A	12/22E	12/23E
Capital employed after depreciation	€th	30,283	33,650	34,668

Profits & Risks Ratios

		12/21A	12/22E	12/23E
ROE (after tax)	%	1.73	2.14	3.05
ROCE	%	6.55	5.10	6.56
Gearing (at book value)	%	10.5	5.26	0.18
Adj. Net debt/EBITDA(R)	x	0.50	0.23	-0.16
Interest cover (x)	x	26.7	25.8	34.3

Valuation Ratios

		12/21A	12/22E	12/23E
Reference P/E (benchmark)	x	8.22	11.9	9.06
Free cash flow yield	%	5.34	5.21	7.29
P/Book	x	0.85	0.81	0.74
Dividend yield	%	0.00	0.00	0.00

EV Calculation

		12/21A	12/22E	12/23E
Market cap	€th	23,597	25,427	25,427
+ Provisions	€th	332	158	162
+ Unrecognised actuarial losses/(gains)	€th	0.00	0.00	0.00
+ Net debt at year end	€th	2,323	993	-867
+ Leases debt equivalent	€th	0.00	0.00	0.00
- Financial fixed assets (fair value)	€th	168	150	150
+ Minority interests (fair value)	€th	0.00	0.00	0.00
= EV	€th	26,084	26,428	24,572
EV/EBITDA(R)	x	5.66	6.01	4.54
EV/Sales	x	1.47	1.35	1.13

Analyst : Laura Parisot, Changes to Forecasts : 18/05/2022.