DIGITAL WORKFORCE

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INDERES CORPORATE CUSTOMER

COMPANY REPORT

Time to deliver this year

We reiterate our Accumulate recommendation and EUR 3.2 target price for the share. Digital Workforce's Q4 figures were slightly softer than we expected overall. The strategy is resonating, and important strategic victories have been achieved early in the year. Now, we are still awaiting clearer confirmation of growth and its scaling into profitability. We find the share's valuation (2026e EV/EBIT 13x EBITDA-% 8%, SOTP EUR 3.4) attractive.

Q4 was weaker than we expected in terms of profitability

Digital Workforce's revenue grew by 21% to 8.6 MEUR in Q4 and was in line with our estimate. Growth was driven by the acquisition of e18, and we estimate organic growth to have been 2%, which is better than the IT services sector (Q3 -2%) but slower than the previous year and the overall potential. Earnings levels improved in Q4 but fell short of expectations. Adjusted EBITDA margin was 9%, above the 4% for the comparison period but below our forecast of 11%. In addition, the company capitalized R&D expenses of 1.3 MEUR last year (0.7 MEUR in H2), which is clearly more than previous estimates and undeniably "embellishes" the full-year result. Thus, EBIT-% adjusted for goodwill amortization would be a more relevant measure of profitability in the future. The company's board is proposing a dividend of EUR 0.09 per share for 2025, which is well above our estimate of EUR 0.04 as well. It is somewhat surprising why dividends are being paid out instead of investing in growth when cash flow is not yet very strong, the balance sheet has limited flexibility, and growth targets are ambitious. In absolute terms, the difference in dividends is not significant, but the message it sends is puzzling.

Company refined financial targets for 2026

Digital Workforce aims to achieve annual revenue of 50 MEUR by the end of 2026 (was 2025), which still contains inorganic elements. Although the target has been lowered slightly, it is still very ambitious and requires clear acceleration in organic growth and new acquisitions (Q4'26 target 12.5 MEUR, our forecast 9.2 MEUR). In addition, the target is an adjusted EBITDA margin of over 15% by the end of 2026, with a Q4'26 forecast of 12% (Q4'25 8%).

Guidance was in line with forecasts and slightly positive

Digital Workforce expects the group's revenue to grow by at least 15% in 2026 compared to 2025. In addition, the company expects adjusted EBITDA to be 6–12% of revenue, which is slightly positive and indicates that growth scalability is achievable. The company commented that R&D capitalizations will remain below last year's level but will still exceed depreciation. Operational forecast changes were minimal. We forecast the company's revenue to grow by 18% in 2025, driven by an acquisition (organically 5%). In addition, we estimated adjusted EBIT would grow to 2.7 MEUR, which corresponds to 8% of revenue (2025: 1.3 MEUR), with a corresponding adj. EBIT of 7%. Overall, the company's strategy and story are resonating, as evidenced by orders. However, this should be reflected more clearly in accelerated organic growth and scaling to profitability. Our extensive report on the company and its strategy published in December that is still very topical is available to read here.

Valuation picture is attractive

In terms of investment profile, Digital Workforce is still a turnaround company whose turnaround in profitable growth progressed the year before last. There was a slight hiccup at the beginning of last year, and there is still clearly room for improvement in terms of profitable growth. The profitability estimates for 2026 are only partially scaled (EBITDA: 8%), making the valuation picture (2026e EV/EBIT 13x, P/E 13x) attractive. As growth continues and profitability scales, the 2027 multiples (EV/EBIT 10x, P/E 11x, EBITDA 10%) are already very attractive, considering the potential. The current challenging market situation, still-incomplete earnings turnaround, and pressure on valuations from the threat of artificial intelligence disruption limit the strongest enthusiasm for buying. Based on the valuation multiples, the 2026e sum of parts of EUR 3.4, and the DCF calculation (EUR 3.2), we estimate the fair value range of the share to be EUR 3.0-3.8 per share. However, the upper end requires a better outlook and execution.

Recommendation
Accumulate
(was Accumulate)

Target price:
EUR 3.20
(was EUR 3.20)

Share price:
EUR 2.59

Business risk ●●●○○

Valuation risk ●●●○○

	2025	2026e	2027e	2028e
Revenue	28.7	33.7	36.7	39.6
growth-%	5%	18%	9%	8%
EBIT adj.	0.9	2.3	3.0	3.9
EBIT-% adj.	3.3 %	7.0 %	8.1 %	9.9 %
Net Income	-0.9	0.9	1.4	2.4
EPS (adj.)	0.06	0.20	0.24	0.32

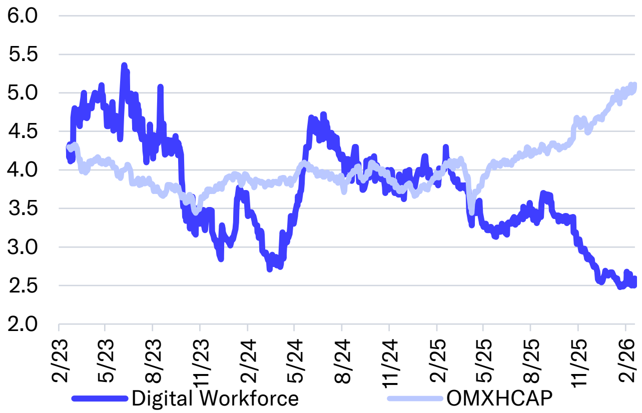
P/E (adj.)	43.6	13.0	11.0	8.1
P/B	2.2	2.1	2.0	1.9
Dividend yield-%	3.4 %	3.5 %	4.2 %	5.0 %
EV/EBIT (adj.)	34.3	13.3	9.9	6.9
EV/EBITDA	>100	11.3	8.2	6.0
EV/S	1.12	0.92	0.80	0.68

Source: Inderes

Guidance (New guidance)

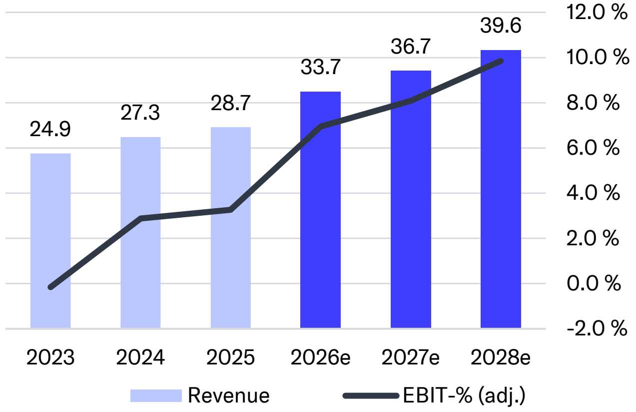
Digital Workforce expects revenue to grow by at least 15% in 2026 compared to 2025. Additionally, the company expects adjusted EBITDA to be 6–12% of revenue.

Share price



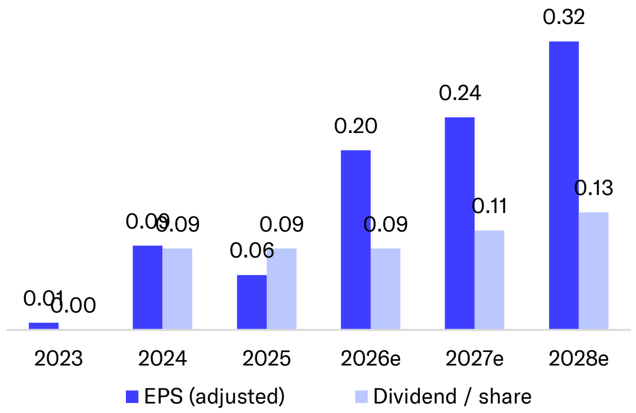
Source: Millistream Market Data AB

Revenue and EBIT-% (adj.)



Source: Inderes

EPS and dividend



Source: Inderes

Value drivers

- Success in growth markets (especially the UK and Ireland) and acceleration of growth
- Increasing the revenue share of Continuous services with better margins drives earnings growth and makes the investor profile more attractive
- Multi-technology model, growth opportunities brought by AI agents
- Good scalability of the Outsmart platform
- Industry focus improves efficiency and therefore profitability
- Acquisitions

Risk factors

- Disruptive threat of AI and AI agents
- Failure of the growth strategy
- Failure to commercialize the Outsmart platform
- Developing large technologies and their expansion to maintenance
- Customers taking over their activities (inhouse)
- Reacting to market and technological changes
- Traditional threats to expert services related to employer image, wage inflation, and managing churn
- Acquisitions

Valuation	2026e	2027e	2028e
Share price	2.59	2.59	2.59
Number of shares, millions	11.8	11.9	11.9
Market cap	31	31	31
EV	31	29	27
P/E (adj.)	13.0	11.0	8.1
P/E	32.9	22.0	12.8
P/FCF	23.8	10.4	8.0
P/B	2.1	2.0	1.9
P/S	0.9	0.8	0.8
EV/Sales	0.9	0.8	0.7
EV/EBITDA	11.3	8.2	6.0
EV/EBIT (adj.)	13.3	9.9	6.9
Payout ratio (%)	114.3 %	93.4 %	64.5 %
Dividend yield-%	3.5 %	4.2 %	5.0 %

Source: Inderes

Revenue grew well and in line with expectations but profitability was below them

Revenue grew strongly as expected, driven by an acquisition

Digital Workforce's revenue grew by 21% to 8.6 MEUR in Q4 and was in line with our estimate. Growth was driven by the acquisition of e18, and we estimate organic growth to have been 2%. Organic growth is somewhat better than the overall IT services sector (Q3 -2%), but slower than the previous year and the big picture potential. By business area, "higher value" continuous services grew by 15%, contrary to our forecast of 31% growth. Expert services, on the other hand, grew by 34% and clearly outperformed the 10% growth forecast. The e18 acquisition was expected to generate mostly continuous revenue, so the revenue growth structure is surprising.

The company has already commented earlier that the Agent Workforce solution creates good and scalable growth opportunities for the first half of 2026. In Q4, the company made progress with expanding its continuous services business and Outsmart automation platform with agentic AI (Agent Workforce) products. The company reports that several new, transformative agentic AI solutions were deployed for production use, especially for financial services and insurance customers. Collaboration with technology partners increased, and the company has invested in a project that is central to its strategy. The aim is to build scalable and repeatable enterprise-grade Agentic AI products. The company announced new contract wins for agentic solutions early in the year.

Q4 result fell short of expectations, even more so considering R&D capitalization

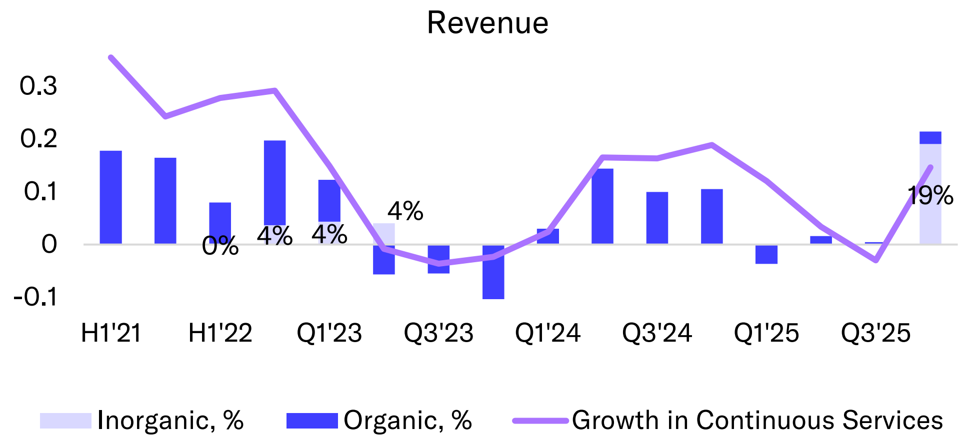
Earnings levels improved in Q4 but fell short of expectations. Gross profit was 39%, which is a clear improvement over the 33% recorded in the comparison period. This increase in gross profit is related to better utilization rates of own resources, improved contracts, and efficiency measures. EBITDA was 0.58 MEUR and 0.75 MEUR when adjusted for one-off items, which was below our estimate of 0.9 MEUR. This corresponds to an adjusted EBITDA margin of 8.7%, which is above the 4% of the comparison period but below our estimate of 11%. However, profitability is still constrained by strategic investments in the big picture. In general, the earnings level and profitability at Digital Workforce are sensitive on a quarterly basis, as the scale is still small, and thus the start and end of individual larger projects and the timing of investments can clearly affect the profitability level of a single quarter. Depreciation was slightly lower than expected, offset by slightly higher-than-expected financial expenses. Thus, earnings per share were EUR 0.00, one cent below the comparison period. EPS for the whole year was -EUR 0.07.

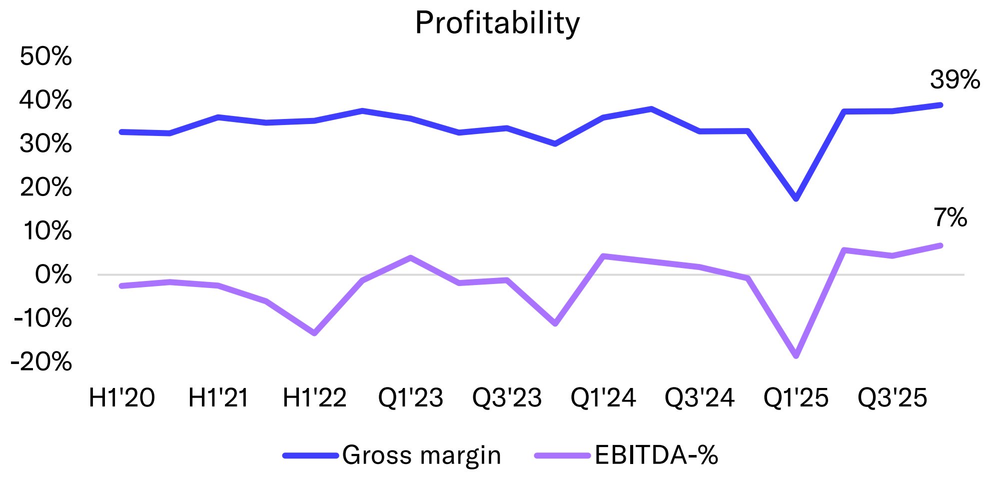
In addition, the company capitalized R&D expenses of 1.3 MEUR last year (0.7 MEUR in H2), which is clearly more than previous estimates. This will undeniably "embellish" the full-year result. EBITDA was 0.1 MEUR in 2025, and 1.3 MEUR when adjusted for one-off expenses.

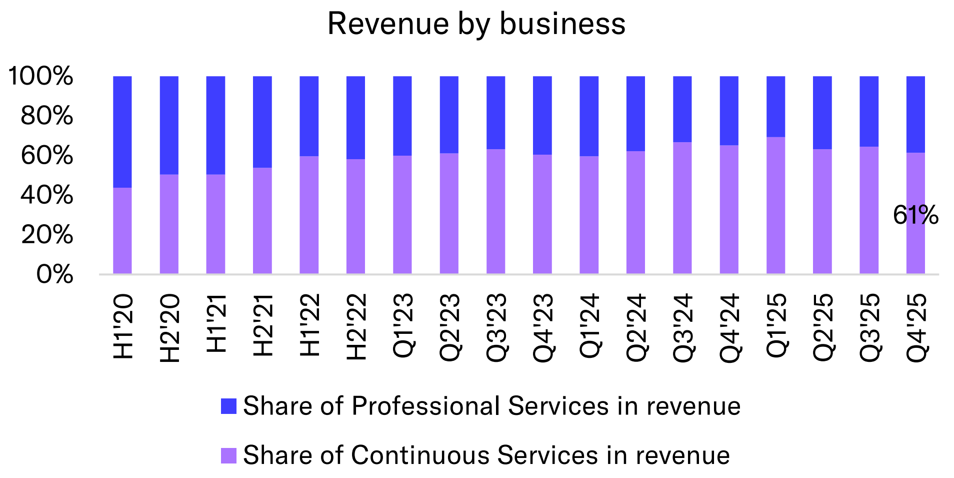
At the beginning of 2025, the company published a new dividend policy with the aim of paying a dividend of at least 30% of the profit for the financial year. The company's board is proposing a dividend of EUR 0.09 per share for 2025, which is well above our estimate of EUR 0.04 as well. It is somewhat surprising why dividends are being paid out instead of investing in growth when cash flow is not yet very strong, the balance sheet has limited flexibility, and growth targets are ambitious. In absolute terms, the difference in dividends is not significant, but the message it sends is puzzling. On the other hand, cash flow should improve in 2026.

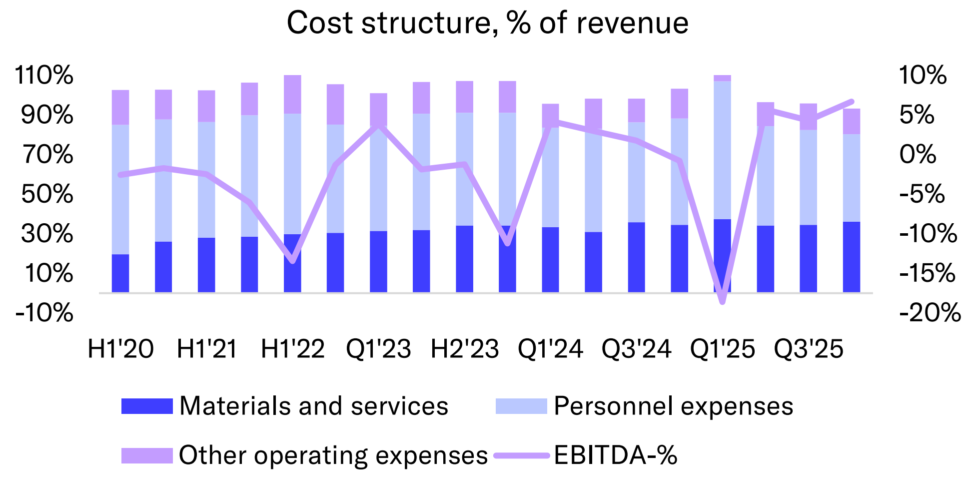
Estimates	Q4'24	Q4'25	Q4'25e	Q4'25e	Consensus		Difference (%)	2025
MEUR / EUR	Comparison	Actualized	Inderes	Consensus	Low	High	Act. vs. inderes	Inderes
Revenue	7.0	8.6	8.7				-2%	28.7
Organic growth-%	10%	2%	5%				-3 pp	
EBITDA (adj.)	0.30	0.70	0.92				-24%	1.3
EBITDA	-0.10	0.60	0.92				-35%	0.1
EBIT	-0.08	0.20	0.47				-58%	-0.6
EPS (reported)	0.01	0.00	0.04				-100%	-0.07
DPS	0.09	0.09	0.04				125%	0.09
Revenue growth-%	10.5 %	21.4 %	23.7 %				-2.3 pp	5.1 %
EBITDA (adj.)	4.3 %	8.2 %	10.6 %				-2.4 pp	4.5 %

Digital Workforce's key figures

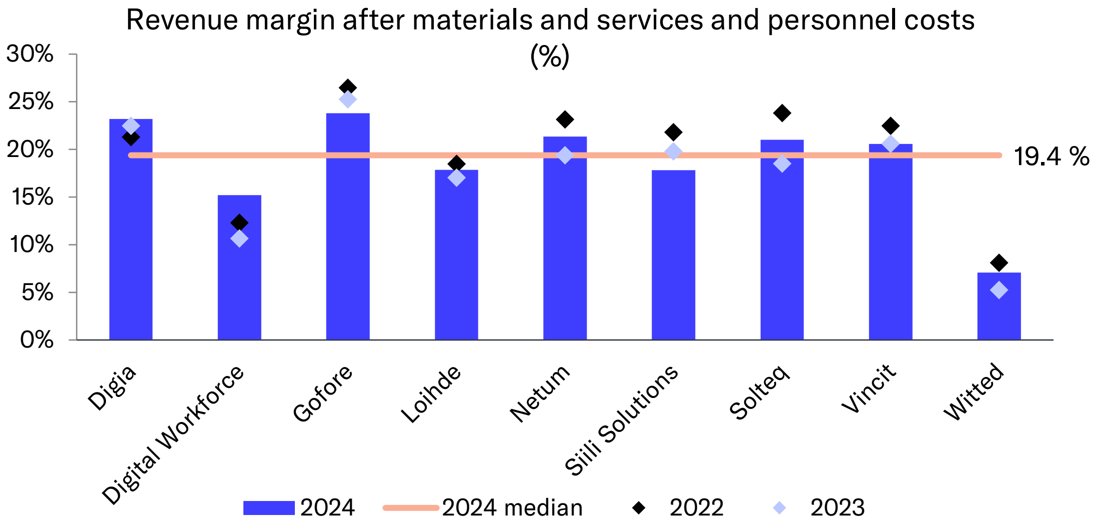


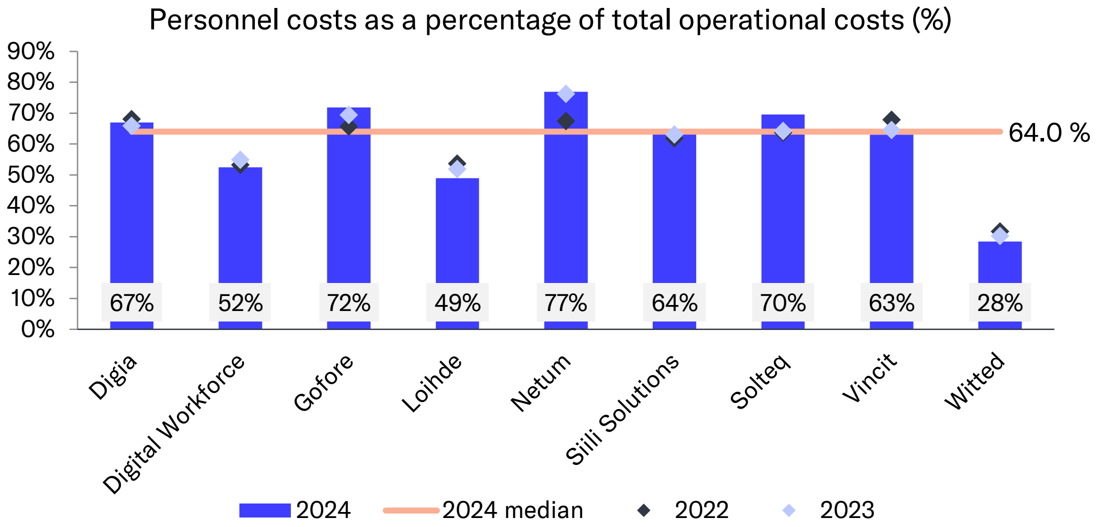


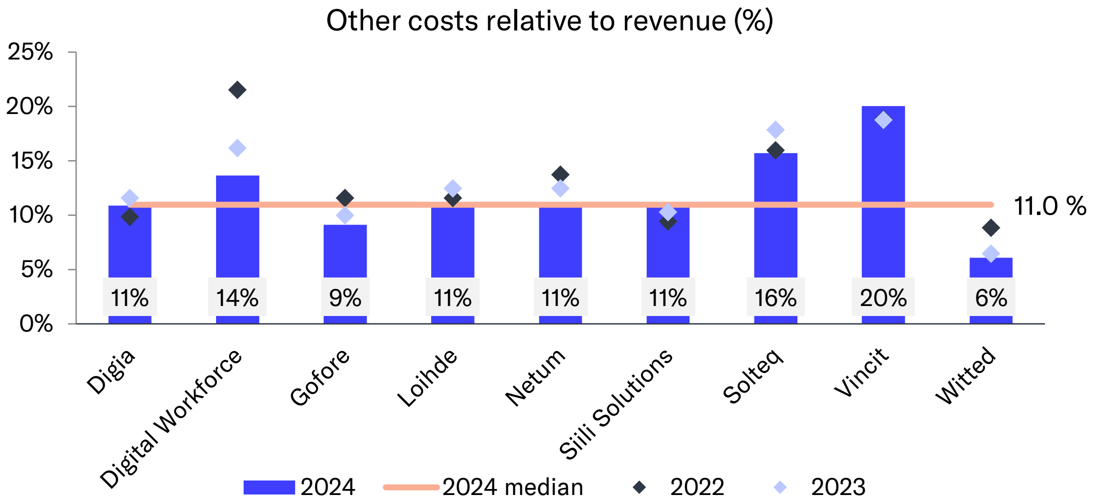


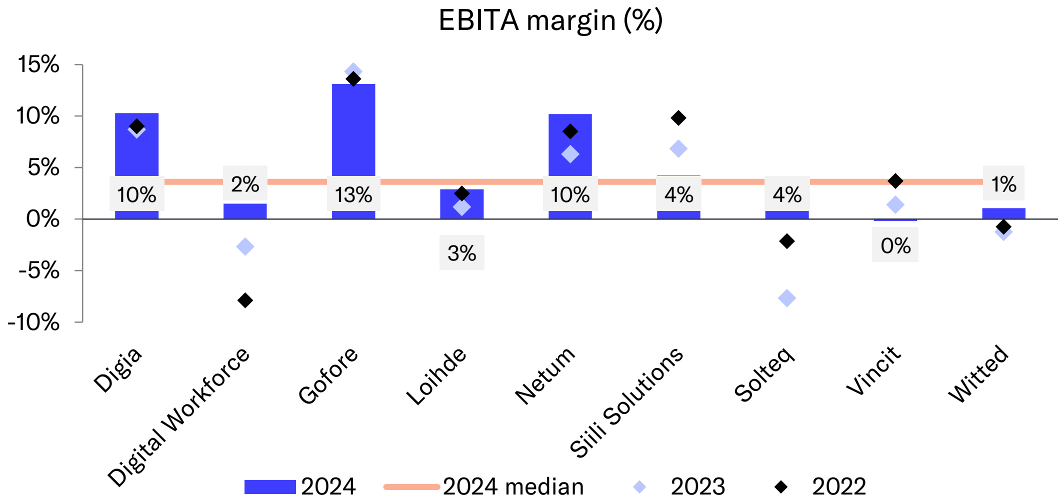


Relevant indicators for the Finnish listed IT service sector 1/2

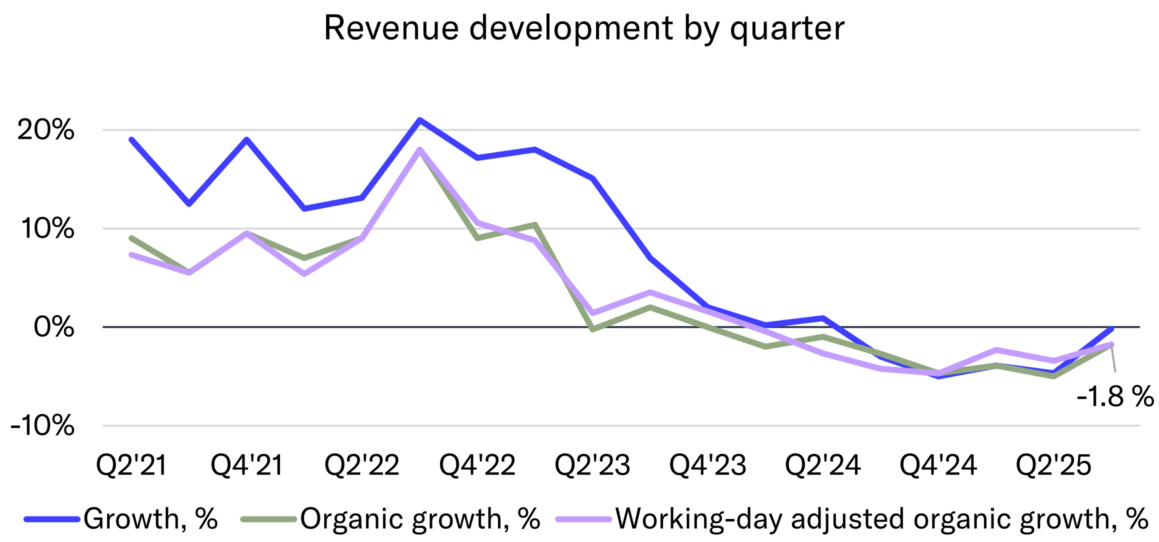


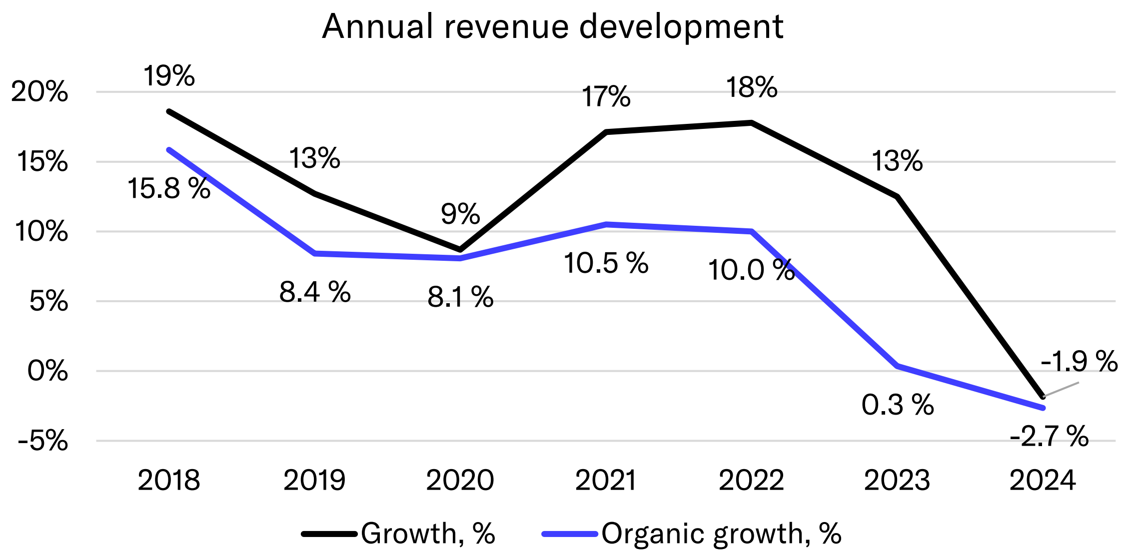


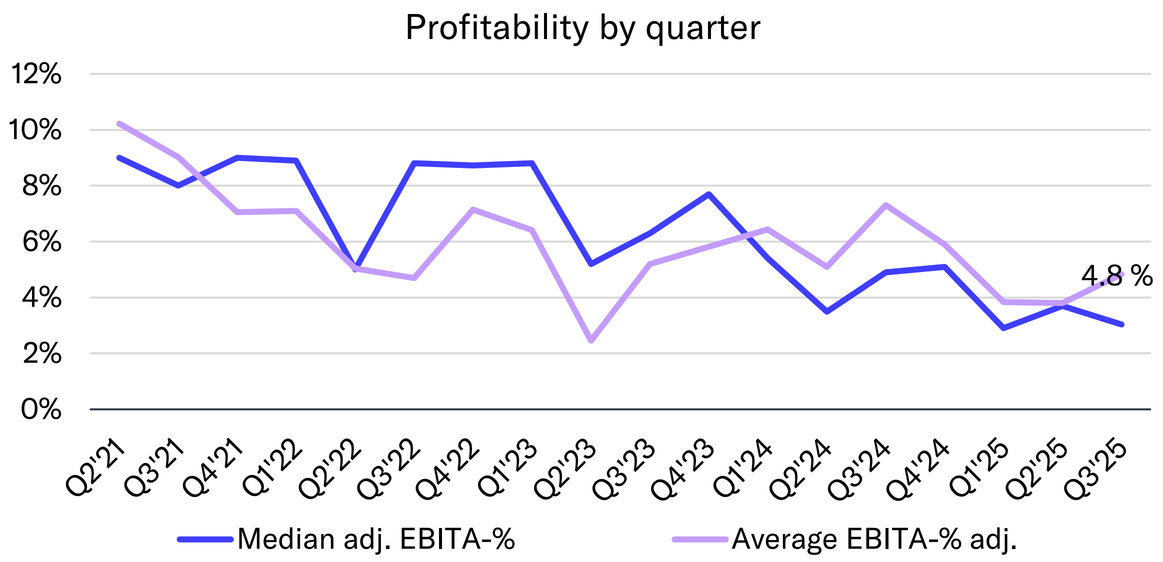


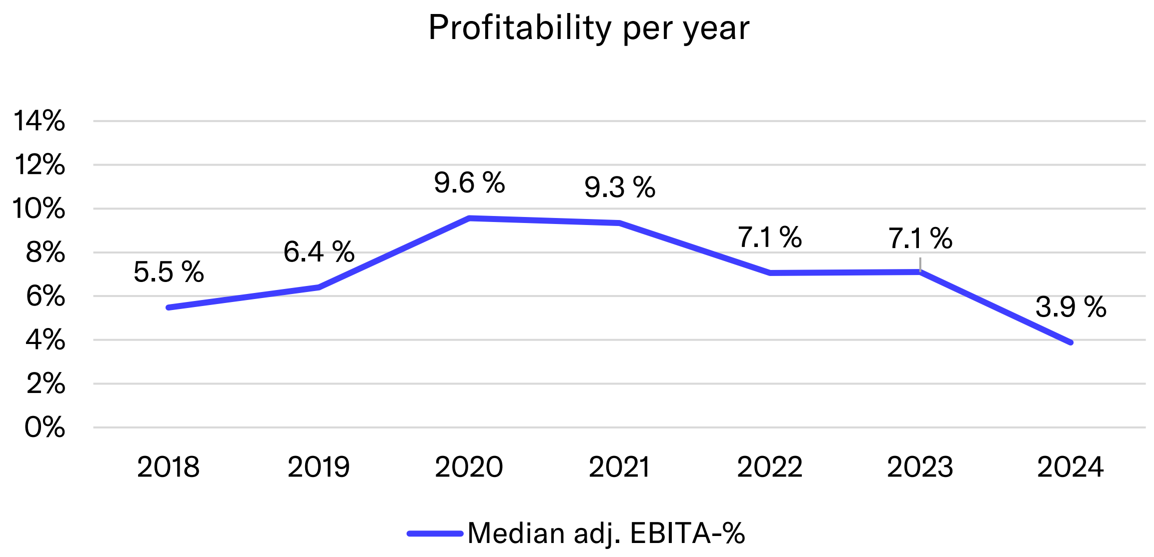


Relevant indicators for the Finnish listed IT service sector 2/2









Source: Inderes

We made only minor operational revisions to our estimates

Estimate revisions

- Operationally, we only made minor adjustments to the big picture. Between segments, we slightly smoothed the growth profile by business. Additionally, we increased depreciation levels due to slightly higher-than-expected group goodwill amortization and development capitalizations. At the same time, we increased the capitalization of development costs in the medium and long term. It should be noted that these capitalizations embellish the short-term profitability picture.

Estimates 2026-2028e

- We expect the company's revenue to grow by 18% to 34 MEUR in 2026 driven by an acquisition. Organically, we expect growth to be 5%. Thus, we estimate the company will meet its guidance (at least 15% growth) but will fall short of its revenue target of 50 MEUR by the end of 2026. The revenue target for the end of 2026 corresponds to 12.5 MEUR in Q4'26, and our estimate is 9.2 MEUR. In addition, we forecast that adjusted EBITDA will grow to 2.5 MEUR due to the growth and scaling of continuous services in 2026. This corresponds to an adj. EBITDA-% of 7.4% which is at the lower end of the guidance. In Q4'26, we estimate profitability to be 12%, which is also below the financial target of over 15%.
- In 2027-28, we estimate that the company will grow organically by 8-9%, driven by continuous services. If this growth is realized, it should scale into profitability, and we expect the EBITDA margin to rise to 11%. The company has losses of 14 MEUR from previous financial years, which means that it will probably not have to pay taxes for many years to come.
- Digital Workforce's liquid assets are starting to run low after the current acquisition, but as profitability improves, debt leverage will provide more room for maneuver for inorganic growth as well. However, we naturally do not yet include new acquisitions in our forecasts.

Operational earnings drivers

Revenue

+ Growth in Continuous Services through new customer acquisition and increased usage by existing customers (scalability)

+ Growth in Professional Services (market pressure in the short term)

+ Subcontracting increases business flexibility

Success in the growth of the OutSmart platform and AI agents is critical to realizing the long-term potential.

Profitability

+ Greater scalability (in multiple cost lines)

+ Better management of the licensing portfolio that streamlines the cost structure of materials and services

– Wage inflation

– Sales and marketing investments

– Recruitment in the expensive US and UK markets and as seniority increases

Estimate revisions MEUR / EUR	2025 Old	2025 New	Change %	2026e Old	2026e New	Change %	2027e Old	2027e New	Change %
Revenue	28.8	28.7	-1%	34.5	33.7	-2%	37.5	36.7	-2%
EBITDA	0.4	0.1	-86%	2.9	2.7	-4%	3.6	3.6	-2%
EBIT (exc. NRIs)	1.1	0.9	-13%	2.7	2.3	-12%	3.5	3.0	-15%
EBIT	-0.3	-0.6	-93%	1.5	0.9	-36%	2.3	1.6	-32%
PTP	-0.3	-0.7	-174%	1.4	0.9	-32%	2.2	1.4	-37%
EPS (excl. NRIs)	0.09	0.06	-31%	0.22	0.20	-8%	0.29	0.24	-18%
DPS	0.04	0.09	125%	0.09	0.09	0%	0.11	0.11	0%

Valuation 1/2

In terms of investment profile, Digital Workforce is still a turnaround company whose turnaround in profitable growth progressed well the year before last. Last year, performance was more volatile, and the company still has a lot to prove regarding profitable growth. However, the company's investment case is at best very attractive in the longer term, considering its growth and profitability potential. Before a higher acceptable valuation, however, the company must demonstrate the effectiveness of its current strategy from a growth perspective and its scalability to profitability.

We examine the company's valuation through the EV/S ratio, DCF model, peer analysis and sum of the parts calculation. The relatively large losses in the past will provide a tax advantage for several more years, which will improve P/E ratios.

Valuation multiples

Digital Workforce's earnings multiples again provide support for the current year. The profitability estimates for 2026 are only partially scaled (EBITDA: 8%), making the valuation picture (2026e EV/EBIT 13x, P/E 13x) attractive. The P/E ratio will be supported by zero taxes for several more years. As growth continues and profitability scales, the 2027 multiples (EV/EBIT 10x, P/E 11x, EBITDA 10%) are already very attractive, considering potential, but in our view, it is still too early to rely on this. The current challenging market situation, still-incomplete turnaround, and pressure on valuations from the threat of artificial intelligence disruption limit the strongest enthusiasm for buying.

Peer group

No clear peer group that operates with a similar business model is available for Digital Workforce as compared to expert companies, the company has significantly more recurring business with better margins. Compared to Nordic product companies, and especially software companies, Digital Workforce's margin profile is lower than for companies in a mature stage.

The median EV/S multiples of the peer group for 2026-2027 are 0.8x-0.7x. The corresponding multiples for IT service companies are 0.7x-0.6x and ~3x for software companies. These multiples have decreased over the past two months due to the threat of disruption.

We have considered the median for IT service companies as the valuation floor, which is highly relevant, as the company, measured by our Rule of 20, is above the average for IT service companies (2025e). If the company's growth accelerates to over 10% or closer to its target level of 25% and the profitability turnaround progresses well, we feel the top valuation level of IT service companies (>1x), i.e., slightly higher than the current level, can be accepted for the company. However, the company does not yet have clear proof of the strategy's effectiveness and a stronger operational turnaround, which keeps us cautious.

We do not see any justification for examining the company's valuation relative to software companies. Nevertheless, we include software companies, because if the company reaches its potential, these will also provide support points for the valuation, especially for recurring revenue. However, due to the recognition policy of license income, even ~10% lower revenue-based multiples can be accepted for the company.

In our view, the valuation of Digital Workforce is attractive with the EV/S ratio. Relative analysis of earnings multiples and taking a stronger view at this stage is challenging because there are several variables. We deal with the earnings multiples in more absolute terms.

Valuation	2026e	2027e	2028e
Share price	2.59	2.59	2.59
Number of shares, millions	11.8	11.9	11.9
Market cap	31	31	31
EV	31	29	27
P/E (adj.)	13.0	11.0	8.1
P/E	32.9	22.0	12.8
P/FCF	23.8	10.4	8.0
P/B	2.1	2.0	1.9
P/S	0.9	0.8	0.8
EV/Sales	0.9	0.8	0.7
EV/EBITDA	11.3	8.2	6.0
EV/EBIT (adj.)	13.3	9.9	6.9
Payout ratio (%)	114.3 %	93.4 %	64.5 %
Dividend yield-%	3.5 %	4.2 %	5.0 %

Source: Inderes

Valuation 2/2

Sum of the parts

We also examine Digital Workforce's valuation through a sum-of-the-parts calculation due to the different business profiles. The usefulness of the calculation is, however, limited by the fact that the businesses cannot and will not be separated. The calculation is still a good valuation method among others.

We apply the median (was lower end) of the EV/S range 0.6x of IT service companies for Professional Services (was 0.4x). The median multiple reflects the current good billing rates and demand for expert services. For Continuous Services, on the other hand, we apply the top end of IT service companies' valuation multiple of ~1.4x (was 1.2x), which we justify by the positive outlook of the business. If the profitability potential of the business begins to materialize, a higher valuation level can be accepted for recurring revenue.

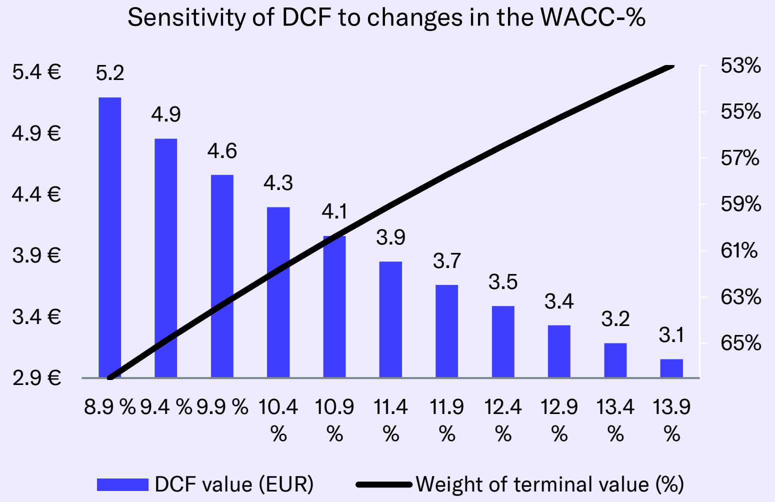
Using our 2026 revenue estimates for Digital Workforce, including the e18 acquisition, and applying the multiples mentioned above, we arrive at a total debt-free value of 38 MEUR. The market capitalization is also 38 MEUR or EUR 3.4 per share. The sum of the parts indicates a valuation close to our target price and supports a positive investment view on the stock. Since the businesses will not be separated, this valuation method is more indicative than a guiding valuation method.

Cash flow model (DCF)

We have set the growth expectation for the terminal period (2034-) to 2.0% and the EBIT margin (2034-) to 8.5%, which reflects better average profitability than for the IT service sector. However, we point out that our long-term growth and profitability estimates still involve uncertainty, which in part limits the usefulness of the model. Although the weight of terminal cash flows is relatively small (44%), further evidence is needed to support our forecast of a turnaround in earnings. In the report, we raised terminal growth from 1.5%, but lowered profitability assumptions by 1-2 pp annually. Additionally, we increased the capitalization of development costs.

The per share value of our cash flow calculation for Digital Workforce is EUR 3.2, which indicates upside for the share in line with our target price. We also lowered our WACC slightly to 10.9% (was 11.4 %), which is due to a small decrease in the required return on equity, which in turn is due to greater confidence in the turnaround this year. The high required return is due to the company's small size and uncertainty related to growth and profitability. If Digital Workforce shows that its growth strategy is moving in the right direction in the coming years, there is a downside in the required return as the company's risk profile decreases. As the current strategy's growth is still in its early stages, and its profitability and scalability potential are yet to be demonstrated, we are not yet prepared to rely solely on a discounted cash flow (DCF) model. However, the DCF reflects the attractive potential of the share.

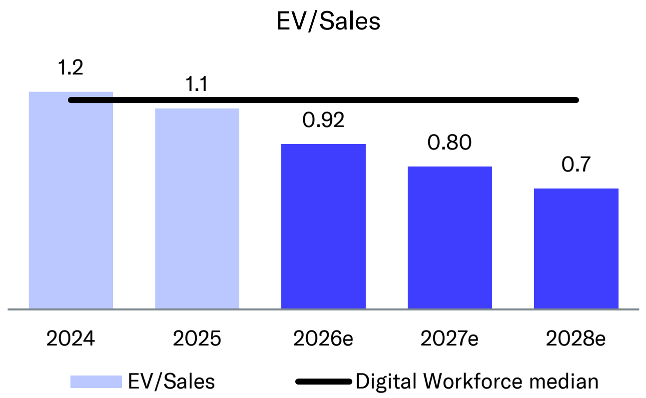
Sum of the parts	2025	2026e
Expert services revenue	10.2	11.0
Continuous Services revenue	18.4	22.7
Valuation, EV/S	**2025**	**2026e**
Professional Services, 0.6x	6.1	6.6
Continuous services, 1.4x	25.8	31.8
EV	31.9	38.4
Net cash	-1.2	-0.6
Market cap	30.8	37.8
per share	2.8	3.4

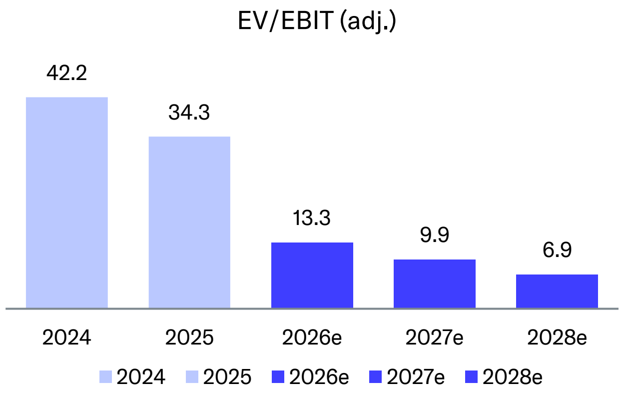


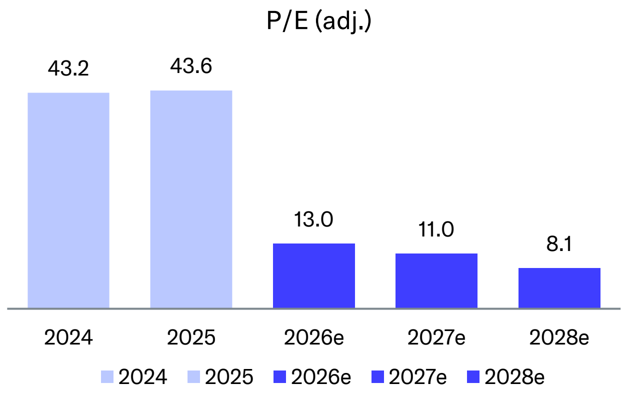
Valuation table

Valuation	2024	2025	2026e	2027e	2028e	2029e
Share price	4.02	2.65	2.59	2.59	2.59	2.59
Number of shares, millions	11.3	11.7	11.8	11.9	11.9	11.9
Market cap	45	31	31	31	31	31
EV	33	32	31	29	27	25
P/E (adj.)	43.2	43.6	13.0	11.0	8.1	8.1
P/E	76.9	neg.	32.9	22.0	12.8	12.7
P/FCF	>100	neg.	23.8	10.4	8.0	8.1
P/B	3.1	2.2	2.1	2.0	1.9	1.8
P/S	1.7	1.1	0.9	0.8	0.8	0.7
EV/Sales	1.2	1.1	0.92	0.80	0.7	0.6
EV/EBITDA	51.9	>100	11.3	8.2	6.0	4.8
EV/EBIT (adj.)	42.2	34.3	13.3	9.9	6.9	5.5
Payout ratio (%)	172.1 %	neg.	114.3 %	93.4 %	64.5 %	73.8 %
Dividend yield-%	2.2 %	3.4 %	3.5 %	4.2 %	5.0 %	5.8 %

Source: Inderes







The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years.

Peer group valuation

Peer group valuation Company	Market cap MEUR	EV MEUR	EV/EBIT 2026e	EV/EBIT 2027e	EV/EBITDA 2026e	EV/EBITDA 2027e	EV/S 2026e	EV/S 2027e	P/E 2026e	P/E 2027e	Dividend yield-% 2026e	Dividend yield-% 2027e	P/B 2026e
Admicom*	171	152	11.7	9.6	11.2	9.0	3.8	3.2	15.8	13.8	1.2	1.5	3.7
Leaddesk*	35	43	13.3	11.1	5.7	5.1	1.1	1.0	17.7	14.1			2.7
Qt Group*	638	696	12.1	9.1	10.5	8.2	2.8	2.3	14.5	11.3			2.4
Lime Technologies AB	231	244	15.6	13.1	10.4	9.2	3.3	2.9	19.3	16.3	2.7	3.2	5.8
Upsales Technology AB	37	35	10.6		7.9		1.9		13.7		6.5		13.9
Carasent	159	149	34.6	20.7	14.7	11.3	4.1	3.6	43.9	27.0			2.0
FormPipe Software AB	114	111	34.9	25.0	23.8	18.7	4.6	4.1	42.5	29.7	0.5	0.7	4.6
Digia*	165	177	7.6	6.5	6.6	5.6	0.8	0.7	9.4	8.6	3.4	3.8	1.4
Gofore*	172	180	7.9	6.9	6.4	5.7	0.8	0.7	10.0	9.4	4.7	4.9	1.4
Loihde*	73	75	13.4	10.3	5.7	5.0	0.5	0.5	16.7	12.9	6.2	6.8	0.9
Netum Group*	14	20	9.1	7.9	8.3	7.4	0.6	0.5	26.2	14.5	3.6	5.4	3.0
Siili Solutions*	33	33	7.5	5.1	4.2	3.2	0.3	0.3	10.1	7.2	3.0	3.7	0.7
Solteq*	8	32	13.0	10.6	9.1	7.8	0.7	0.7		68.0			0.6
Vincit*	23	26	11.8	7.9	4.0	3.3	0.4	0.4	15.4	9.9	5.1	6.5	0.7
Witted Megacorp*	20	14	8.4	5.8	8.2	5.7	0.2	0.2	15.4	11.8	1.5	1.5	1.5
Bouvet	456	468	10.4	9.6	8.7	8.0	1.3	1.2	13.3	12.2	7.2	7.8	11.8
CombinedX	60	67	8.8	7.0	4.9	4.4	0.7	0.7	10.0	7.9			
Avensia AB	24	26	5.6	5.2	4.3	4.0	0.7	0.6	6.8	6.2			
Knowit	300	341	14.3	10.8	6.7	5.8	0.6	0.6	11.0	9.0	2.7	3.7	0.8
Netcompany Group	1905	2354	14.6	12.3	11.0	9.6	1.9	1.8	15.9	12.6			3.9
Digital Workforce (Inderes)	31	31	13.3	9.9	11.3	8.2	0.9	0.8	13.0	11.0	3.5	4.2	2.1
Average			13.3	10.2	8.6	7.2	1.5	1.4	17.2	15.9	3.7	4.1	3.4
Median (all)			11.7	9.6	8.0	5.8	0.8	0.7	15.4	12.2	3.4	3.7	2.2
Diff-% to median			n.a.	3%	n.a.	41%	14%	12%	n.a.	-9%	n.a.	n.a.	-4%
Median (software companies)			12.7	11.1	10.5	9.0	3.0	2.9	16.7	14.1	2.7	2.3	3.2
Diff-% to median			n.a.	-11%	n.a.	-9%	-69%	-73%	n.a.	-22%	n.a.	n.a.	-33%
Median (IT service companies)			9.8	7.9	6.6	5.7	0.6	0.6	13.3	10.8	4.2	5.2	1.2
Diff-% to median			n.a.	25%	n.a.	45%	45%	31%	n.a.	2%	n.a.	n.a.	84%

Income statement

Income statement	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue	24.9	27.3	6.5	7.1	6.6	8.6	28.7	7.8	8.4	8.3	9.2	33.7	36.7	39.6	42.9
Professional Services	9.7	10.0	2.0	2.6	2.3	3.3	10.2	2.3	2.8	2.6	3.3	11.0	11.5	11.9	12.4
Continuous Services	15.2	17.3	4.5	4.5	4.2	5.3	18.4	5.5	5.6	5.7	5.9	22.7	25.2	27.7	30.5
EBITDA	-0.6	0.6	-1.2	0.4	0.3	0.6	0.1	0.4	0.5	0.7	1.1	2.7	3.6	4.5	5.1
Depreciation	-0.2	-0.4	-0.1	-0.1	-0.1	-0.4	-0.7	-0.5	-0.5	-0.5	-0.5	-1.8	-2.0	-2.0	-2.0
EBIT (excl. NRI)	0.0	0.8	-0.4	0.3	0.3	0.7	0.9	0.3	0.4	0.6	1.0	2.3	3.0	3.9	4.5
EBIT	-0.8	0.3	-1.3	0.3	0.2	0.2	-0.6	-0.1	0.1	0.3	0.7	0.9	1.6	2.5	3.1
Net financial items	0.1	0.3	0.0	0.0	0.1	-0.1	-0.1	0.0	0.0	0.0	0.0	0.0	-0.2	-0.1	-0.1
PTP	-0.7	0.6	-1.3	0.3	0.2	0.1	-0.7	-0.1	0.1	0.3	0.7	0.9	1.4	2.4	3.0
Taxes	0.0	0.0	0.0	-0.1	0.0	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.6
Net earnings	-0.7	0.6	-1.3	0.2	0.2	0.0	-0.9	-0.1	0.1	0.3	0.7	0.9	1.4	2.4	2.4
EPS (adj.)	0.01	0.09	-0.04	0.02	0.02	0.05	0.06	0.02	0.04	0.05	0.09	0.20	0.24	0.32	0.32
EPS (rep.)	-0.06	0.05	-0.11	0.02	0.02	0.00	-0.07	-0.01	0.01	0.02	0.06	0.08	0.12	0.20	0.20

Key figures	2023	2024	Q1'25	Q2'25	Q3'25	Q4'25	2025	Q1'26e	Q2'26e	Q3'26e	Q4'26e	2026e	2027e	2028e	2029e
Revenue growth-%	-2.2 %	9.4 %	-3.7 %	1.6 %	0.4 %	21.4 %	5.1 %	20.9 %	19.4 %	26.2 %	7.4 %	17.7 %	8.7 %	8.1 %	8.2 %
EBITDA-%	-2.6 %	2.3 %	-18.5 %	5.5 %	4.4 %	6.6 %	0.2 %	4.6 %	6.5 %	8.8 %	12.1 %	8.1 %	9.7 %	11.3 %	11.8 %
Adjusted EBIT-%	-0.2 %	2.9 %	-6.1 %	4.8 %	4.0 %	8.5 %	3.3 %	3.3 %	5.3 %	7.6 %	11.0 %	7.0 %	8.1 %	9.9 %	10.4 %
Net earnings-%	-2.8 %	2.2 %	-20.3 %	3.1 %	3.1 %	0.5 %	-3.0 %	-1.3 %	1.1 %	3.4 %	7.2 %	2.8 %	3.8 %	6.0 %	5.6 %

Source: Inderes

Full-year earnings per share are calculated using the number of shares at year-end.

Balance sheet

Assets	2024	2025	2026e	2027e	2028e
Non-current assets	2.3	15.8	15.0	13.6	12.2
Goodwill	0.0	0.0	0.0	0.0	0.0
Intangible assets	2.3	15.7	14.9	13.5	12.1
Tangible assets	0.0	0.1	0.1	0.1	0.1
Associated companies	0.0	0.0	0.0	0.0	0.0
Other investments	0.0	0.0	0.0	0.0	0.0
Other non-current assets	0.0	0.0	0.0	0.0	0.0
Deferred tax assets	0.0	0.0	0.0	0.0	0.0
Current assets	22.0	24.3	19.6	21.3	23.0
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	0.0	0.0	0.0	0.0	0.0
Receivables	9.1	13.8	11.1	12.1	13.1
Cash and equivalents	13.0	10.6	8.4	9.2	9.9
Balance sheet total	24.3	40.1	34.5	34.8	35.2

Source: Inderes

Liabilities & equity	2024	2025	2026e	2027e	2028e
Equity	14.9	14.1	14.4	15.1	16.2
Share capital	0.1	0.1	0.1	0.1	0.1
Retained earnings	-12.8	-14.6	-14.7	-14.4	-13.3
Hybrid bonds	0.0	0.0	0.0	0.0	0.0
Revaluation reserve	27.6	28.7	29.1	29.5	29.5
Other equity	0.0	0.0	0.0	0.0	0.0
Minorities	0.0	0.0	0.0	0.0	0.0
Non-current liabilities	0.6	7.0	3.0	2.0	1.0
Deferred tax liabilities	0.0	0.0	0.0	0.0	0.0
Provisions	0.0	0.0	0.0	0.0	0.0
Interest bearing debt	0.6	7.0	3.0	2.0	1.0
Convertibles	0.0	0.0	0.0	0.0	0.0
Other long term liabilities	0.0	0.0	0.0	0.0	0.0
Current liabilities	8.9	19.0	17.1	17.7	18.0
Interest bearing debt	0.2	4.8	6.0	5.6	4.9
Payables	8.7	14.2	11.1	12.1	13.1
Other current liabilities	0.0	0.0	0.0	0.0	0.0
Balance sheet total	24.3	40.1	34.5	34.8	35.2

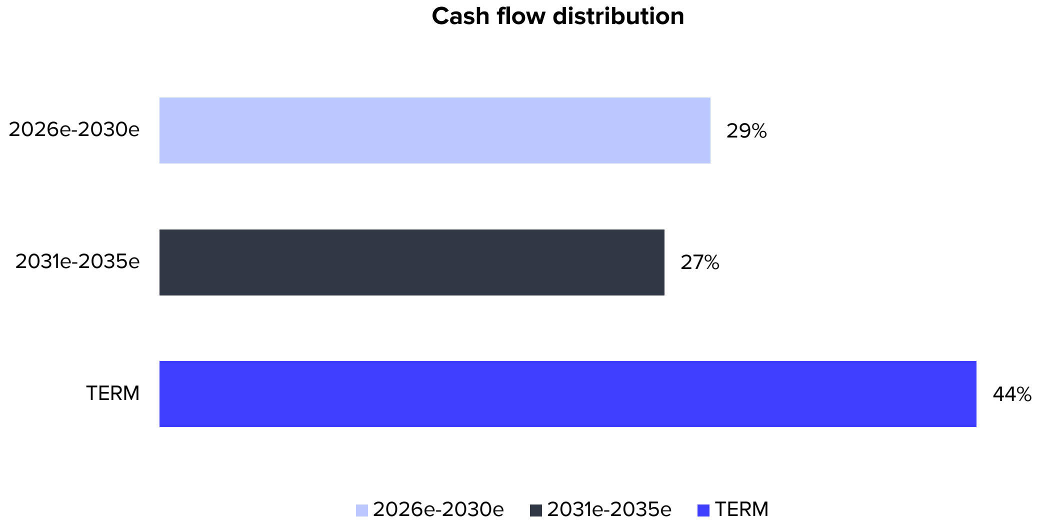
DCF-calculation

DCF model	2025	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e	TERM
Revenue growth-%	5.1 %	17.7 %	8.7 %	8.1 %	8.2 %	7.6 %	7.0 %	6.0 %	5.0 %	5.0 %	2.0 %	2.0 %
EBIT-%	-2.2 %	2.8 %	4.3 %	6.3 %	7.2 %	7.6 %	7.9 %	8.1 %	8.4 %	8.5 %	8.5 %	8.5 %
EBIT (operating profit)	-0.6	0.9	1.6	2.5	3.1	3.5	3.9	4.2	4.6	4.9	5.0	
+ Depreciation	0.7	1.8	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.1	0.7	
- Paid taxes	-0.2	0.0	0.0	0.0	-0.6	-0.7	-0.8	-0.9	-1.0	-1.0	-1.0	
- Tax, financial expenses	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
+ Tax, financial income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Change in working capital	0.8	-0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Operating cash flow	0.7	2.3	3.6	4.5	4.5	4.8	5.1	5.4	5.7	6.0	4.7	
+ Change in other long-term liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
- Gross CAPEX	-14.1	-1.0	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-0.7	-0.7	-0.5	
Free operating cash flow	-13.4	1.3	3.0	3.9	3.8	4.2	4.5	4.7	5.0	5.3	4.2	
+/- Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
FCFF	-13.4	1.3	3.0	3.9	3.8	4.2	4.5	4.7	5.0	5.3	4.2	47.7
Discounted FCFF		1.2	2.4	2.9	2.6	2.5	2.4	2.3	2.2	2.1	1.5	17.1
Sum of FCFF present value		39.2	38.0	35.6	32.7	30.2	27.7	25.3	22.9	20.7	18.6	17.1

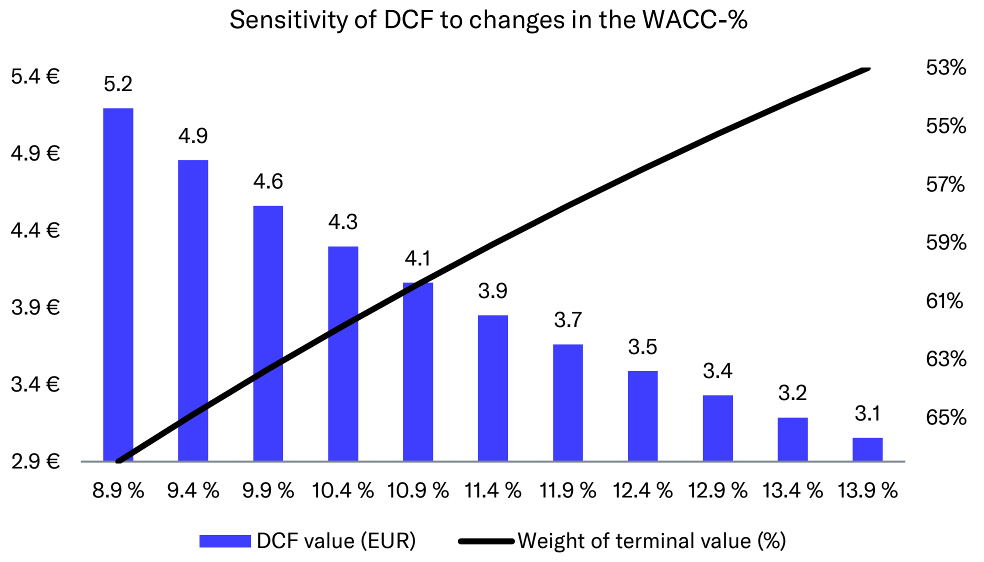
Enterprise value DCF	39.2
- Interest bearing debt	-11.8
+ Cash and cash equivalents	10.6
-Minorities	0.0
-Dividend/capital return	0.0
Equity value DCF	38.0
Equity value DCF per share	3.2

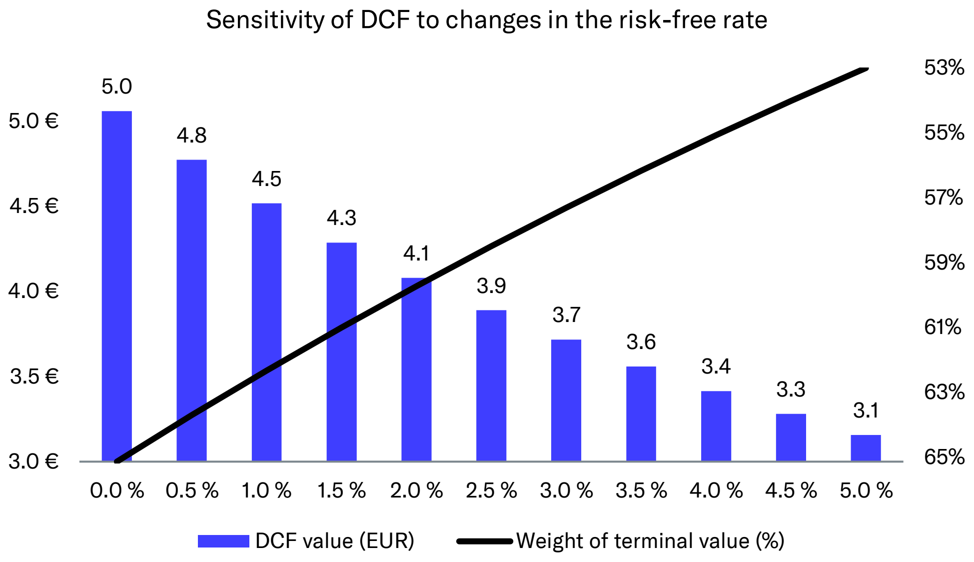
WACC	
Tax-% (WACC)	20.0 %
Target debt ratio (D/(D+E)	10.0 %
Cost of debt	6.0 %
Equity Beta	1.50
Market risk premium	4.75%
Liquidity premium	2.00%
Risk free interest rate	2.5 %
Cost of equity	11.6 %
Weighted average cost of capital (WACC)	10.9 %

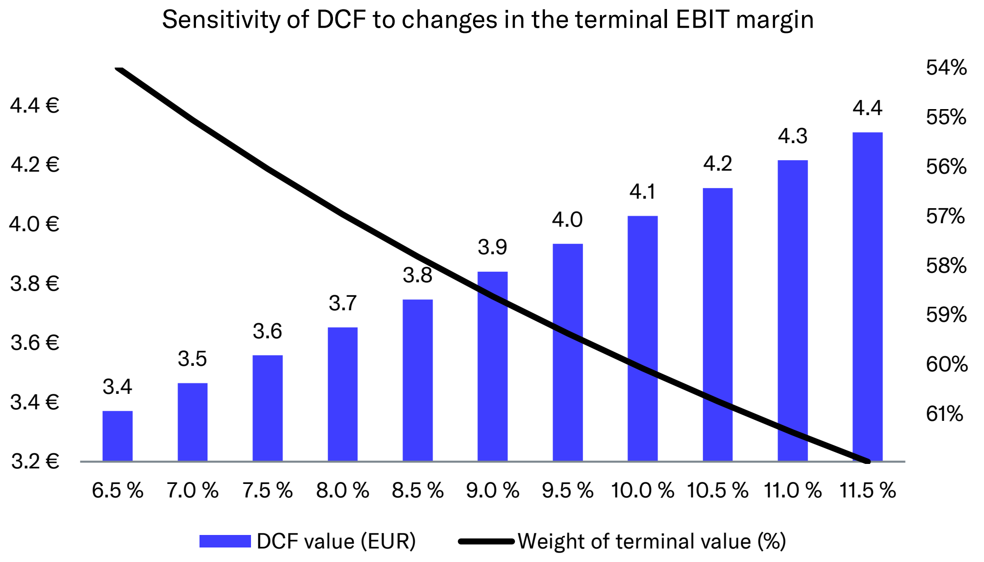
Source: Inderes

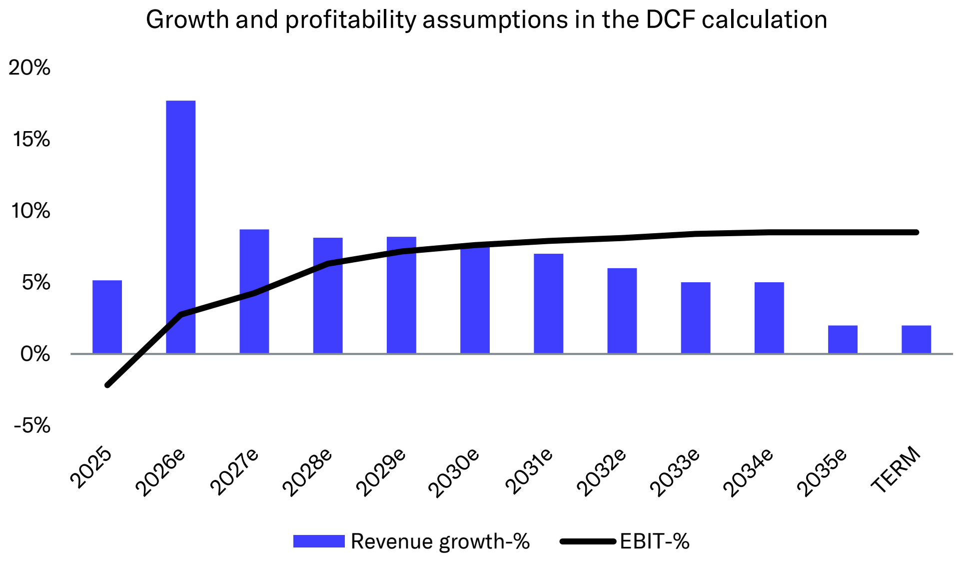


DCF sensitivity calculations and key assumptions in graphs









Source: Inderes. Note that the weight of the terminal value (%) is shown on an inverse scale for clarity.

Summary

Income statement	2023	2024	2025	2026e	2027e
Revenue	24.9	27.3	28.7	33.7	36.7
EBITDA	-0.6	0.6	0.1	2.7	3.6
EBIT	-0.8	0.3	-0.6	0.9	1.6
PTP	-0.7	0.6	-0.7	0.9	1.4
Net Income	-0.7	0.6	-0.9	0.9	1.4
Extraordinary items	-0.8	-0.5	-1.6	-1.4	-1.4

Balance sheet	2023	2024	2025	2026e	2027e
Balance sheet total	23.4	24.3	40.1	34.5	34.8
Equity capital	14.7	14.9	14.1	14.4	15.1
Goodwill	0.0	0.0	0.0	0.0	0.0
Net debt	-12.2	-12.2	1.2	0.6	-1.6

Cash flow	2023	2024	2025	2026e	2027e
EBITDA	-0.6	0.6	0.1	2.7	3.6
Change in working capital	-2.1	0.0	0.8	-0.5	0.0
Operating cash flow	-2.7	0.7	0.7	2.3	3.6
CAPEX	-0.8	-0.6	-14.1	-1.0	-0.6
Free cash flow	-3.5	0.1	-13.4	1.3	3.0

Valuation multiples	2023	2024	2025	2026e	2027e
EV/S	0.9	1.2	1.1	0.9	0.8
EV/EBITDA	neg.	51.9	>100	11.3	8.2
EV/EBIT (adj.)	neg.	42.2	34.3	13.3	9.9
P/E (adj.)	>100	43.2	43.6	13.0	11.0
P/B	2.3	3.1	2.2	2.1	2.0
Dividend-%	0.0 %	2.2 %	3.4 %	3.5 %	4.2 %

Source: Inderes

Per share data	2023	2024	2025	2026e	2027e
EPS (reported)	-0.06	0.05	-0.07	0.08	0.12
EPS (adj.)	0.01	0.09	0.06	0.20	0.24
OCF / share	-0.24	0.06	0.06	0.19	0.30
OFCF / share	-0.31	0.01	-1.15	0.11	0.25
Book value / share	1.31	1.32	1.21	1.22	1.27
Dividend / share	0.00	0.09	0.09	0.09	0.11

Growth and profitability	2023	2024	2025	2026e	2027e
Revenue growth-%	-2%	9%	5%	18%	9%
EBITDA growth-%	-62%	-198%	-91%	4716%	29%
EBIT (adj.) growth-%	-97%	-2063%	19%	150%	26%
EPS (adj.) growth-%	-105%	1057%	-35%	227%	18%
EBITDA-%	-2.6 %	2.3 %	0.2 %	8.1 %	9.7 %
EBIT (adj.)-%	-0.2 %	2.9 %	3.3 %	7.0 %	8.1 %
EBIT-%	-3.4 %	1.0 %	-2.2 %	2.8 %	4.3 %
ROE-%	-4.6 %	4.0 %	-5.9 %	6.5 %	9.5 %
ROI-%	-5.0 %	3.3 %	-2.0 %	4.2 %	7.2 %
Equity ratio	70.8 %	61.0 %	35.2 %	41.7 %	43.4 %
Gearing	-83.1 %	-82.2 %	8.4 %	3.9 %	-10.4 %

The market cap and enterprise value in the table consider the expected change in the number of shares and net debt for the forecast years. Per-share figures are calculated using the number of shares at year-end.

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Inderes' recommendation policy is based on the following distribution relative to the 12-month risk-adjusted expected total shareholder return.

Buy	The 12-month risk-adjusted expected shareholder return of the share is very attractive
Accumulate	The 12-month risk-adjusted expected shareholder return of the share is attractive
Reduce	The 12-month risk-adjusted expected shareholder return of the share is weak
Sell	The 12-month risk-adjusted expected shareholder return of the share is very weak

The assessment of the 12-month risk-adjusted expected total shareholder return based on the above-mentioned definitions is company-specific and subjective. Consequently, similar 12-month expected total shareholder returns between different shares may result in different recommendations, and the recommendations and 12-month expected total shareholder returns between different shares should not be compared with each other. The counterpart of the expected total shareholder return is Inderes' view of the risk taken by the investor, which varies considerably between companies and scenarios. Thus, a high expected total shareholder return does not necessarily lead to positive performance when the risks are exceptionally high and, correspondingly, a low expected total shareholder return does not necessarily lead to a negative recommendation if Inderes considers the risks to be moderate.

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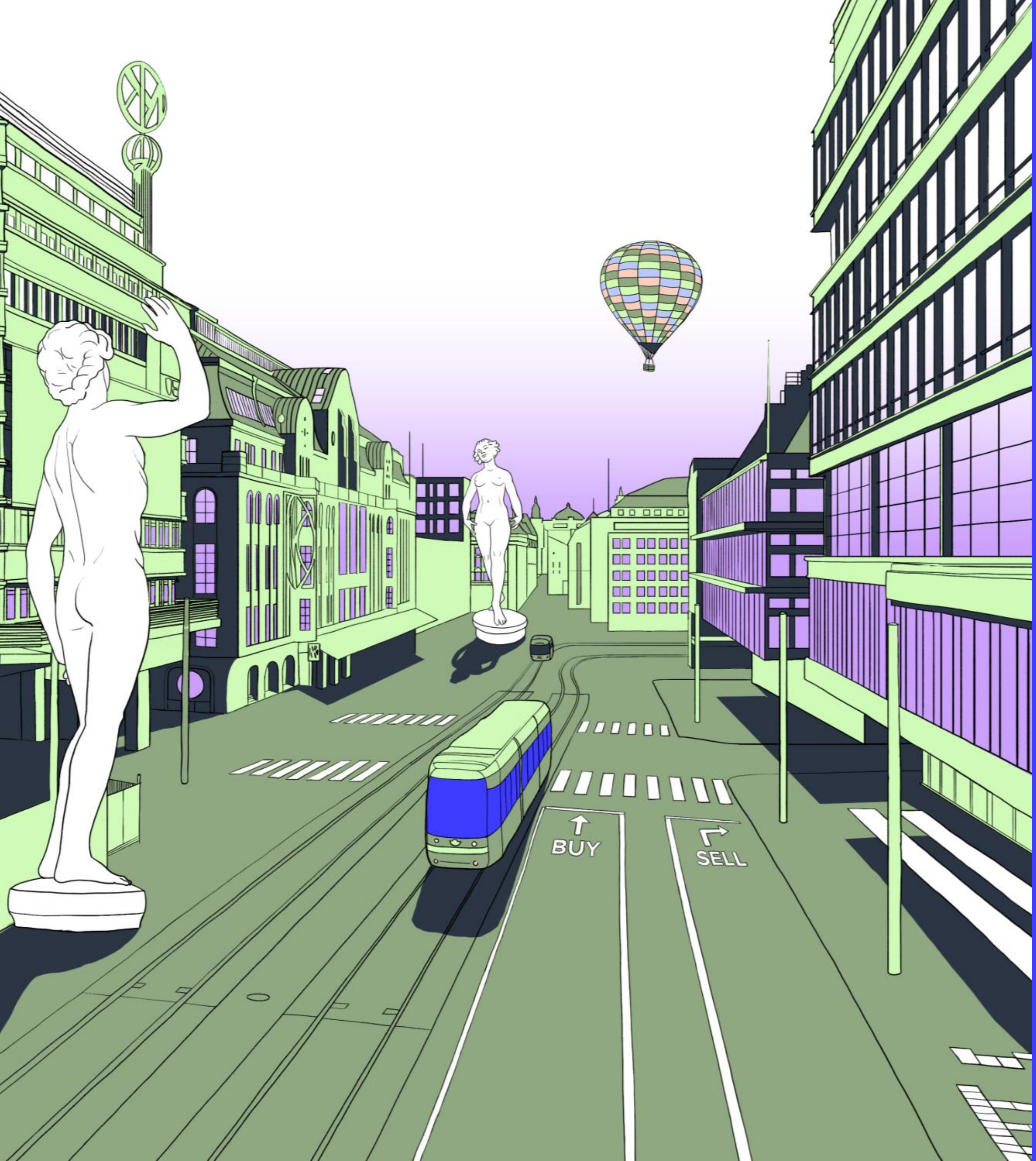
Inderes has made an agreement with the issuer and target of this report, which entails compiling a research report.

Recommendation history (>12 mo)

Date	Recommendation	Target	Share price
5/14/2022	Accumulate	4.50 €	3.85 €
8/19/2022	Accumulate	4.50 €	4.03 €
11/4/2022	Buy	4.50 €	2.95 €
3/1/2023	Buy	5.50 €	4.26 €
8/18/2023	Accumulate	5.50 €	4.75 €
8/24/2023	Accumulate	5.00 €	4.35 €
11/27/2023	Accumulate	3.80 €	3.20 €
2/29/2024	Reduce	3.40 €	3.16 €
4/11/2024	Accumulate	3.40 €	2.85 €
5/6/2024	Accumulate	4.00 €	3.45 €
8/26/2024	Accumulate	4.70 €	4.16 €
11/4/2024	Accumulate	4.70 €	3.98 €
2/6/2025	Accumulate	4.70 €	4.02 €
2/20/2025	Accumulate	4.70 €	4.14 €
4/28/2025	Accumulate	4.10 €	3.44 €
7/20/2025	Accumulate	4.30 €	3.52 €
10/24/2025	Accumulate	3.70 €	3.19 €
12/17/2025	Accumulate	3.20 €	2.54 €
2/19/2026	Accumulate	3.20 €	2.59 €



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